

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Action required

If you are in any doubt as to what action to take, you should consult your CSDP, broker, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all your shares in Assore, please forward this circular to the purchaser of such shares or the banker, broker or other agent through whom the disposal was effected.

Full details of the actions required by Assore shareholders regarding the general meeting are set out on page 2 of this document.

The definitions and interpretation provisions on pages 4 to 7 of this document apply to this page.



ASSORE LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1950/037394/06)

JSE share code: ASR

ISIN: ZAE000017117

CIRCULAR TO ASSORE SHAREHOLDERS

regarding:

- the amendment of certain agreements to which Assore is a party;
- the release of certain funds ceded and pledged by Assore in favour of SecurityCo in terms of the Security Agreements;
- the consensual cancellation of the Security Agreements; and
- the amendment of Assore's Articles in respect of the rights and privileges attaching to the Preference Shares,

and incorporating:

- a notice of a general meeting; and
- a form of proxy in respect of the general meeting (*blue*) (for use by certificated shareholders and dematerialised shareholders with "own-name" registration only).

All of the directors whose names are set out on page 8, collectively and individually, accept full responsibility for the accuracy of the information given in this document and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this document contains all information required by the Listings Requirements.

The Corporate Finance Division of Standard Bank and KPMG, both of which are regulated in terms of the Listings Requirements, are acting for Assore and no other parties in relation to the preparation of this circular and will not be responsible to anyone other than Assore in relation to the preparation of this circular.

Investment bank and sponsor



Attorneys to Assore



Independent transaction sponsor



Date of issue: 3 February 2009

This document is available in English only. Copies may be obtained from the registered office of Assore, the sponsor and the transfer secretaries, whose addresses are set out in the "Corporate Information" section of this document.

CORPORATE INFORMATION, ADVISERS, SPONSORS AND TRANSFER SECRETARIES

Company secretary and registered office

African Mining and Trust Company Limited
(Registration number 1931/003633/06)
Assore House
15 Fricker Road
Illovo Boulevard
Johannesburg
2196
(Private Bag X03, Northlands, 2116)

Investment bank, sponsor and lead funder to Assore

The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
3 Simmonds Street
Johannesburg
2001
(PO Box 61344, Marshalltown, 2107)

Independent transaction sponsor to Assore

KPMG Services (Proprietary) Limited
(Registration number 1999/012876/07)
KPMG Crescent
85 Empire Road
Parktown
2193
(Private Bag 9, Parkview, 2122)

Date of incorporation of Assore

19 June 1950

Place of incorporation of Assore

South Africa

Transfer secretaries to Assore

Computershare Investor Services
(Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)

Attorneys to Assore

Webber Wentzel
10 Fricker Road
Illovo Boulevard
Johannesburg
2196
(PO Box 61771, Marshalltown, 2107)

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretation provisions on pages 4 to 7 of this document apply *mutatis mutandis* to this section on the actions required by shareholders.

1. GENERAL MEETING

A general meeting of Assore shareholders will be held at 10:00 on Thursday, 26 February 2009, at the registered office of Assore, being Assore House, 15 Fricker Road, Illovo Boulevard, Johannesburg, to consider and, if deemed fit, approve the resolutions set out on pages 33 and 34 of this circular, which are required to be passed in order to implement the provisions of the Second Variation Agreement and the Article Amendments. A notice convening the general meeting is attached to and forms part of this circular.

Please take careful note of the following provisions regarding the action required by Assore shareholders in respect of the general meeting. If you are in any doubt as to what action to take, please contact your CSDP, broker, banker, attorney, accountant or other professional adviser immediately.

1.1 If you have dematerialised your Assore shares other than with “own-name” registration

1.1.1 Voting at the general meeting

Your CSDP or broker should contact you to ascertain how you wish to cast your vote at the general meeting, and will thereafter cast such vote on your behalf in accordance with your instructions.

If you have not been contacted by your CSDP or broker, it would be advisable for you to contact your CSDP or broker and furnish it with your voting instructions.

If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.

You must not complete the attached form of proxy for the general meeting (*blue*).

1.1.2 Attendance and representation at the general meeting

In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or broker if you wish to attend the general meeting, and your CSDP or broker will issue the necessary letter of representation to you in order to attend the general meeting.

1.2 If you have not dematerialised your Assore shares or if you have dematerialised your Assore shares with “own-name” registration

1.2.1 Voting and attendance at the general meeting

You may attend the general meeting in person and may vote at the general meeting.

Alternatively, you may appoint a proxy to represent you at the general meeting by completing the attached form of proxy for the general meeting (*blue*) in accordance with the instructions it contains and return such form of proxy to Assore’s transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 10:00 on Tuesday, 24 February 2009.

2. If you wish to dematerialise your Assore shares, please contact your CSDP or broker.

3. If you have disposed of all of your Assore shares, this circular should be forwarded to the purchaser of such shares or the broker, banker or other agent who disposed of your shares on your behalf.

IMPORTANT DATES AND TIMES

The definitions and interpretation provisions on pages 4 to 7 of this document apply *mutatis mutandis* to this section on important dates and times.

2009

Last day for receipt of forms of proxy for the general meeting by 10:00 on	Tuesday, 24 February
General meeting of Assore shareholders to be held at 10:00 at Assore House, 15 Fricker Road, Illovo Boulevard, Johannesburg on	Thursday, 26 February
Announcement of results of the general meeting on SENS on	Thursday, 26 February
Announcement of results of the general meeting published in the press on	Friday, 27 February
Special resolutions lodged with the Registrar of Companies on or about	Friday, 27 February
Anticipated implementation of the Second Variation Agreement and Article Amendments on or about	Monday, 2 March

Notes:

1. The abovementioned times and dates are South African times and dates and are subject to change. Any such change will be released on SENS and published in the press.
2. If the general meeting is adjourned or postponed, forms of proxy must be received by no later than 48 hours prior to the time of the adjourned or postponed general meeting, provided that, for the purpose of calculating the latest time by which forms of proxy must be received, Saturdays, Sundays and South African public holidays will be excluded.

DEFINITIONS AND INTERPRETATION

Unless the context indicates otherwise:

- words in the singular shall include the plural and *vice versa*;
- words denoting one gender include the others;
- words and expressions denoting natural persons include juristic persons and associations of persons; and
- the following words and expressions in the first column have the meanings stated opposite them in the second column, as follows:

“Additional Cession and Pledge Letter”	the letter addressed by Assore to Stanlib Limited, dated 2 October 2008, in terms of which Assore ceded and pledged, <i>in securitatem debiti</i> , all its right, title and interest in and to an additional 200 000 001 units in Standard Bank Institutional Money Market Fund B4, held by Assore through Stanlib Limited, in favour of SecurityCo as additional security in accordance with the provisions of the SecurityCo Cession and Pledge Agreement;
“ARM”	African Rainbow Minerals Limited (registration number 1933/004580/06), a public company incorporated in South Africa;
“Article Amendments”	the amendment of Assore’s Articles by the adoption of Annexure 1 to this circular (containing the Revised Rights and Privileges attaching to the Preference Shares) as a new Annex 1 to Assore’s Articles in replacement of the existing Annex 1 thereto;
“Assmang”	Assmang Limited (registration number 1935/007343/06), a public company incorporated in South Africa, which company is jointly controlled by Assore and ARM;
“Assore”	Assore Limited (registration number 1950/037394/06), a public company incorporated in South Africa;
“Assore’s Articles”	Assore’s Articles of Association;
“Assore Board”	the board of directors of Assore;
“Assore Group”	Assore and its subsidiaries, including Assmang, a public company incorporated in South Africa, which company is jointly controlled by Assore and ARM;
“Assore shares”	ordinary shares of 2.5 cents (two and a half cents) each in the issued share capital of Assore;
“Assore SubCo”	Main Street 460 (Proprietary) Limited (registration number 2006/021404/07), a private company incorporated in South Africa, being a wholly-owned subsidiary of Assore;
“certificated shares”	shares that have not been dematerialised, title to which is represented by a share certificate or other physical document of title;
“certificated shareholders”	Assore shareholders holding certificated shares;
“Companies Act”	the Companies Act, 1973 (Act 61 of 1973), as amended;
“CSDP”	Central Securities Depository Participant, accepted as a participant in terms of the Securities Services Act;
“current redemption schedule”	the existing redemption schedule applicable to the Preference Shares as set out in the Subscription Agreement and as recorded in the Rights and Privileges;
“dematerialised shareholders”	Assore shareholders holding dematerialised shares;

“dematerialised shares”	shares that have been dematerialised in accordance with the rules of Strate, whereby physical share certificates or other documents of title have been validated and cancelled by the transfer secretaries and captured onto the Strate system by the selected CSDP or broker and the shareholding is recorded electronically;
“this document” or “this circular”	this bound document dated 3 February 2009, including, <i>inter alia</i> , the annexures, the notice of general meeting and the form of proxy (<i>blue</i>) attached thereto;
“documents of title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to Assore shares acceptable to the directors of Assore;
“First Variation Agreement”	the agreement entered into between Assore, Standard Bank, Assore SubCo and SecurityCo on or about 7 August 2008, in terms of which certain of the provisions of the Subscription Agreement and the Indemnity Agreement were varied and the SecurityCo Cession and Pledge agreement was consensually cancelled and replaced by another cession and pledge agreement on the terms and conditions of a specimen annexed as Appendix 4 to the First Variation Agreement;
“general meeting”	the general meeting of Assore shareholders to be held at 10:00 on Thursday, 26 February 2009, at the registered office of Assore, being Assore House, 15 Fricker Road, Illovo Boulevard, Johannesburg;
“Indemnity Agreement”	the written agreement entered into between Assore and SecurityCo on 20 June 2008 (as amended in accordance with the provisions of the First Variation Agreement), in terms of which Assore indemnifies SecurityCo and holds SecurityCo harmless against any loss, damage, cost or expense which SecurityCo may suffer on account of any claims made and/or rights enforced by Standard Bank against SecurityCo in terms of the Put Option Agreement and/or the SecurityCo Guarantee;
“issued share capital”	the issued ordinary share capital of Assore, which amounts to 27 571 653 Assore shares as at the last practicable date;
“JSE”	JSE Limited (registration number 2005/022939/06), a public company incorporated in South Africa, licensed as an exchange under the Securities Services Act;
“last practicable date”	Monday, 5 January 2009, being the last practicable date prior to the finalisation of this document;
“own-name”	Assore shareholders who hold shares that have been dematerialised and are registered by the CSDP on the sub-register kept by the CSDP in the name of such Assore shareholders;
“Preference Shares”	the variable rate, cumulative, redeemable preference shares in the share capital of Assore allotted and issued to Standard Bank in terms of the Subscription Agreement in order to partially fund the specific purchase referred to in section 1 below;
“Put Option Agreement”	the written agreement entered into between SecurityCo and Standard Bank on 20 June 2008, in terms of which SecurityCo grants to Standard Bank the conditional right, upon the occurrence of certain prescribed events, to sell to SecurityCo (which is then obliged to purchase) all or a number of the Preference Shares held by Standard Bank on the date of exercise of such right by Standard Bank;
“register”	Assore’s register of members;
“revised redemption schedule”	the revised redemption schedule applicable to the Preference Shares, which incorporates the amendments contemplated in the Second Variation Agreement, and which shall be incorporated into the Revised Rights and Privileges;

“Revised Rights and Privileges”	the rights and privileges attaching to the Preference Shares incorporating the revised redemption schedule as contemplated under the Second Variation Agreement, as set out in Annexure 1 to this circular and which is to be adopted as a new Annex 1 to Assore’s Articles;
“Rights and Privileges”	the rights and privileges attaching to the Preference Shares, as set out in the Subscription Agreement and as recorded in Annex 1 to Assore’s Articles;
“Second Variation Agreement”	the agreement entered into between Assore, Standard Bank and SecurityCo on or about Friday, 30 January 2009, in terms of which the parties to that agreement agreed subject to certain terms and conditions, <i>inter alia</i> , to (i) release the Security, (ii) simultaneously with such release, consensually cancel the Security Agreements, (iii) revise the current redemption schedule in accordance with the revised redemption schedule and (iv) effect certain consequential amendments to the provisions of the Subscription Agreement, the SecurityCo Guarantee, the Put Option Agreement and the Indemnity Agreement;
“Security”	the security forming the subject matter of the Security Agreements (comprising, as at the date of this circular, 500 000 001 units in Standard Bank Institutional Money Market Fund B4, held by Assore through Stanlib Limited);
“Security Agreements”	collectively, the SecurityCo Cession and Pledge Agreement, the Supplementary Cession and Pledge Agreement and the Additional Cession and Pledge Letter;
“Securities Services Act”	the Securities Services Act, 2004 (Act 36 of 2004), as amended;
“SecurityCo”	Atrax Investments No. 2 (Proprietary) Limited (registration number 2008/013039/07), a private company incorporated in South Africa, all of the shares of which are owned by the SB Security SPV Owner Trust Number One (IT 1129/2008);
“SecurityCo Cession and Pledge Agreement”	the written agreement entered into between Assore and SecurityCo on or about 6 August 2008, in terms of which Assore ceded and pledged, <i>in securitatem debiti</i> , in favour of SecurityCo, a share portfolio comprising certain listed securities and 200 000 000 units in Standard Bank Institutional Money Market Fund B4, held by Assore through Stanlib Limited as security in respect of Assore’s obligations to SecurityCo under the Indemnity Agreement, which value, being calculated with reference to 75% of the market value of the listed securities and 100% of the units held in the Standard Bank Institutional Money Market Fund B4, was to be a minimum of R500 000 000.00;
“SecurityCo Guarantee”	the written agreement entered into between SecurityCo and Standard Bank on 20 June 2008, in terms of which SecurityCo guarantees payment by Assore to Standard Bank of certain amounts of money that may become owing by Assore from time to time pursuant to the Subscription Agreement;
“SENS”	the Securities Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“Standard Bank” or “SBSA”	The Standard Bank of South Africa Limited (registration number 1962/000738/06), a public company incorporated in South Africa, acting through its Corporate and Investment Banking Division;
“Strate”	Strate Limited (registration number 1998/022242/06), a public company incorporated in South Africa which is a registered Central Securities Depository responsible for the electronic custody and settlement system used by the JSE;

"Subscription Agreement"	the written agreement entered into between Assore, Standard Bank and SecurityCo on 20 June 2008 (as subsequently amended in accordance with the provisions of the First Variation Agreement), in terms of which Standard Bank subscribed for, and Assore allotted and issued, the Preference Shares for an aggregate subscription price (including share premium) of R2.2 billion;
"Supplementary Cession and Pledge Agreement"	the written agreement entered into between Assore and SecurityCo on 15 September 2008, in terms of which Assore ceded and pledged, <i>in securitatem debiti</i> , all its right, title and interest to an additional 100 000 000 units in Standard Bank Institutional Money Market Fund B4, held by Assore through Stanlib Limited, in favour of SecurityCo as additional security under the SecurityCo Cession and Pledge Agreement;
"transfer secretaries"	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a private company incorporated in South Africa; and
"Voluntary Redemption"	the proposed redemption by Assore, at Assore's election, of such number of Preference Shares as have an aggregate Redemption Price (as such term is defined in the Subscription Agreement) of R750 million.



ASSORE LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1950/037394/06)

JSE share code: ASR ISIN: ZAE000017117

CIRCULAR TO ASSORE SHAREHOLDERS

Directors

Executive

Desmond Giulio Sacco (*Chairman*)

Robert John Carpenter (*Deputy Chairman*)

Christopher John Cory (*Chief Executive Officer*)

Phillip Christiaan Crous (*Group Technical Director*)

Non-executive

Brian Michael Hawksworth*

Matamela Cyril Ramaphosa

Edward Montagu Southey*

Dr Johannes Cornelius van der Horst*

Alternate

John Walton Lewist†

Nick Giulio Sacco

Patrick Eugenio Sacco

Rowan Murray Smith

* Independent

† British

This section contains important information which should be read in its entirety for a full appreciation thereof. The definitions and interpretation provisions on pages 4 to 7 of this document apply *mutatis mutandis* to this section of the circular.

1. INTRODUCTION

On or about 15 September 2008, Assore implemented a specific purchase of Assore shares, in terms of which:

- Assore repurchased 280 000 Assore shares, or approximately 1.00% of Assore's issued share capital at the time, from Standard Bank in accordance with the provisions of section 85 of the Companies Act; and
- Assore SubCo purchased 2 651 653 Assore shares, or approximately 9.47% of Assore's issued share capital at the time, from Standard Bank in accordance with the provisions of section 89 of the Companies Act.

The abovementioned specific purchase, details of which were communicated to shareholders in a circular dated 12 August 2008, was funded, in part, through the issue of the Preference Shares to Standard Bank in accordance with the provisions of the Subscription Agreement, for an aggregate subscription price (including share premium) of R2.2 billion.

In order to provide Standard Bank with sufficient security in respect of Assore's obligations under the Subscription Agreement (as regards, *inter alia*, the payment of dividends in respect of the Preference Shares and the redemption thereof), SecurityCo and Standard Bank entered into the SecurityCo Guarantee and the Put Option Agreement, in terms of which SecurityCo granted certain rights in favour of Standard Bank on the terms and conditions set out in such agreements.

Assore, in turn, entered into the Indemnity Agreement with SecurityCo, in terms of which Assore indemnifies SecurityCo in respect of all payments that SecurityCo may be called upon to make in favour of Standard Bank under the SecurityCo Guarantee and the Put Option Agreement. As security for its obligations to SecurityCo under the Indemnity Agreement, Assore entered into the SecurityCo Cession and Pledge Agreement, in terms of which Assore initially ceded and pledged, *in securitatem debiti*, all of its rights, title and interest in and to a share portfolio comprising certain listed securities and 200 000 000 unit trust units, as a continuing general covering or collateral security. In terms of the Supplementary Cession and Pledge Agreement and the Additional Cession and Pledge Letter, Assore increased the number of unit trust units subject to the aforementioned cession and pledge to 500 000 001. As the value of the unit trust units pledged and ceded in favour of SecurityCo was in excess of R500 000 000.00, such unit trust units by themselves satisfied the minimum security required under the SecurityCo Cession and Pledge Agreement, and the aforementioned share portfolio was accordingly released by SecurityCo from the cession and pledge in accordance with the provisions of the SecurityCo Cession and Pledge Agreement.

2. VOLUNTARY REDEMPTION

In terms of the Subscription Agreement and the Rights and Privileges, Assore may, in its sole discretion and on written notice to Standard Bank, redeem such number of Preference Shares as Assore may elect, in accordance with the provisions of the Subscription Agreement.

Assore now wishes to effect the Voluntary Redemption in order to redeem Preference Shares which have, in aggregate, a total Redemption Price (as such term is defined in the Subscription Agreement) of R750 million, and Assore has notified Standard Bank accordingly of such intention. The Voluntary Redemption will be paid out of Assore's existing cash reserves.

Assore has further requested that, pursuant to the Voluntary Redemption being implemented in full in accordance with the provisions of the Subscription Agreement, Standard Bank and SecurityCo agree to release all of the Security from the operation of the Security Agreements, and that simultaneously with such release, the Security Agreements be consensually cancelled in their entirety by the signatories thereto.

Standard Bank and SecurityCo have agreed to Assore's request, subject to certain terms and conditions being met. Accordingly, Standard Bank has requested that, pursuant to the release of the Security, certain changes be made to the current redemption schedule applicable to the Preference Shares, as recorded in the Subscription Agreement and the Rights and Privileges.

As the current redemption schedule has been incorporated into Assore's Articles as part of the Rights and Privileges, such Rights and Privileges are required to be amended in order to reflect the revised redemption schedule. As the Rights and Privileges are attached to Assore's Articles as Annex 1 thereto, such Annex 1 shall be amended by the substitution thereof, in its entirety, with a new Annex 1 which reflects the Revised Rights and Privileges. The Revised Rights and Privileges are attached to this circular as Annexure 1, the relevant changes having been duly identified for the purposes of clarity.

Assore, Standard Bank and SecurityCo have accordingly entered into the Second Variation Agreement in order to regulate the terms and conditions upon which:

- the release of the Security will be implemented;
- simultaneously with such release, the Security Agreements will be consensually cancelled by the signatories thereto;
- the current redemption schedule will be revised in accordance with the revised redemption schedule; and
- consequential amendments will be made to the Subscription Agreement, the SecurityCo Guarantee, the Put Option Agreement and the Indemnity Agreement in order to remove references to the Security Agreements and the Security.

3. RATIONALE

The rationale for entering into the Second Variation Agreement is that Assore wishes to voluntarily reduce the outstanding balance owed to Standard Bank in respect of the Preference Shares and at the same time secure the cancellation of the Security Agreements resulting in the release of the Security.

4. PROPOSED AMENDMENTS TO ASSORE'S ARTICLES

The proposed changes to the current redemption schedule applicable to the Preference Shares comprise the following:

- the Preference Shares shall no longer be compulsorily redeemable after the fourth anniversary of the original date of issue thereof, but shall instead be compulsorily redeemable on the first business day subsequent to the third anniversary of the Effective Date (as such term is defined in the Second Variation Agreement) in respect of all the Preference Shares remaining in issue on such date (which date will, for the avoidance of doubt, nonetheless occur subsequent to the third anniversary of the original date of issue of the Preference Shares);
- during the period between 28 February 2010 and 27 February 2011 (both days included), Assore shall be required to have a Permitted Investment Quantum (as such term is defined in the Subscription Agreement) of not less than R500 million. Failure to maintain such Permitted Investment Quantum during such period will constitute a Trigger Event (as such term is defined in the Subscription Agreement), provided that no Trigger Event shall occur if such minimum balance is not maintained but the difference between the minimum balance and the actual Permitted Investment Quantum has been used by Assore to voluntarily redeem Preference Shares; and
- during the period between 28 February 2011 and the Final Redemption Date (as such term is defined in the Subscription Agreement) (both days included), the aforementioned Permitted Investment Quantum is required to be increased to R1 billion, subject to a similar proviso as set out in the bullet above.

It is further proposed that the Rights and Privileges be amended by the inclusion of Article 33 of Annex 1. This article provides that Assore may not create or issue any further securities ranking in priority to, or *pari passu* with, existing preference shares of any class in the share capital of Assore without the consent in writing of the holders of 75% of the existing preference shares of such class, or the sanction of a resolution of the holders of such class of preference shares, passed at a separate general meeting of such holders, at which the requisite majority of preference shareholders have passed the relevant resolution.

The adoption of this article is required in terms of Schedule 10.1 of the Listings Requirements of the JSE.

5. PRO FORMA FINANCIAL EFFECTS

The *pro forma* financial effects of the Voluntary Redemption are immaterial.

6. SHARE CAPITAL OF ASSORE

As at the last practicable date, the authorised and issued share capital account of Assore is as set out below.

	R'000
Authorised share capital	
40 000 000 ordinary shares of 2.5 cents each	1 000
220 preference shares of 1 cent each	–
Issued share capital	
27 571 653 ordinary shares of 2.5 cents each	696
220 preference shares of 1 cent each	–
Treasury share capital	
2 723 653 treasury shares held by Assore SubCo	(68)
913 710 treasury shares held by Main Street 350 (Proprietary) Limited	(23)
Share premium account	2 230 358

7. INFORMATION RELATING TO DIRECTORS

7.1 Interests of directors

On the last practicable date, the directors of Assore held 7 841 398 Assore shares beneficially, directly or indirectly in the issued share capital of Assore. Details of their individual shareholdings are set out in the table below:

	Number of shares Beneficial		Total	Percentage of total shares in issue
	Direct	Indirect		
D G Sacco	73 500	6 553 598	6 627 098	24.04%
R J Carpenter	22 400	–	22 400	0.08%
C J Cory	10 000	–	10 000	0.04%
P C Crous	3 000	–	3 000	0.01%
Non-executive				
B M Hawksworth	1 000	–	1 000	–
M C Ramaphosa	–	1 106 000	1 106 000	4.01%
E M Southey	–	–	–	–
Dr J C van der Horst	–	–	–	–
Alternate				
J W Lewis	2 500	–	2 500	0.01%
N G Sacco	34 050	–	34 050	0.12%
P E Sacco	35 050	300	35 350	0.13%
R M Smith	–	–	–	–
	181 500	7 659 898	7 841 398	28.44%

No directors of Assore have acquired any Assore shares beneficially, directly or indirectly since the last practicable date.

7.2 Directors' interests in transactions

None of the directors of Assore has or had any material beneficial interest in transactions effected by Assore during the current or 2008 financial year or any earlier year in respect of outstanding or unperformed transactions.

8. MAJOR SHAREHOLDERS

The names of persons who are reflected in the register as holding an interest of 5% or more in the issued Assore shares as at the last practicable date, are set out below.

	Number of shares	Percentage holding
Oresteel Investments (Proprietary) Limited	14 638 000	53.09%
Shanduka Resources (Proprietary) Limited	3 292 890	11.94%
Assore SubCo	2 723 653	9.88%
Others (<5%)	6 989 110	25.35%
Total	27 571 653	100.0%

9. OPINIONS AND RECOMMENDATIONS

The Assore Board is of the opinion that the entering into by Assore of the Second Variation Agreement and the implementation thereof (including the release of the Security, the cancellation of the Security Agreements and the Article Amendments) are in the best interest of Assore shareholders, and unanimously grants its support thereto. Accordingly, the Assore Board recommends that Assore shareholders vote in favour of all the resolutions to be proposed at the general meeting.

Each of the members of the Assore Board undertakes, in respect of their direct holdings of Assore shares, to vote in favour of all the resolutions to be proposed at the general meeting.

10. LITIGATION STATEMENT

The Assore Group is not, and, in the past 12 months, has not been involved in any litigation or arbitration proceedings, nor is it aware of any proceedings that are pending or threatened, which may have or have had a material effect on the financial position of the Assore Group.

11. MATERIAL CHANGES

Shareholders should refer to the Assore trading update, published on SENS dated 29 January 2009, for information regarding material changes in the financial or trading position of the Assore Group since the year ended 30 June 2008.

12. COSTS OF AMENDING THE ARTICLES

The cash expenses of the amendments to Assore's articles as detailed below, are estimated to be R0.4 million. All the fees payable to the parties below are exclusive of VAT.

Description	R'000
Investment bank and sponsor	100.0
Independent transaction sponsor	25.0
Legal fees	200.0
Printing, publication and distribution costs	45.1
JSE documentation	5.8
Total	375.9

13. EXPERTS' CONSENTS

The investment bank and sponsor, independent sponsor, attorneys and transfer secretaries have consented in writing to act in their stated capacities and to their names being included in this document and have not withdrawn their consent prior to publication of this document.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Assore during normal office hours from Tuesday, 3 February 2009 up to and including Thursday, 26 February 2009:

- this document;
- the Second Variation Agreement (including the Revised Rights and Privileges);
- the Subscription Agreement;
- the Indemnity Agreement;
- the First Variation Agreement;
- Assore's Articles and its memorandum; and
- consent letters of the investment bank and sponsor, independent sponsor, the attorneys to Assore and the transfer secretaries.

For and on behalf of:

THE BOARD OF DIRECTORS OF ASSORE LIMITED

C J Cory

Director

Illovo

3 February 2009

PROPOSED NEW ANNEX 1 TO ASSORE'S ARTICLES CONTAINING THE REVISED RIGHTS AND PRIVILEGES ATTACHING TO THE VARIABLE RATE CUMULATIVE REDEEMABLE PREFERENCE SHARES

ANNEX 1

RIGHTS AND PRIVILEGES ATTACHING TO THE VARIABLE RATE CUMULATIVE REDEEMABLE PREFERENCE SHARES

Note:

ANNEX 1 has been marked up to indicate the insertions and deletions to be made to the Rights and Privileges.

- **Insertions are indicated by a dotted underline, for example: insertion**
- **Deletions are indicated by strikethrough text, for example: deletion**

The following rights and privileges shall apply to the variable rate, cumulative, redeemable preference shares in the capital of the Company:

1. Definitions and interpretation

- 1.1 Unless the context clearly indicates a contrary intention, the words herein below defined shall have the meanings assigned to them and cognate expressions shall bear corresponding meanings:
- 1.1.1 "Accession Undertaking" means in relation to any Subscriber, an undertaking substantially in the form of the specimen annexed as Exhibit 1.1.1.1 to the Subscription Agreement; ~~and~~
- 1.1.1.1 ~~any Security Provider, an undertaking substantially in the form of the specimen annexed as Exhibit 1.1.1.2 to the Subscription Agreement;~~
- 1.1.2 "Act" means the Companies Act, No. 61 of 1973;
- 1.1.3 "acting as an expert and not as an arbitrator" means, in the context of any person or persons ("the Expert") determining any matter or dispute in terms of the Subscription Agreement or any of the Exhibits thereto or this Annex, the Expert doing so on the following basis:
- 1.1.3.1 the Expert shall investigate the matter or dispute in an impartial manner as he, in his sole discretion, considers appropriate;
- 1.1.3.2 the Expert shall call on all Parties who have a direct interest in the dispute or matter in question, to make written representations in regard thereto, and the Expert shall be entitled to consult with all or any of the Parties with a direct interest in the dispute or matter, or with any other person and to take advice from any person;
- 1.1.3.3 the Expert shall also call on all Parties who have a direct interest in the dispute or matter in question, to make oral representations in regard thereto (at each such Party's own election, provided that the Expert shall be obliged to duly consider any such oral representations made); provided that all Parties who have a direct interest in the dispute or matter and any person from whom the Expert has taken advice as contemplated in clause 1.1.3.2, shall be entitled to be present at the time that any such oral representations are made and any such Party shall be entitled to further respond thereto by further oral representations;
- 1.1.3.4 the determination of the Expert shall in the absence of manifest error, be final and binding on the Parties to the dispute or matter in question; and
- 1.1.3.5 the costs and charges of the Expert shall be borne by that Party to the dispute or matter which, in the sole discretion of the Expert, is the appropriate Party to bear such charges, provided that the Expert shall be entitled to direct that the costs and charges be borne by all or certain of the Parties to the dispute or matter, in such ratios as the Expert may determine;

~~“Additional Security” means additional security which the Company may be required to code and pledge in favour of SecurityCo pursuant to the provisions of clause 9.1 of the pledge and cession agreement entered into by the Company in favour of SecurityCo (which agreement constitutes a Security Agreement), *mutatis mutandis*, on the terms and conditions recorded in that agreement, whether in the form of shares in listed companies, cash and/or units which are the same as or similar to the Subject Units, in each instance acceptable to SecurityCo;~~

- 1.1.4 “Adjustment Events” means the events contemplated in clauses 14.1 to 14.7, both clauses included;
- 1.1.5 “Aggregate Redemption Quantum” means on any date, in relation to a specified number of Preference Shares in issue, the aggregate Redemption Price required to be paid by the Company to the Subscribers, if all such Preference Shares were to be redeemed on such date and had the Company been possessed of the necessary profits and/or share premium required to effect payment of such aggregate Redemption Price in full;
- 1.1.6 “Applicable Percentage” means subject to clause 4 of this Annex insofar as it relates to Arrear Dividends, and subject further to clause 8 of this Annex in relation to the additional dividend referred to in such clause, a rate equal to 79% (seventy nine percent) of the Prime Rate;
- 1.1.7 “Arrear Dividends” means such amount of the Preference Dividend and/or the Gross-Up Dividend on a Preference Share, which is not paid on the date on which same is required to be paid in terms of the Subscription Agreement and/or this Annex, such Arrear Dividend to be calculated and be payable in each instance in accordance with the provisions of this Annex;
- 1.1.8 “Articles” means the Articles of Association and Memorandum of Association of the Company;
- 1.1.9 “Assmang” means Assmang Limited, registration number 1935/007343/06, a public company registered and incorporated with limited liability according to the company laws of the Republic of South Africa;
- 1.1.10 “Assore Shares” means ordinary shares in the issued ordinary share capital of the Company with a par value of R0,025 (two point five Cents) each, which are listed on the JSE;
- 1.1.11 “Assore Subco” means Main Street 460 (Proprietary) Limited, registration number 2006/021404/07, a private company registered and incorporated with limited liability according to the company laws of the Republic of South Africa;
- 1.1.12 “Assore Subject Shares” means 2 931 653 (two million nine hundred and thirty one thousand six hundred and fifty three) Assore Shares, which as at the Signature Date are beneficially held by Old Mutual, and which form the subject matter of each of the Transaction Agreements;
- 1.1.13 “BASEL II” means the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing as at the Issue Date (“the Basel Standards”) or any applicable law which implements the Basel Standards in that form, or any interpretation or administration thereof;
- 1.1.14 “Business Day” means any day except a Saturday, Sunday, or an official public holiday in the Republic of South Africa;
- 1.1.15 “the Company” means Assore Limited, registration number 1950/037394/06, a public company registered and incorporated with limited liability according to the company laws of the Republic of South Africa, whose shares are listed on the JSE;
- 1.1.16 “Debt” means, in relation to the Company on a consolidated basis, the aggregate outstanding balance of monies borrowed by the Company (both long and short-term), including but not restricted to:
- 1.1.16.1 any accommodation negotiable instruments drawn, made or accepted by the Company, but only to the extent to which any such facilities are used from time to time;

- 1.1.16.2 any instalment sale agreements entered into by the Company and total finance lease commitments owing by the Company;
- 1.1.16.3 any amount required to be paid to the holder of any redeemable preference shares issued by the Company on the premise that the Company was required to redeem such preference shares, and furthermore on the premise that the Company was possessed of the necessary share premium and distributable reserves to effect payment of such amount to such holder in full, immediately on such redemption;
- 1.1.16.4 any compulsorily convertible debentures issued by the Company;
- 1.1.16.5 any bonds that have been issued by the Company and are outstanding;
- 1.1.16.6 any equity element related to any convertible instrument issued by the Company that may have been separately identified;
- 1.1.16.7 any interest or related costs owing by the Company but not yet paid by the Company in respect of any moneys borrowed by the Company;
- 1.1.16.8 any other debt instruments in issue;
- 1.1.16.9 the Company's contingent liabilities under or in relation to the First Empowerment Transaction; and
- 1.1.16.10 the Company's contingent liabilities under or in relation to the transactions recorded in the Transaction Agreements and the Funding Agreements;
- 1.1.17 "Dividend Date" means in relation to a Preference Share, the 5th day of October and the 5th day of April of each year, the Redemption Date of such Preference Share, and any other date on which a dividend is required to be paid in relation to such Preference Share in terms of the provisions of this Annex, as the case may be;
- 1.1.18 "Dividend Period" means, in respect of each Dividend Date, the period commencing on the first calendar day succeeding the immediately preceding Dividend Date (or commencing on the Issue Date in respect of the first Dividend Period), and terminating on (and including) such Dividend Date;
- 1.1.19 "EBITDA" means, in relation to the Company, its consolidated earnings before interest, tax, depreciation and amortisation. Worked examples incorporating the method utilised in determining EBITDA for the purposes of this Annex, are incorporated in Schedule 2 hereto;
- 1.1.20 "Facility Agent" means the entity or person appointed by the Subscribers in terms of the provisions of clause 13 of the Subscription Agreement to fulfil the role of Facility Agent in terms of that Agreement;
- 1.1.21 "Fair Market Value" means the market value of the relevant assets (including rights) whose value is required to be determined for any purpose under the Subscription Agreement, and agreed to in writing between the Facility Agent and the Company, and failing such agreement within 3 (three) Business Days of either Party requiring the other to agree in writing, determined by the auditors of SBSA, acting as an expert and not as an arbitrator;
- 1.1.22 "Final Redemption Date" means the date on which:
 - 1.1.22.1 all of the Preference Shares in issue have been redeemed by the Company; and
 - 1.1.22.2 pursuant to such redemptions, the Subscribers have received payment in full in relation to all such Preference Shares of the aggregate Redemption Price thereof (including any payment required to be made by the Company in the circumstances contemplated in clauses 14 to 28 of this Annex (both clauses included));
- 1.1.23 "Finance Parties" means the Subscribers, SecurityCo and the Facility Agent;
- 1.1.24 "First Empowerment Transaction" means the transaction entered into between the Company, Shanduka Resources (Proprietary) Limited, Old Mutual, SBSA, Main Street, Main Street 350 (Proprietary) Limited and the trustees for the time being of the Bokamoso Trust on 10 November 2005, pursuant to the implementation of which, the Company achieved participation by historically disadvantaged South Africans ("HDSAs") under the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry in

- terms of ownership by HDSA's, of equity in the Company, of equity in the Company, constituting 15,02% of all the issued ordinary shares in the share capital of the Company;
- 1.1.25 "Funding Agreements" means the Subscription Agreement, the Subscription Notice, the Put Option Agreement, the SecurityCo Guarantee, and the Indemnity Agreement ~~and all the Security Agreements~~;
- 1.1.26 "Gross-Up Dividend" means a dividend required to be declared and paid by the Company in the circumstances contemplated in clause 14(a) of this Annex;
- 1.1.27 "Income Tax Act" means the Income Tax Act No. 58 of 1962;
- 1.1.28 "Indemnity Agreement" means the agreement entered into in writing between SecurityCo and ~~the Company each Security Provider respectively (or acceded to by a Security Provider in terms of an Accession Undertaking signed by such Security Provider)~~, as amended in accordance with the provisions of the Variation Agreement ~~and the Second Variation Agreement~~, in terms of which ~~the Company the relevant Security Provider~~ indemnifies SecurityCo and holds SecurityCo harmless against any loss, damage, cost or expense which SecurityCo may suffer and/or sustain on account of any claim made, or any rights enforced, by a Subscriber against SecurityCo in terms of the Put Option Agreement, the SecurityCo Guarantee, or either of them;
- 1.1.29 "Investment Return" means the net after Tax return and/or, in respect of those Adjustment Events referred to in clause 16 only, the pre-Tax equivalent return, which will as at the Signature Date, be received by a Pref Holder on a Preference Share during the period from (and including) the Issue Date, to (and including) the Redemption Date in the absence of any Adjustment Event, provided that there shall, *inter alia*, be included in such calculation of such net after Tax return in the circumstances contemplated in clause 14.1 any costs incurred by the Pref Holder contemplated in that provision on account of the Pref Holder subscribing for, holding and/or funding the Preference Shares;
- 1.1.30 "Issue Date" means the date on which the Preference Shares are issued in accordance with the provisions of clause 5.1 of the Subscription Agreement;
- 1.1.31 "JSE" means the JSE Limited, registration number 2005/022939/06, a public company registered and incorporated according to the company laws of the Republic of South Africa, licenced as an exchange under the Securities Services Act, No. 36 of 2004;
- 1.1.32 "Material Adverse Change" means a change which has or will have a material adverse effect on:
- 1.1.32.1 the business, operations, financial condition, or prospects, of either Relevant Party and which consequently adversely affects the ability of the Company to perform any of its obligations under any Funding Agreement to which it is party; and/or
- 1.1.32.2 the validity or enforceability of any Funding Agreement; and/or
- 1.1.32.3 the rights or remedies of any Finance Party under any Funding Agreement to which it is a party;
- 1.1.33 "NAV" means on any date, the Company's consolidated ordinary share capital and reserves less any minority shareholders' interests and less any intangible assets, net of the Company's contingent liabilities under or in relation to the First Empowerment Transaction and under or in relation to the transactions forming the subject matter of the Transaction Agreements and the Funding Agreements, as reflected in the most recently publicly announced annual audited financial statements of the Company which have been signed off by the Company's board of directors, or the most recently announced semi annual financial statements of the Company which have been signed off by the Company's board of directors, immediately preceding such date. Worked examples incorporating the method utilised in determining NAV for the purposes of Annex, are reflected in Schedule 2 hereto;
- 1.1.34 "Old Mutual" means Old Mutual Life Assurance Company (South Africa) Limited, registration number 1999/004643/06, a public company registered and incorporated with limited liability according to the company laws of the Republic of South Africa;

- 1.1.35 "Parties" means the signatories to the Subscription Agreement and includes the assignees and successors-in-title of such signatories, permitted in terms of the Subscription Agreement;
- 1.1.36 "Permitted Investments" means any bank account conducted by the Company with any financial institution (which, if not a Subscriber, must be reasonably acceptable to the Facility Agent) and any cash deposits deposited by the Company with a Subscriber or any other such financial institution reasonably acceptable to the Facility Agent, in each instance which are capable of being withdrawn on not more than 32 (thirty two) days prior notice;
- 1.1.37 ~~"Permitted Investments Quantum" means at any time during the period recorded in article 1.1.64.1 or at any time during the period recorded in article 1.1.64.2, as the case may be, the aggregate value of Permitted Investments, at such time; means at any time during the period recorded in clause 1.1.64.1, the aggregate value of Permitted Investments at such time;~~
- 1.1.38 "Pref Holders" means in relation to the Preference Shares, the registered holders of such Preference Shares for the time being, or any of them, as the context may require, the first Pref Holder being SBSA;
- 1.1.39 "Preference Dividend" means a cumulative preferential cash dividend per Preference Share, calculated in respect of each Dividend Date, on a daily basis, on the Subscription Price, at the Applicable Percentage, over the Dividend Period corresponding to such Dividend Date and compounded monthly. Such rate may be subject to variations in accordance with the provisions of this Annex;
- 1.1.40 "Preference Share" means the variable rate, cumulative, redeemable preference shares in the share capital of the Company, which upon their creation shall have the rights, terms and privileges recorded in the Subscription Agreement as read with this Annex and the Articles;
- 1.1.41 "Prime Rate" means the publicly quoted basic rate of interest per annum at which SBSA lends on unsecured overdrafts, compounded monthly in arrears and calculated on a 365 day year factor, irrespective of whether the year is a leap year or not. A certificate purporting to be signed by someone who is identified in the certificate, as a general, branch or other manager of such bank, setting out the Prime Rate from time to time, shall constitute *prima facie* proof of such rate;
- 1.1.42 "Purchase Agreement" means the agreement entered into in writing on or before the Signature Date between SBSA and Old Mutual, which records the terms and conditions on which the Assore Subject Shares are to be purchased by SBSA from Old Mutual, for the purposes contemplated in the Warehousing Agreement;
- 1.1.43 "Put Option Agreement" means the conditional option agreement entered into in writing on or about the Signature Date between SecurityCo, SBSA and the Subscribers (from time to time), which records the terms and conditions on which SecurityCo grants to each Subscriber the conditional right, upon the occurrence of certain prescribed events, to sell to SecurityCo (which is then obliged to purchase) all or a number of the Preference Shares held by such Subscriber on the date of exercise of such right by such Subscriber;
- 1.1.44 "Redemption Date" means each of the following dates:
- 1.1.44.1 ~~the first Business Day subsequent to the third anniversary of the Effective Date (as such term is defined in the Second Variation Agreement) in respect of all the Preference Shares remaining in issue on such date; and the first Dividend Date subsequent to the third anniversary of the Issue Date, in respect of such number of Preference Shares in issue, as after their redemption on such date, will result in Preference Shares remaining in issue, having an Aggregate Redemption Quantum not exceeding R550 000 000 00 (five hundred and fifty million Rand); and~~
- 1.1.44.2 ~~the first Dividend Date subsequent to the fourth anniversary of the Issue Date, in respect of all the Preference Shares remaining in issue; and~~

- 1.1.44.2 any Business Day in the Facility Agent's sole discretion, which the Facility Agent, subsequent to the occurrence of a Trigger Event, on the provision of written notice to the Company recording such Redemption Date, nominates in such written notice as constituting the Redemption Date in respect of all and not less than all, the Preference Shares in issue and provided that such written notice is received by the Company not less than 2 (two) Business Days prior to such Redemption Date; and
- 1.1.44.3 any Business Day, in the Company's sole discretion, which the Company on the provision of written notice to the Facility Agent recording such date, elects to redeem such number of Preference Shares as (subject to clause 1.1.44.3.1), is recorded in such written notice provided that such written notice is received by the Facility Agent not less than 3 (three) Business Days prior to such Redemption Date and provided further that:
- 1.1.44.3.1 Preference Shares may only be redeemed in tranches which have an aggregate Redemption Price of not less than R10 000 000.00 (ten million Rand), unless the relevant redemption is in respect of all the Preference Shares then in issue; and
- 1.1.44.3.2 such date shall constitute the Redemption Date in relation only to that number of Preference Shares as is referred to in such notice; and
- 1.1.44.3.3 the Redemption Date in respect of all other Preference Shares in issue on the date referred to in clause 1.1.45.4 shall remain the date contemplated in clause 1.1.45;
- 1.1.45 "Redemption Price" means the redemption price of a Preference Share, determined in accordance with the provisions of this Annex;
- 1.1.46 "Relevant Parties" means the Company and Assmang;
- 1.1.47 "Rights Termination Date" shall bear the meaning assigned thereto in clause 21 of this Annex;
- 1.1.48 "Sale Agreement" means the agreement entered into in writing on or about the Signature Date between SBSA, the Company and Assore Subco, as amended in accordance with the provisions of the Variation Agreement, which records the terms and conditions on which:
- 1.1.48.1 280 000 (two hundred and eighty thousand) Assore Subject Shares constituting 1% (one percent) of all the issued Assore Shares, are to be sold by SBSA to the Company; and
- 1.1.48.2 2 651 653 (two million six hundred and fifty one thousand six hundred and fifty three) Assore Subject Shares constituting 9.47% (nine point four seven percent) of all the issued Assore Shares, are to be sold by SBSA to Assore Subco;
- 1.1.49 "SBSA" means The Standard Bank of South Africa Limited, registration number 1962/000738/06, a public company registered and incorporated with limited liability according to the company laws of the Republic of South Africa, acting through its Corporate and Investment Banking Division;
- 1.1.50 ~~"Second Variation Agreement" means the second variation agreement entered into between the Company, SBSA and SecurityCo on or about January 2009, in terms of which the parties to that agreement agreed, *inter alia*, to amend certain provisions of the Subscription Agreement, the Indemnity Agreement, the SecurityCo Guarantee and the Put Option Agreement;~~
- 1.1.51 ~~"Secured Obligations" means from time to time the obligations of the Security Providers to SecurityCo under the Indemnity Agreement;~~
- 1.1.52 ~~"Security" means the pledge and cession *in securitatem debiti* by the Company, in favour of SecurityCo, of all the shares forming the subject matter of the Share Portfolio and all of the Subject Units, and the cession by the Company, *in securitatem debiti* of the amounts from time to time standing to the credit of the account conducted by the Company with Stanlib Limited, under the name Assore Flexicash, account number 54900813, Entity 857620, as security for the due and punctual fulfilment and/or payment of the Secured~~

Obligations, and includes any other security provided at any time by any Security Provider (including any Additional Security provided by the Company), in relation to or in respect of the Secured Obligations;

- ~~1.1.53 "Security Agreements" means the agreements evidencing and/or recording the Security;~~
- ~~1.1.54 "Security Providers" means the Company and any other person who at any time agrees to provide Security to SecurityCo in respect of Secured Obligations and who has signed an Accession Undertaking;~~
- 1.1.51 "SecurityCo" means Atrax Investments No. 2 (Proprietary) Limited, registration number 2008/013039/07, a private company registered and incorporated with limited liability according to the company laws of the Republic of South Africa;
- 1.1.52 "SecurityCo Guarantee" means the guarantee agreement entered into in writing on or about the Signature Date between SecurityCo, SBSA and the Subscribers (from time to time), in terms of which SecurityCo:
- 1.1.52.1 guarantees to the Subscribers, payment in full of all dividends, redemption amounts, fees, costs and expenses, required to be paid by the Company to the Subscribers in terms of the Subscription Agreement, in relation to the Preference Shares in issue held by the Subscribers; and
- 1.1.52.2 guarantees to the Subscribers, payment of any amounts owing to the Subscribers as a result of delictual claims made or brought by them against the Company and arising from or in connection with the issue of the Preference Shares, a breach by the Company of any of the warranties or representations in any of the Funding Agreements, or any fraud committed by the Company; and
- 1.1.52.3 indemnifies the Subscribers against certain losses, liabilities or costs, all on the terms and subject to the conditions contained therein;
- ~~1.1.53 "Share Portfolio" means the portfolio of listed securities itemised in Exhibit 1.1.70 to the Subscription Agreement;~~
- 1.1.53 "Signature Date" means the date of signature of the Subscription Agreement, being 20 June 2008;
- ~~1.1.54 "Subject Units" means the 200 000 000 units in Standard Bank Institutional Money Market Fund B4, held by the Company through Stanlib Limited under unit trust account number 551328114, receipt number 30005, under the name "Assore Flexicash", together with all interest, capital and other distributions, howsoever named or described whether in cash or *in specie*, which may be or become due, or claimable, in respect of any such units, and includes any other units constituting Additional Security from time to time, together with all interest, capital and other distributions which may be or become due or claimable in relation to such other units;~~
- 1.1.54 "Subscribers" means in the first instance, SBSA and includes any other person who at any time acquires any Preference Shares in accordance with the provisions of clause 14 of the Subscription Agreement, and who has signed an Accession Undertaking;
- 1.1.55 "Subscription Agreement" means the agreement entered into in writing between SBSA, the Company and SecurityCo on or about June 2008, as amended in accordance with the provisions of the Variation Agreement, which *inter alia* records the terms and conditions on which SBSA in the capacity of Subscriber is to subscribe for, and the Company is to allot and issue, Preference Shares to SBSA;
- 1.1.56 "Subscription Notice" means a notice addressed by the Company to the Facility Agent, requesting the Subscribers, subject to the provisions of the Subscription Agreement to subscribe for the Preference Shares contemplated in clause 5.1 of the Subscription Agreement;
- 1.1.57 "Subscription Price" means the subscription price of a single Preference Share, comprising the sum of the par value thereof, being R0,01 (one Cent) together with a premium thereon of R9 999 999 99 (nine million nine hundred and ninety nine thousand nine hundred and ninety nine Rand and ninety nine Cents) and thus R10 000 000.00 (ten million Rand) in the aggregate;

- 1.1.58 "STC" means Secondary Tax on Companies as contemplated in section 65B of the Income Tax Act;
- 1.1.59 "STC Credits" means the amount which a shareholder is entitled, pursuant to section 64B(3) of the Income Tax Act, or any other provision of similar effect which replaces or amends section 64B(3), to deduct from the amount of dividends declared and/or paid by it in order to determine its liability for STC;
- 1.1.60 "STC Rate" means the rate at which STC is levied, being 10% (ten percent) as of the Signature Date;
- 1.1.61 "Tax" means all present and future income taxes and other taxes howsoever named or described, including normal tax arising from capital gains, levies, assessments, imposts, deductions, charges and withholdings of whatsoever nature, together with interest thereon, penalties and fines with respect thereto and any payments made in respect thereof, and "Tax" and "Taxation" shall be construed accordingly;
- 1.1.62 "Tax Rate" means the rate of normal Taxation for South African companies in terms of the Income Tax Act, being 28% (twenty eight percent) as of the Signature Date;
- 1.1.63 "Transaction Agreements" means:
- 1.1.63.1 the Warehousing Agreement;
 - 1.1.63.2 the Purchase Agreement; and
 - 1.1.63.3 the Sale Agreement;
- 1.1.64 "Trigger Event" means the events recorded hereunder, and a Trigger Event will irrevocably be deemed to have occurred on the happening of any such event:
- 1.1.64.1 ~~if on any date ("the First Relevant Date") during the period between 28 February 2010 and 27 February 2011 (both days included), the Permitted Investment Quantum is less than R500 000 000.00 (five hundred million Rand) ("the First Required Permitted Investment Quantum"), and prior to the First Relevant Date, Preference Shares (specifically excluding Preference Shares having an aggregate Redemption Price of R750 000 000.00 (seven hundred and fifty million Rand) redeemed by the Company at any time between 15 January 2009 and 30 April 2009) having an aggregate Issue Price equal to the difference between the actual Permitted Investment Quantum (as at the First Relevant Date) and the First Required Permitted Investment Quantum, have not been redeemed by the Company and/or the aggregate Redemption Price payable on such redemption has not been paid by the Company to the Facility Agent on behalf of the Subscribers; and/or, if on any date during the period between 30 September 2010 and the Final Redemption Date (both days included), the Permitted Investment Quantum is less than R400 000 000.00 (four hundred million Rand) ("the Required Permitted Investment Quantum"), and prior to such date, Preference Shares having an aggregate Issue Price equal to the difference between the actual Permitted Investment Quantum on such date and the Required Permitted Investment Quantum, have not been redeemed by the Company, utilising the realisation proceeds of Permitted Investments for the purpose of effecting payment to the Subscribers, of the aggregate Redemption Price payable on such redemption; and/or~~
 - 1.1.64.2 ~~if on any date ("the Second Relevant Date") during the period between 28 February 2011 and the Final Redemption Date (both days included), the Permitted Investment Quantum is less than R1 000 000 000.00 (one billion Rand) ("the Second Required Permitted Investment Quantum") and prior to the Second Relevant Date, Preference Shares (specifically excluding Preference Shares having an aggregate Redemption Price of R750 000 000.00 (seven hundred and fifty million Rand) redeemed by the Company at any time between 15 January 2009 and 30 April 2009) having an aggregate Issue Price equal to the difference between the actual Permitted Investment Quantum (as at the Second Relevant Date) and the Second Required Permitted Investment Quantum, have not been redeemed by the Company and/or the aggregate Redemption Price payable on~~

- ~~such redemption has not been paid by the Company to the Facility Agent on behalf of the Subscribers; and/or if on any date during the period between the Issue Date and 30 September 2011 (both days included), the Aggregate Redemption Quantum exceeds R2 350 000 000.00 (two billion three hundred and fifty million Rand); and/or~~
- ~~1.1.64.3 if on any date during the period between 1 October 2011 and 30 September 2012 (both days included), the Aggregate Redemption Quantum exceeds R500 000 000.00 (five hundred and ninety million Rand); and/or~~
- 1.1.64.3 if the Company fails to redeem any Preference Share in issue on the Redemption Date applicable thereto and/or fails to effect payment to the Subscribers of the Redemption Price and all other amounts payable on redemption of such Preference Share, in full, irrespective of the reason for such failure (including by reason of the Company not having the required profits contemplated in section 98 of the Act, and/or the required share premium contemplated in section 76(3)(c) of the Act); and/or
- 1.1.64.4 without derogating from the provisions of clause 1.1.64.3, if the Company fails to pay any amount required to be paid by it to the Subscribers in terms of the Subscription Agreement and/or the Articles, on the relevant date for such payment, irrespective of the reason for such failure; and/or
- 1.1.64.5 if any application is granted for the winding-up, liquidation or judicial management of a Relevant Party, whether provisional or final and whether voluntary or compulsory, other than a voluntary liquidation in the course of the *bona fide* reorganisation or restructuring of such Relevant Party; and/or
- 1.1.64.6 if a Relevant Party makes, or attempts to make, or recommends, any general offer of compromise with its creditors; and/or
- 1.1.64.7 without derogating from the provisions of clause 1.1.64.5, if a Relevant Party gives notice of, or takes steps to convene a meeting of its shareholders to adopt, a resolution placing it in liquidation or under judicial management, whether provisionally or finally and whether voluntarily or compulsorily, other than a voluntary liquidation in the course of the *bona fide* reorganisation or restructuring of such Relevant Party; and/or
- 1.1.64.8 if any of the assets of the Company having an aggregate Fair Market Value of R50 000 000.00 (fifty million Rand) or more are subjected to judicial attachment, and the Company, fails to procure the release of such assets from attachment within 30 (thirty) Business Days of such attachment, except that if the Company, provides evidence on an ongoing basis to the reasonable satisfaction of the Facility Agent that steps have been initiated within 21 (twenty one) Business Days of such attachment to appeal, review or rescind the attachment order and to procure the suspension of the attachment and that such steps are being expeditiously pursued, the period of 30 (thirty) Business Days shall run from the date the attachment order becomes final, or the attempt to procure suspension of the attachment fails; and/or
- 1.1.64.9 if a court judgment or arbitration award in an amount of R50 000 000.00 (fifty million Rand) or more, is given or made against the Company, which is not satisfied within 30 (thirty) Business Days of it coming to the notice of the Company, except that if the Company, provides evidence on an ongoing basis to the reasonable satisfaction of the Facility Agent that steps have been initiated within 21 (twenty one) Business Days of such court judgment or arbitration award to appeal, review or rescind same and that such steps are being expeditiously pursued, the period of 30 (thirty) Business Days shall run from the date the court judgment or arbitration award becomes final, or the attempt to appeal, review or rescind same fails; and/or
- 1.1.64.10 if the Company breaches any obligation assumed by it, or any warranty, representation or undertaking given by it, in terms of any Funding Agreement to which it is a party (which breach has not been specifically dealt with in terms of any of the other sub-clauses to clause 1.1.70), in any manner whatsoever (which

breach has not been specifically dealt with in terms of any of the other sub-clauses to clause 1.1.70) and such breach is not remedied within 20 (twenty) Business Days from date of receipt by the Company, of written notice from the Facility Agent, demanding such remedy; and/or

- 1.1.64.11 if any Material Adverse Change occurs; and/or
 - 1.1.64.12 if the Company repudiates any Funding Agreement to which it is a party; and/or
 - 1.1.64.13 if at any time, it is or becomes, unlawful for the Company to perform or comply with all or any of its obligations under any Funding Agreement to which it is a party, or any such obligations are not, or cease to be, legal, valid, binding and/or enforceable; and/or
 - 1.1.64.14 if the Company, at any time, without the prior written consent of the Facility Agent, ceases to hold at least 50% (fifty per cent) of all the issued ordinary shares in the share capital of Assmang; and/or
 - 1.1.64.15 if the Company at any time, without the prior written consent of the Facility Agent, Encumbers any of the ordinary shares in the issued share capital of Assmang held by it; and/or
 - 1.1.64.16 if the Company at any time, without the prior written consent of the Facility Agent, ceases to have the right to manage Assmang, either alone or jointly with African Rainbow Minerals Limited, or any one or more other persons; and/or
 - 1.1.64.17 if on any date, the NAV of the Company is less than R1 200 000 000.00 (one billion two hundred million Rand); and/or;
 - 1.1.64.18 if on any date the ratio of the Company's Debt to EBITDA exceeds 1.5 (one point five); and/or
 - ~~1.1.64.19 if the Company fails for whatsoever reason, to perform timeously its obligations under the provisions of clause 9 of the cession and pledge agreement entered into by the Company in favour of SecurityCo (which agreement constitutes a Security Agreement), to provide Additional Security in favour of SecurityCo in the circumstances contemplated under such clause 9.~~
- 1.1.65 "Variation Agreement" means the variation agreement entered into between the Company, SBSA, Assore Subco and SecurityCo on or about Thursday, 7 August 2008, in terms of which the parties to that agreement agreed, *inter alia*, to amend certain provisions of the Sale Agreement, the Subscription Agreement, and the Indemnity Agreement ~~and, in order to effect certain refinements and clarifications to the cession and pledge agreement entered into by the Company in favour of SecurityCo (which agreement constitutes a Security Agreement), agreed to replace such cession and pledge agreement in its entirety with a replacement cession and pledge agreement;~~ and
- 1.1.66 "Warehousing Agreement" means the warehousing agreement entered into in writing between SBSA and the Company, which records the terms and conditions on which SBSA agrees to warehouse, the Assore Subject Shares, subject to having purchased same from Old Mutual in terms of the Purchase Agreement, for a defined period of time and in consideration for the payment to SBSA of certain specified amounts, prior to the sale thereof by SBSA to the Company and Assore Subco respectively, in terms of the provisions of the Sale Agreement.
- 1.2 Words importing the singular shall include the plural and *vice versa*, words importing any one gender shall include the other two genders and *vice versa* and natural persons shall include juristic persons and *vice versa*.
- 1.3 The headnotes to the paragraphs of this Annex are inserted for purposes of reference only and shall not affect the interpretation of any provisions to which they relate.
- 1.4 In the event that any definition in this clause 1 contains substantive provisions, then such provisions shall be given effect to as if same were incorporated in the main body of this Annex.
- 1.5 Subject to the provisions of clause 1.6, when any number of days is prescribed in this Annex, same shall be reckoned exclusively of the first and inclusively of the last day, unless the last day is not a Business Day, in which case, the last day shall be the next succeeding Business Day.

- 1.6 Save where otherwise expressly provided for in this Annex, when any payment is required to be effected in terms of this Annex on any particular day which is not a Business Day, then same shall be effected on the Business Day immediately succeeding such day, provided that if such Business Day occurs in the month succeeding the month in which such day occurs, then such payment shall be effected on the Business Day immediately preceding such day.
 - 1.7 Where any term is defined within the context of any particular clause in this Annex, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in this interpretation clause.
 - 1.8 Expressions defined in this Annex shall bear the same meanings in Schedules to this Annex, to the extent used in such Schedules.
 - 1.9 The use of the word "including" followed by a specific example shall not be construed as limiting the meaning of the general wording preceding it.
 - 1.10 The expiration or termination of this Annex shall not affect such of the provisions of this Annex as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.
 - 1.11 Any reference to an enactment is to that enactment as at the Signature Date and as amended or re-enacted from time to time.
2. Each Preference Share shall confer the right upon the Pref Holder thereof to receive Preference Dividends, on the Dividend Dates, in priority to any payments of dividends to the holders of any other classes of shares in the Company. All such Preference Dividends, shall accrue daily and shall accumulate monthly in arrears.
 3. On each Dividend Date, the Company shall declare and pay to the Facility Agent on behalf of all the Pref Holders (whose entitlement thereto shall be in proportion to their respective holding of Preference Shares), the Preference Dividends corresponding to such Dividend Date. For so long as there is more than one Pref Holder, Preference Dividends, Gross-Up Dividends and any other distributions and/or payments (howsoever named or described) required to be paid in relation to Preference Shares on any date, shall be so paid to the Facility Agent on behalf of all the Pref Holders, whose entitlement thereto shall be in proportion to their holding of Preference Shares, *inter se*. Any Preference Dividends not declared and paid on their corresponding Dividend Date, shall give rise to an Arrear Dividend in the corresponding amount, shall accumulate and shall be paid to the Facility Agent on behalf of all the Pref Holders, immediately upon the Company having the requisite distributable reserves to effect payment of same.
 4. All Arrear Dividends shall be calculated at 100% (one hundred percent) of the Prime Rate, from the relevant Dividend Date (or in the case of a Gross-Up Dividend, from the date on which same was required to be paid in terms of this Annex), to the date of payment of same by the Company to the Facility Agent on behalf of all the Pref Holders.
 5. The Company shall redeem each Preference Share in issue on the Redemption Date applicable thereto in priority to the redemption of any other class of shares in the issued share capital of the Company (the Company not having an election but, subject to the provisions of the Act, being obliged to do so), in cash against the tender of delivery to the Company of the share certificates in respect of the Preference Shares being redeemed, at the Redemption Price per Preference Share, which shall be paid to the Facility Agent on behalf of all the Pref Holders on the Redemption Date (the Company not having an election but, subject to the provisions of the Act, being obliged to do so). Subject to the provisions of clause 6, the Redemption Price per Preference Share shall be an amount equal to the sum of:
 - 5.1 the Subscription Price paid up on such Preference Share;
 - 5.2 the Preference Dividend (whether declared or not) due for declaration and payment on the Redemption Date, increased or decreased in accordance with the other provisions of this Annex (if applicable);

- 5.3 all unpaid Arrear Dividends (whether declared or not) (including in the circumstances contemplated in clause 8 of this Annex, the additional dividends referred to in such clause) increased in accordance with clause 8 and any other applicable provisions of this Annex; and
- 5.4 in the circumstances contemplated in clause 8 of the Subscription Agreement, the additional dividend referred to such clause,

less all Distributions received by the Facility Agent on behalf of the Pref Holder holding such Preference Share in terms of clause 11, in respect of such Preference Share, in the circumstances contemplated in such clause. The Redemption Prices payable by the Company in respect of Preference Shares being redeemed, shall be paid by the Company to the Facility Agent on behalf of all the Pref Holders, whose entitlement thereto shall be in proportion to their respective holding of the Preference Shares, and such redemption shall similarly occur in relation to each Pref Holder in proportion to the Pref Holders' respective holding of Preference Shares on the relevant Redemption Date.

6. In the event that in relation to any redemption of Preference Shares held by a Pref Holder which has been effected on a Redemption Date ("the Subject Redemption Date"), and in respect of which the aggregate Redemption Price has been paid in full ("the Subject Redemption Price"), in each instance in terms of clause 5:
- 6.1 the Facility Agent has received a certificate from the auditors of the Company certifying that all or a specified portion of such aggregate Redemption Price was paid by the Company out of its distributable reserves and constitutes a dividend in terms and for the purposes of the Income Tax Act; and
- 6.2 such Pref Holder is entitled to apply such aggregate Redemption Price (or the relevant portion thereof) so paid out of the Company's distributable reserves, in the computation of the "net amount" referred to in section 64(B)(2) of the Income Tax Act (determined in terms of section 64(B)(3) of such Act), when determining such Pref Holder's liability for STC,

then notwithstanding that same has been paid by the Company, such Subject Redemption Price shall be reduced by an amount determined in accordance with the following formula ("the Reduction Amount"):

$$\text{Reduction Amount} = \frac{0.25 \times B \times C}{(1+B)}$$

where: B = the STC Rate applicable;

C = the quantum of the Subject Redemption Price so paid out of distributable reserves.

7. In the circumstances contemplated in clause 6, the relevant Reduction Amount shall be deducted from the aggregate Redemption Price required to be paid by the Company to such Pref Holder on the Redemption Date immediately following the last day of the month subsequent to the Subject Redemption Date, in which such Pref Holder paid dividends to the holders of the ordinary shares in its share capital; provided that if no further Preference Shares remain in issue and such set off can accordingly not occur, then such Pref Holder shall be required to effect payment to the Company of the relevant Reduction Amount, on the last day of the month subsequent to the Subject Redemption Date, in which such Pref Holder paid dividends to the holders of the ordinary shares in its share capital.
8. Should the Company for any reason, fail to pay the Redemption Price required to be paid in respect of the redemption of any Preference Share on the Redemption Date, then without prejudice to such other rights which may accrue to the Pref Holder holding same consequent upon such failure, there shall be declared and paid to such Pref Holder an additional dividend calculated at 100% (one hundred percent) of the Prime Rate on such unpaid Redemption Price, from the Redemption Date to the date of payment of the Redemption Price in full by the Company, to the Facility Agent on behalf of such Pref Holder, such additional dividend to constitute an Arrear Dividend.
9. In the event that the Company, by reason of not having the required profits and/or share premium, is unable on the Redemption Date of a Preference Share, to effect payment to the Facility Agent on behalf of the relevant Pref Holder, of the full Redemption Price required to be paid to such Pref Holder in respect of such Preference Share, the Facility Agent and the Company shall be entitled (but not obliged) to agree on an extension to the Redemption Date ("the Extended Redemption Date") of such Preference Share ("the Delayed Preference Share").

10. For the sake of clarity, it is recorded that the provisions of clause 9 shall not apply to any Preference Share other than a Delayed Preference Share, and therefore nothing contained in clause 9 shall defer to the Extended Redemption Date, the due date for redemption of any Preference Share in respect of which the Company, as at the Redemption Date, has the required profits and/or share premium required to achieve redemption and to effect payment of the full Redemption Price required to be paid in respect of such Preference Share.
11. Subject always to the provisions of clauses 14 to 28 (both clauses included), in the event that the Company, by reason *inter alia* of not having the required profits is unable or fails, on the Redemption Date of a Preference Share, to effect payment of all of those components of the Redemption Price of a Preference Share referred to in clauses 5.2, 5.3 and 5.4, comprising Preference Dividends, Arrear Dividends and additional dividends (“the Outstanding Redemption Price Components”), then without prejudice to the relevant Pref Holder’s other rights arising from such inability or failure, and should the Facility Agent so elect on written notice to the Company, the Company shall be obliged, on the Redemption Date, and immediately prior to the redemption of such Preference Share, to effect payment of a cash Distribution to the Facility Agent on behalf of such Pref Holder in terms of section 90 of the Act, in respect of such Preference Share, in an amount equal to the Outstanding Redemption Price Component.
12. The share premium account of the Company may be applied by the Company in providing for the premium required to be paid on redemption of any Preference Share.
13. The Preference Shares shall confer on the Pref Holders thereof, the right on a deregistration, winding up or judicial management of the Company (whether provisional or final) in priority to any payment in respect of any other class of shares in the capital of the Company then issued, to receive a return of the Subscription Prices on the Preference Shares, all Preference Dividends notionally accrued up to the date of such deregistration, winding-up or judicial management and all Arrear Dividends increased, where and when applicable, in accordance with the provisions of this Annex.
14. Should, in relation to a Pref Holder, during the period commencing on the Signature Date and terminating on the date on which all the Preference Shares held by such Pref Holder have been redeemed in full and the Redemption Price in respect of each Preference Share (including any Gross-Up Dividend required to be paid) has been paid in full (“the Adjustment Period”):
 - 14.1 there be any change:
 - 14.1.1 in any present or future law, rule or regulation, applicable to banks in the Republic of South Africa generally; or
 - 14.1.2 in any directive of any central bank or any other fiscal, monetary, regulatory or other authority in the Republic of South Africa applicable to banks in the Republic of South Africa generally; or
 - 14.1.3 in the interpretation or administration of any present or future law, rule, regulation, (whether or not having the force of law, but which is complied with by banks in the Republic of South Africa generally), by any relevant fiscal, monetary or other authority; or
 - 14.1.4 of any requirement or request by, any central bank or statutory or monetary authority with which banks in the Republic of South Africa generally comply, to pay any amounts or maintain special deposits or to reserve assets in addition to those paid or maintained or reserved by such Pref Holder on the Issue Date; or
 - 14.1.5 to any compliance by such Pref Holder, with any reserve, cash ratio, special deposit or liquidity requirement with which banks in the Republic of South Africa generally comply (or any other similar requirement), in respect of the Preference Shares held by such Pref Holder; or
 - 14.1.6 to the rates, method of collection, or calculation, or the nature of any Tax applicable to banks in the Republic of South Africa; and/or
 - 14.2 the Preference Dividends received by such Pref Holder, may not be and/or may no longer be, taken into account for STC or for any other purpose, to the extent that such Pref Holder declares a dividend, or there is a mismatch between Preference Dividends received and a corresponding

quantum of the dividends paid by such Pref Holder, resulting in a liability to such Pref Holder for STC or any other similar Tax when it in turn declares a dividend to its shareholders (including as a result of any change in the Income Tax Act, that has the effect that Preference Dividends are not fully taken into account in determining and/or reducing a Pref Holder's liability for STC); and/or

- 14.3 any Tax, penalties or interest, are imposed on such Pref Holder as a result of any disallowance, or reversal, or reduction by the Commissioner for the South African Revenue Service, of any allowances or deductions claimed by such Pref Holder in respect of or arising from the Pref Holder's holding, and/or the redemption of the Preference Shares, and which Tax, penalties or interest were not taken into account in determining the Investment Return (and it is expressly recorded that no such Tax, penalties or interest was taken into account in determining the Investment Return); and/or
- 14.4 such Pref Holder becomes subject to any Tax, duty, impost or other charge in respect of, or arising from, its holding of Preference Shares, including but not limited to the receipt of Preference Dividends and/or the receipt of the Redemption Price payable on the redemption thereof, which was not taken into account in determining the Investment Return, including but not limited to withholding tax, income tax, and capital gains tax (whether such Tax is imposed on dividends, return of capital, as a withholding tax or otherwise but only to the extent that such withholding tax is actually required to be withheld from the Preference Shareholder) (and it is expressly recorded that no such Tax was taken into account in determining the Investment Return); and/or
- 14.5 any new law, rule, directive, regulation or practice applicable to banks generally in the Republic of South Africa, is promulgated, given or adopted; and/or
- 14.6 any change in the Tax Rate and/or STC Rate (which shall include the abolition of STC); and/or
- 14.7 Basel II requirements (or the interpretation thereof by any central bank or any other fiscal, monetary, regulatory or other authority in the Republic of South Africa) are amended, with the effect, or which will have the effect, of:
 - (a) reducing the Investment Return, then the Facility Agent on behalf of such Pref Holder shall have the right, on written notice to the Company to require that (i) the Applicable Percentage be increased, with effect from the date upon which the Investment Return received or to be received by such Pref Holder on the Preference Shares held by it is so reduced, to such rate as will afford such Pref Holder the Investment Return; or (ii) that in relation to any Preference Dividends and/or Redemption Price paid to such Pref Holder up to the date of receipt by the Company of such notice, the Company effect payment to the Facility Agent on behalf of such Pref Holder, of additional dividends ("the Gross-Up Dividends") in such aggregate quantum, as will afford such Pref Holder the Investment Return; or
 - (b) increasing the Investment Return,

then the Company shall, notwithstanding anything to the contrary in the Articles or the Subscription Agreement, be entitled to give written notice thereof to the Facility Agent on behalf of such Pref Holder, requiring the Facility Agent to carry out the necessary calculations and if after such calculation, the Facility Agent determines that: (i) such Adjustment Event has increased the Investment Return in relation to such Pref Holder; (ii) the increase received by such Pref Holder has arisen solely as a result of the occurrence of such Adjustment Event; and (iii) the benefit was actually received by such Pref Holder, then the Pref Holder shall, on written notice by the Facility Agent on such Pref Holder's behalf to the Company, decrease: (1) the Applicable Percentage by such a margin; and/or (2) the premium payable on redemption of the Preference Shares held by such Pref Holder, by such amount as is (in either case) necessary to ensure that the Pref Holder remains in the same position, as if that Adjustment Event had not taken place.

15. The notices contemplated in clause 14 issued by the Facility Agent on behalf of such Pref Holder ("the Adjustment Notices") shall additionally specify the Adjustment Event in question and the date from which the Investment Return will be increased or decreased (as may be applicable and which date may be a date prior to the date on which the Adjustment Notice is received by the Company, or issued by the Facility Agent), and shall include such information as the Facility Agent on behalf of such Pref Holder, may consider reasonably necessary to show how the relevant adjustment was calculated.

16. For the sake of certainty, it is recorded that pursuant to the application of clauses 14.2 and/or 14.6 the Applicable Percentage shall be re-calculated in accordance with the following formula:

$$16.1 \text{ Applicable Percentage (\% of Prime Rate)} = \frac{\text{IR} \times (1 - \text{Tax Rate})}{(1 + \text{STC Rate})}$$

For the purposes of such formula:

- “IR” means 120.69, provided that should there be an adjustment to the Applicable Percentage as a result of any Adjustment Event (other than as a result of the application of clauses 14.2 and/or 14.6) for the purposes of any further application of the formula, the Facility Agent on behalf of such Pref Holder, shall recalculate the applicable IR value from the above formula, using for the purposes of such calculation, the value of the Applicable Percentage, Tax Rate and STC Rate, which applied immediately prior to such new application. The recalculated IR value will then be used in the formula in order to derive the adjusted Applicable Percentage and shall be notified in writing by the Facility Agent on behalf of such Pref Holder, to the Company.
- Tax Rate will be expressed as a percentage. It is recorded that should the Tax Rate change, the applicable Tax Rate shall be calculated as a weighted average by comparing (i) the number of days in the Pref Holder’s relevant tax year prior to the public announcement of the changed Tax Rate to (ii) the number of days in the Pref Holder’s relevant tax year after the public announcement of the changed Tax Rate.
- STC Rate will be expressed as a percentage. Subject to the provisions of clause 18 of this Annex, the applicable STC Rate will be the STC Rate prevailing on the date of declaration of dividends by the Pref Holder (i.e. the next dividend declared by the Pref Holder).

17. The Pref Holder will not be entitled to vary the Applicable Percentage to recover from the Company any withholding tax which the Pref Holder pays on behalf of its shareholders. For the avoidance of doubt any withholding tax payable on Preference Dividends shall nevertheless be subject to and result in the application of the provisions of clauses 14 to 28 (both clauses included). If any benefit which: (i) is similar to an STC Credit; (ii) is actually received by such Pref Holder; (iii) has increased the Investment Return in relation to such Pref Holder; and (iv) is solely attributable to the holding by such Pref Holder of Preference Shares, then the Company shall, notwithstanding anything to the contrary in this Annex, the Articles, or the Subscription Agreement, be entitled to give written notice thereof to the Facility Agent on behalf of such Pref Holder, requiring the Facility Agent to carry out the necessary calculations to determine any increase in Investment Return in relation to such Pref Holder and the remaining provisions of clause 14(b) shall apply *mutatis mutandis*.

18. It is recorded that should STC be abolished and replaced with a new withholding tax on dividends (as contemplated in the Media Statement published by the South African Revenue Service on 20 February 2008, headed “Conversion of the Secondary Tax on Companies (“STC”) to a shareholder dividend tax”), the Applicable Percentage shall be adjusted in accordance with the formula recorded in clause 16 by setting the STC Rate to nil.

19. Subject to the provisions of clause 20, in the circumstances contemplated in clause 14, the Company shall at its election, either:

19.1 within 20 (twenty) Business Days after having received any Adjustment Notice, by written notice to the Facility Agent on behalf of the relevant Pref Holder, increase the rate of the Preference Dividend on the Preference Shares held by such Pref Holder, or declare and effect payment to the Facility Agent on behalf of such Pref Holder of the Gross-Up Dividends, as the case may be, in accordance with the Adjustment Notice; or

19.2 within 10 (ten) Business Days after having received any Adjustment Notice, by written notice to the Facility Agent on behalf of the relevant Pref Holder, redeem all of the Preference Shares then in issue held by such Pref Holder, provided that in such circumstances the Redemption Price of such Preference Shares shall be increased by such amount as will yield the same Investment Return, on the Preference Shares so redeemed held by such Pref Holder, as the Investment Return on such Preference Shares, calculated from the effective date of any reduction in the Investment Return, on such Preference Shares, to the date of payment of such increased Redemption Price by the Company,

provided that the Company will be deemed to have elected to increase the rate of the Preference Dividend in terms of clause 19.1 should it fail to make any election in terms of this clause 19.2 within the period prescribed therefore.

20. Should the Facility Agent on behalf of a Pref Holder give any Adjustment Notice after redemption of any Preference Shares held by such Pref Holder, the Preference Dividends required to be paid from the date upon which the Investment Return, received by such Pref Holder in respect of such Preference Shares has been reduced, to the date of redemption of such Preference Shares, shall be increased in accordance with the Adjustment Notice, and the Company shall be obliged within 10 (ten) Business Days after having received such Adjustment Notice, to pay to the Facility Agent on behalf of such Pref Holder, the difference between the increased Preference Dividends so required to be paid and the Preference Dividends actually paid during that period.
21. A Pref Holder's rights in terms of clauses 14 to 20 (both clauses included) shall endure until the earlier of ("the Rights Termination Date"):
 - 21.1 the third anniversary of the date on which such Pref Holder has been finally assessed in respect of the year of assessment corresponding to the year in which the last of the Preference Shares held by such Pref Holder, have been redeemed, and all amounts required to be paid on such redemption in terms of the Subscription Agreement and this Annex, have been paid in full. For the purposes of this clause, the term "finally assessed", shall include without limitation the final conclusion of any re-opening of any assessment in respect of any year during which such Preference Shares were in issue and any year in which any such Preference Shares were redeemed, whether pursuant to any available review or appeal process, or otherwise; and
 - 21.2 the fifth anniversary of the date on which the last of the Preference Shares held by such Pref Holder have been redeemed and all amounts required to be paid on such redemption in terms of the Subscription Agreement and this Annex, have been paid in full.
22. The provisions of clause 14(a) (as read with the provisions of clauses 15 to 21, both clauses included) shall in relation to a Pref Holder, be applied without regard to such Pref Holder's actual tax circumstances and accordingly, without limiting the generality of the foregoing, should an Adjustment Event occur in relation to such Pref Holder but such Pref Holder (who would otherwise be entitled to the benefits of clause 14(a) (as read with the provisions of clauses 15 to 21 both clauses included) not be liable to pay any Tax that would have resulted from that Adjustment Event, only because such Pref Holder has the benefit of an assessed loss or an STC Credit, or a credit in respect of any similar Tax, such Pref Holder shall not thereby be deprived of the benefits of clause 14(a) (as read with the provisions of clauses 15 to 21 both clauses included), and the provisions of such clauses shall apply as if such assessed loss, STC Credit or other similar Tax credit did not exist and as if such Pref Holder was liable to pay such Tax.
23. In the event of the Company disputing, the occurrence of an Adjustment Event and/or, in relation to a Adjustment Notice delivered by the Facility Agent on behalf of a Pref Holder, the amount of any Gross-Up Dividend or other amount that is required to be declared and/or paid in terms of clauses 14 to 21 above (both clauses included) and/or any adjustment in the Applicable Percentage in terms of such clauses and/or the date on which any such adjustment is required to take effect, such dispute shall be referred for determination to the auditors of such Pref Holder, acting as an expert and not as an arbitrator, and a certificate issued by such auditors in relation to such dispute shall, in the absence of manifest error, be conclusive evidence of:
 - 23.1 the occurrence or otherwise of such Adjustment Event;
 - 23.2 the amount of the Gross-Up Dividend or other amount that must be declared and/or paid in terms of clauses 14 to 21 above (both clauses included); and
 - 23.3 the adjustment in the Applicable Percentage required in accordance with such clauses, and the date on which such adjustment in the Dividend Rate is required to take effect.
24. The Company shall only be entitled to raise any dispute as contemplated in clause 23, by written notice to the Facility Agent on behalf of the relevant Pref Holder within a period of 5 (five) Business Days after receipt by the Company of the relevant Adjustment Notice.

25. If any Pref Holder is not a South African resident for purposes of the Income Tax Act, such Pref Holder shall be treated in the same manner as all other Pref Holders who are South African residents for such purposes, and shall not be entitled to claim any additional amounts over and above what a South African resident for such purpose was entitled to claim.
26. When calculating any increase, decrease and/or reduction for purposes of determining the effect of an Adjustment Event, such calculation shall be done on the basis of no double counting.
27. After payment by the Company to the Facility Agent on behalf of the Pref Holders, of all amounts required to be paid to Pref Holders in terms of the provisions of clauses 14 to 21 (both clauses included), the Company and the Facility Agent on behalf of the Pref Holders shall consult forthwith as to whether to object or take any other steps to contest the relevant Adjustment Event or its consequences. Should the Company wish to object and/or take any other steps, any costs, charges, fees and/or expenses relating to such objection and/or other steps, shall be for the sole account of the Company, which shall indemnify the Pref Holders in respect thereof on demand. It is specifically recorded that no objection shall be made or other steps taken unless the Pref Holder, in its sole discretion, has agreed in writing that same should be undertaken and has been given reasonable security for the costs, charges, fees and/or expenses so to be incurred (in the event that the Company wishes to object and/or take any other steps).
28. Notwithstanding the provisions of clause 27, should the Company wish to so object or take any other steps, but the Facility Agent on behalf of the Pref Holders does not wish to do so, the Company may require that each of the Company and the Facility Agent on behalf of the Pref Holders respectively brief one Senior Counsel each with appropriate experience and expertise to consider and opine on the prospects of success of an objection or whatever other steps the Company may wish to take. Should either or both of the Senior Counsel be of the opinion that there are no reasonable prospects of success, the Company will not take the matter further. Should both Senior Counsel however be of the opinion that there are reasonable prospects of success and the Facility Agent on behalf of the Pref Holders still does not wish to object or take other steps, the Pref Holders shall forthwith pay to the Company the amounts paid by the Company to the Facility Agent on behalf of the Pref Holders and referred to in clauses 14 to 21 (both clauses included), together with interest thereon at the Prime Rate from and including the date of receipt of such payment by the Facility Agent on behalf of the Pref Holders to but excluding the date of repayment thereof to the Company and any increase in the Applicable Percentage in terms of clauses 14 to 20 (both clauses included) arising solely by reason of the relevant Adjustment Event, shall not become effective.
29. Save as otherwise set out in this Annex, the Preference Shares shall not entitle a Pref Holder holding same, to any participation in the profits or assets of the Company or, on a deregistration or winding up, in any of the surplus assets of the Company.
30. A Pref Holder shall be entitled to receive notice of and to attend at every meeting (whether special or general) of the Company, but shall not be entitled to vote at any such meeting by virtue only of its holding of the Preference Shares, save in the circumstances contemplated in clause 194(1)(a) and/or (b) of the Act.
31. All notices to be given to a Pref Holder shall be sent to such Pref Holder, at such Pref Holder's address recorded in the Subscription Agreement or any other address provided in writing by such Pref Holder to the Company in accordance with the provisions of the Subscription Agreement.
32. The Preference Dividends, the Redemption Price, and all other amounts required to be paid to a Pref Holder in terms of this Annex and/or the Subscription Agreement, shall be paid into such bank account as may be nominated by the Facility Agent on behalf of such Pref Holder from time to time, on not less than 5 Business Days prior written notice to the Company.
33. ~~No further securities ranking in priority to, or *pari passu* with, existing preference shares of any class in the share capital of the Company, shall be created or issued without the consent in writing of the holders of 75% of the existing preference shares of such class, or the sanction of a resolution of the holders of such class of preference shares, passed at a separate general meeting of such holders, at which preference shareholders holding in aggregate not less than 25% of the total votes of all the preference shareholders holding securities in that class entitled to vote at that meeting, are present in person or by proxy, and the resolution has been passed by not less than 75% of the total votes to which the members of that class, present in person or by proxy are entitled.~~

Worked Example : Calculation of EBITDA**DEBT**

2 978 081

Secured Finance Lease Liabilities (including current portion for June 2007)

22 786

Overdrafts and short-term borrowings

540 267

Contingent Liabilities in respect of Main Street 343 (Pty) Ltd

215 028

Preference shares

2 200 000

EBITDA

1 428 507

Profit before Tax and State's Share of Profits

1 172 439

Add back: Finance Costs

27 471

Add Back: Amortisation

180

Add Back: Depreciation of Mining Assets

222 728

Add Back: Depreciation of Other Assets

5 689

DEBT: EBITDA RATIO**2.08**

Note that the above amounts are used purely for illustrative purposes. On the basis of these amounts, Assore appears to be in breach of the Debt:EBITDA covenant given in terms of this Agreement, but this consequence is purely as a result of outdated amounts (as at 30 June 2007) being used.

Worked Example : Calculation of NAV

ASSORE LIMITED	30 June 2007
COVENANT CALCULATIONS	R'000
NAV	
Ordinary share holders equity net of minority Interests	3 230 707
Less: Contingent Liabilities in respect of Main Street 343 (Pty) Ltd	215 028
Less: Intangibles	3 288
NAV as per covenant calculations	3 012 391



ASSORE LIMITED

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

Directors

Executive

Desmond Giulio Sacco (*Chairman*)
Robert John Carpenter (*Deputy Chairman*)
Christopher John Cory (*Chief Executive Officer*)
Phillip Christiaan Crous (*Group Technical Director*)

Non-executive

Brian Michael Hawksworth*
Matamela Cyril Ramaphosa
Edward Montagu Southey*
Dr Johannes Cornelius van der Horst*

Alternate

John Walton Lewist†
Nick Giulio Sacco
Patrick Eugenio Sacco
Rowan Murray Smith

* Independent

† British

NOTICE OF GENERAL MEETING OF ASSORE SHAREHOLDERS

The definitions and interpretation provisions on pages 4 to 7 of this document apply *mutatis mutandis* to this notice of general meeting.

NOTICE IS HEREBY GIVEN THAT a general meeting of Assore shareholders will be held at 10:00 on Thursday, 26 February 2009, at the registered office of Assore, located at Assore House, 15 Fricker Road, Illovo Boulevard, Johannesburg, for the purposes of considering and, if deemed fit, passing such ordinary and special resolutions as are set out in this notice of general meeting.

SPECIAL RESOLUTION NUMBER ONE

RESOLVED THAT Assore's Articles be and are hereby amended by the deletion of Annex 1 thereto in its entirety, and the substitution thereof, as a new Annex 1, of the Revised Rights and Privileges as set out in Annexure 1 to this circular.

REASON AND EFFECT OF SPECIAL RESOLUTION NUMBER ONE

The reason for special resolution number one is to amend Assore's Articles in order to replace the existing Rights and Privileges with the Revised Rights and Privileges attaching to the Preference Shares incorporating the revised redemption schedule, as contemplated under the Second Variation Agreement.

The effect of special resolution number one is to provide specific authority for the above-mentioned amendment to Assore's Articles.

ORDINARY RESOLUTION NUMBER ONE

RESOLVED THAT the execution of the Second Variation Agreement by the directors of Assore for and on behalf of Assore be and is hereby approved and ratified, and that the directors of Assore be and are hereby authorised to implement the provisions of such agreement in accordance with its terms.

ORDINARY RESOLUTION NUMBER TWO

RESOLVED THAT the directors of Assore be and are hereby authorised on behalf of Assore to do all such things and sign all such documents as may be required to give effect to and implement the provisions of the special and ordinary resolutions set out in this notice of general meeting.

For and on behalf of:

ASSORE LIMITED

C J Cory

Director

Illovo

3 February 2009



ASSORE LIMITED

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

FORM OF PROXY

For use only by members holding certificated shares and members who have dematerialised their share certificates and have elected "own-name" registration in the sub-register maintained by the Central Securities Depository Participant ("CSDP"), at the general meeting of Assore to be held at 10:00, on Thursday, 26 February 2009 at the registered office of Assore, located at Assore House, 15 Fricker Road, Illovo Boulevard, Johannesburg.

Members who have dematerialised their certificated shares through a CSDP or broker and have not elected "own-name" registration in the sub-register maintained by the CSDP must not complete this form of proxy, but should instruct their CSDP or broker to issue them with the necessary letter of representation to attend the general meeting, or if they do not wish to attend the general meeting, but wish to be represented thereat, they may provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

Form of proxy for the general meeting

I/We

(Full name in block letters)

of

(Address)

being the holder/s of ordinary/preference shares in Assore, hereby appoint (see note 1)

1.

of _____ or failing him/her,

2.

of _____ or failing him/her,

3. the chairman of Assore, or failing him, the chairman of the general meeting

as my/our proxy to vote for me/us on my/our behalf at the general meeting of Assore to be held at Assore House, 15 Fricker Road, Illovo Boulevard, Johannesburg, at 10:00 on Thursday, 26 February 2009 or at any adjournment thereof.

I/We desire to vote as follows (see note 2):

	For	Against	Abstain
Special resolution number one Amendment to Assore's Articles to incorporate the Revised Rights and Privileges			
Ordinary resolution number one Authorise the Assore directors to implement the Second Variation Agreement			
Ordinary resolution number two Authorise the Assore directors to generally act to implement the special and ordinary resolutions			

Unless otherwise instructed, my/our proxy may vote or abstain from voting as he/she thinks fit.

Signed at _____ on _____ 2009

Signature _____

Assisted by me (where applicable) _____

Notes:

1. A member is entitled to appoint one or more proxies (none of whom need be a member of Assore) to attend, speak and vote in the place of that member at the general meeting. A member may therefore insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided, with or without deleting "the chairman of Assore, or failing him, the chairman of the general meeting". The person whose name stands first on the proxy form and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member's instructions to the proxy must be indicated by the insertion of an "X" in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the general meeting, if he is the authorised proxy, to vote in favour of the resolutions at the general meeting, or any other proxy to vote or abstain from voting at the general meeting as he deems fit, in respect of the member's total holding.
3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
4. Every member present in person or by proxy and entitled to vote shall, on a show of hands, have only one vote and, upon a poll, every member shall have one vote for every ordinary share held.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders for which purpose seniority will be determined by the order in which the names stand in the register of members in respect of joint holding.
6. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by Assore's transfer secretaries or waived by the chairman of the general meeting.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc) must be attached to this form of proxy, unless previously recorded by the transfer secretaries of Assore or waived by the chairperson of the meeting.
8. The chairperson of the meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the articles of association of Assore.
9. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to either Assore's registered office, Assore House, 15 Fricker Road, Illovo Boulevard, Johannesburg, 2196 (PO Box X03, Northlands, 2116) or its transfer secretaries (being Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 in South Africa (PO Box 61051, Marshalltown, 2107), to be received by no later than 10:00 on Tuesday, 24 February 2009.