

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

Assmang Limited (which is jointly controlled by African Rainbow Minerals Limited and Assore Limited) announces possible conversion of further furnaces at Machadodorp Works.

Assmang Limited (Assmang) announced today that, after the successful conversion of the No 5 Furnace at its Machadodorp Works from the production of charge chrome to high carbon ferromanganese, it is evaluating the conversion of a further two open furnaces (Nos 2 and 3) at the Machadodorp Works for the production of ferromanganese. As announced previously, it remains the aim of the company to optimise alloy production across its facilities.

Although most regulatory requirements are in place, there are a number of engineering and logistical issues that require resolution before this conversion can be implemented. It is thus anticipated that this conversion would not take place before mid 2011.

Assmang has not been able to consistently meet the strong market demand for high carbon ferromanganese from its Cato Ridge Works and from the No 5 Furnace at the Machadodorp Works. If Assmang proceeds with the proposed conversion, it is anticipated that it will increase Assmang's capacity for high carbon ferromanganese to approximately 400 000 tonnes per annum and make approximately 100 000 tonnes per annum of additional product available to the market. In this event, core ferrochrome customers will still be supplied from the No 1 Furnace at Machadodorp.

With the ongoing uncertainties around the availability of electricity for future expansion in South Africa, the proposed conversion would free up sufficient power to allow Assmang to also consider expansion options at its smelters, and studies in this regard are continuing.

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