

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

ANNOUNCEMENT BY ASSORE IN RESPECT OF ASSMANG LIMITED'S KHUMANI
IRON ORE MINE AND PLANNED EXPANSION PROJECT

Assmang Limited ("Assmang"), which is jointly controlled by African Rainbow Minerals ("ARM") and Assore Limited ("Assore"), is pleased to announce that:

- The 10 million tonne per annum ("mtpa") Khumani Iron Ore Mine ("Khumani") has been completed on time and within budget; and
- The Assmang Board of Directors has approved additional capital expenditure ("capex") of R5.5 billion for the completion of the Khumani Expansion Project, to increase Khumani's capacity from the current level of 10 mtpa to 16 mtpa.

The estimated total capex for the proposed Khumani Expansion Project is R6.7 billion based on the feasibility study completed in June 2009, which compares favourably to the previous estimate in September 2008 of R7.2 billion. Expenditure of R1.2 billion has already been approved in September 2008 for early works and long lead items, hence the outstanding capital requirement for the completion of the Khumani Expansion Project comes to R5.5 billion.

Of the 6 mtpa expansion, 4 mtpa is intended for the export market and 2 mtpa for the domestic market. Assmang has received a commitment from Transnet to extend the current Iron Ore Export allocation on the Sishen/Saldanha export channel from 10 mtpa to 14 mtpa, increasing Assmang's export capacity accordingly. This dovetails with the Iron Ore channel expansion from 47 mtpa to 60 mtpa.

Assmang will fund the completion of the Khumani Expansion Project utilising existing cash resources, operational cashflows and existing borrowing facilities. The Khumani Expansion Project has robust returns and the high grade iron ore resource, with an excellent stripping ratio of 1.7 over the life of mining operations, ensures competitive mining costs.

Illovo Boulevard
Johannesburg
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Sponsor to Assore
Standard Bank

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