

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

Shanduka Resources (Proprietary) Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 2002/017835/07)  
("Shanduka Resources")

ASSORE AND SHANDUKA RESOURCES CONCLUDE A TRANSACTION WHICH RESULTS IN THE DISPOSAL BY SHANDUKA RESOURCES OF ITS INTEREST IN ASSORE FOR R2.7 BILLION AND FACILITATES A THIRD BROAD BASED BLACK ECONOMIC EMPOWERMENT ("BBBEE") TRANSACTION

## 1. HIGHLIGHTS

- Assore and Shanduka Resources, through its wholly-owned subsidiary, Main Street 343 (Proprietary) Limited ("MS343"), have entered into a transaction to facilitate a third BBBEE transaction which enables Assore to secure long term empowerment, whilst simultaneously enabling Shanduka Resources to realise value on its investment in Assore through the sale of its entire interest in Assore, in advance of the expiry of the 2014 lock-in period applicable to these shares
- The 16,464,450 Assore ordinary shares held by Shanduka Resources, representing an 11.79% interest in Assore, will be acquired and warehoused by Main Street 904 (Proprietary) Limited ("MS904"), pending the refinement of a structure that will see BBBEE groupings benefit through a third BBBEE transaction ("Third Empowerment Transaction")
- Shanduka Resources will dispose of its Assore shares in advance of the expiry of the 2014 lock-in period applicable to such shares at a discount to the current market price, creating an immediate economic benefit for the Third Empowerment Transaction and ensuring the sustainability thereof, for the future BBBEE beneficiaries
- Assore supports the acquisition by MS904, as the Third Empowerment Transaction will enable it to secure BBBEE ownership of 26.1% post the expiry of the 2014 lock-in period applicable under its first BBBEE transaction with Shanduka Resources and, through the discount achieved, reduces the cost of the Third Empowerment Transaction

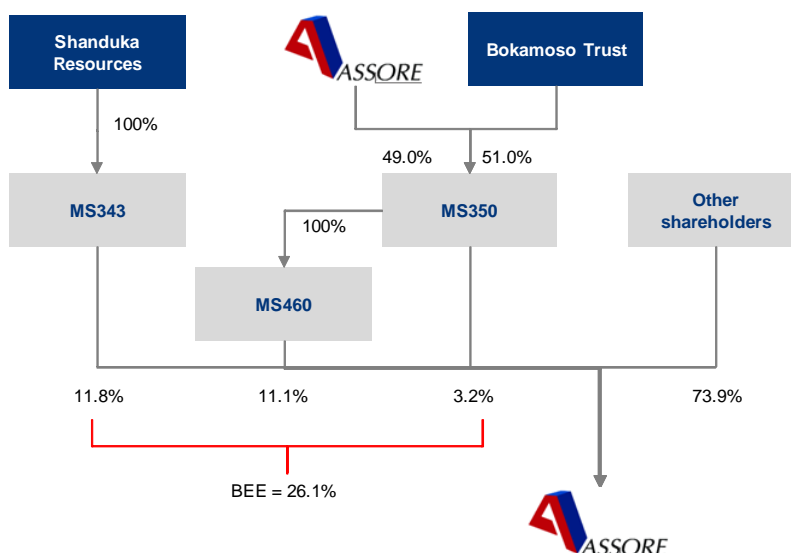
## 2. INTRODUCTION

On 10 November 2005, Assore entered into its first empowerment transaction, pursuant to which 15.02% of Assore's issued ordinary

share capital was acquired by Assore's empowerment partners, being Shanduka Resources and the Bokamoso Trust ("First Empowerment Transaction"). The First Empowerment Transaction facilitated Assore's achievement of the 2009 BBBEE equity ownership target set for mining companies in the Mineral and Petroleum Resources Development Act ("MPRDA") and the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry ("the Charter") and its associated Scorecard.

On 1 December 2009, Assore announced a second empowerment transaction, which resulted in an additional 11.1% of Assore's issued ordinary share capital being controlled by the Bokamoso Trust ("Second Empowerment Transaction"). Pursuant to the First Empowerment Transaction and the Second Empowerment Transaction, Assore achieved 26% BBBEE equity ownership as measured under the MPRDA, the Charter and its associated Scorecard.

The current shareholding structure of Assore is as follows:



Shanduka Resources, a wholly-owned subsidiary of Shanduka Group (Proprietary) Limited ("Shanduka"), holds its 11.79% interest in Assore through a wholly-owned subsidiary, Main Street 343 ("MS343"). The investment in 2005 by Shanduka Resources in Assore has yielded attractive returns to Shanduka and its shareholders, which include several broad-based beneficiaries.

In terms of the agreements governing the First Empowerment Transaction, Shanduka Resources is only permitted to sell its Assore shares without the permission of Assore after 1 May 2014. The opportunity, however, has arisen for Shanduka Resources to dispose of its investment in Assore through the sale by MS343 of its entire interest in Assore to MS904, a special purpose vehicle owned by two independent empowerment trusts set up by Assore.

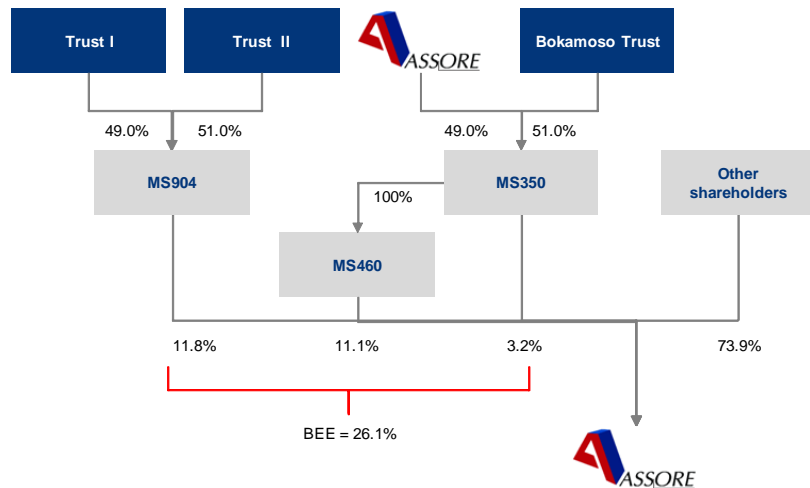
As the Third Empowerment Transaction will allow Shanduka Resources to dispose of its entire shareholding in Assore in advance of 2014 by way of a single transaction, as well as to facilitate the creation of an immediate economic benefit and ensure the sustainability of the Third Empowerment Transaction for Assore's future BBBEE shareholders, Shanduka Resources has agreed to dispose of its interest in Assore at a price of R163.00 per Assore share for approximately R2.7 billion, which represents a 23% discount to Assore's 30-day VWAP of R212.91 as at Monday, 16 May 2011, the date on which the offer was first made to Shanduka Resources.

MS904 shall fund the acquisition from Shanduka Resources by way of a third party loan facility to be advanced to MS904 by The Standard Bank of South Africa Limited ("Standard Bank"). Assore is pleased to announce that it has agreed to support MS904 in the acquisition of Shanduka Resources' 11.79% interest in Assore, by guaranteeing MS904's funding obligations to Standard Bank for the following reasons:

- The Third Empowerment Transaction secures BBBEE ownership for Assore in excess of 26% post 2014 as required by the MPRDA, the Charter and its associated Scorecard
- The shares will ultimately be owned and controlled by and for the benefit of BBBEE groupings, who will become long-term shareholders in Assore
- The discount achieved on the Assore shares creates an immediate economic benefit underpinning the Third Empowerment Transaction and ensures the sustainability of the Third Empowerment Transaction for the future BBBEE beneficiaries

Assore's support and financial assistance provided to MS904 is more fully described in paragraph 4 below and is subject to the fulfilment of the conditions precedent set out in paragraph 5 below.

Subsequent to the implementation of the Third Empowerment Transaction, the shareholding structure of Assore will be as follows:



### 3. RATIONALE

Assore is supportive of the broad-based economic imperatives contained in the MPRDA, the Charter and its associated Scorecard. Assore is of the view that the Third Empowerment Transaction will provide additional certainty to Assore by maintaining its BBEE equity ownership of 26% up to and beyond 2014 as currently specified under the Charter, and will thus serve as a cornerstone of its ongoing BBEE strategy. Assore accordingly supports MS904 in the acquisition of Shanduka Resources' entire interest in Assore, on the basis that these shares will be utilised for the purposes of the Third Empowerment Transaction.

The Third Empowerment Transaction will be implemented in two phases. Phase I involves the acquisition by MS904 of Shanduka Resources' 11.79% interest in Assore, from MS343. In Phase II, the independent trusts which currently own MS904 will be further refined such that BBEE groupings will become the ultimate beneficiaries of such trusts.

Assore expects to furnish shareholders with further details pertaining to Phase II of the Third Empowerment Transaction during the latter half of 2011.

### 4. OVERVIEW OF SUPPORT AND FINANCIAL ASSISTANCE PROVIDED TO MS904 BY ASSORE

In Phase I of the Third Empowerment Transaction, Standard Bank will lend to MS904 approximately R2.7 billion to enable it to acquire the Assore shares from Shanduka Resources. Assore has agreed to provide a guarantee to Standard Bank for the funding provided to MS904, in the event that MS904 defaults on its repayment obligations in respect of the loan.

In return for Assore providing such guarantee in favour of Standard Bank, MS904 has agreed to indemnify Assore against any payments

required to be made by Assore under the aforementioned guarantee, and has, as further security to Assore, agreed to provide a security cession and pledge in favour of Assore over the Assore shares acquired by MS904.

Assore has agreed to subordinate any claims which it may have against MS904 to those claims which Standard Bank may have against MS904 pursuant to the loan advanced by Standard Bank, for so long as any amounts remain outstanding thereunder by MS904.

In terms of section 44 of the Companies Act, 2008 (Act 71 of 2008) ("the Companies Act"), a company is prohibited from granting financial assistance to any person for the purposes of, or in conjunction with, such person acquiring shares in such company, other than if authorised by a special resolution of its shareholders. Assore is of the view that the guarantee provided by Assore to Standard Bank and Assore's agreement to subordinate its claims against MS904 to those of Standard Bank pursuant to the loan, amounts to the granting by Assore of financial assistance as contemplated in the Companies Act. Consequently, Assore shareholders will be required to grant their approval for such financial assistance by way of special resolution at a general meeting to be convened for this purpose.

## 5. CONDITIONS PRECEDENT

The implementation of the financial assistance is subject to the fulfilment of various suspensive conditions. These include, inter alia:

- the execution of all agreements relating to the financial assistance;
- the approval by the JSE of all documentation to be sent to Assore shareholders, to the extent required;
- all other relevant regulatory approvals being obtained by all parties, to the extent required; and
- the special and ordinary resolutions to be proposed in the circular sent to Assore shareholders, being approved by the requisite majority of Assore shareholders at the general meeting.

## 6. SALIENT DATES AND TIMES

Last day to trade Assore ordinary shares on the JSE in order to be recorded in the share register on the record date to be eligible to vote at the general meeting	Tuesday, 2 August
Record date	Wednesday, 10 August
Last day for receipt of forms of proxy for the general meeting by 10:00 on	Thursday, 11 August

General meeting to be held at 10:00 on	Monday, 15 August
Announcement of results of the general meeting on SENS on	Monday, 15 August
Announcement of results of the general meeting published in the press on	Tuesday, 16 August
Anticipated implementation of financial assistance	Friday, 26 August

Notes:

1. The abovementioned dates and times are South African local times and dates, and are subject to change. Any such material change will be released on SENS and published in the South African press.
2. If the date of 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 purposes of calculating the latest time by which forms of proxy must be received, Saturdays, Sundays and South African public holidays will be excluded.

7. CIRCULAR TO SHAREHOLDERS AND NOTICE OF GENERAL MEETING

Assore ordinary shareholders are advised that a circular providing additional information on the provision of financial assistance by Assore to MS904 for the purchase of 16,464,450 Assore ordinary shares from MS343 and which contains, inter alia, a notice of general meeting and a form of proxy, will be posted to Assore shareholders on or about 15 July 2011.

The general meeting of Assore shareholders to approve the relevant ordinary and special resolutions will be held on Monday, 15 August at 10:00 at the registered offices of Assore, being Assore House, 15 Fricker Road, Illovo Boulevard, Johannesburg.

Johannesburg  
28 June 2011

Investment bank and sponsor to Assore  
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