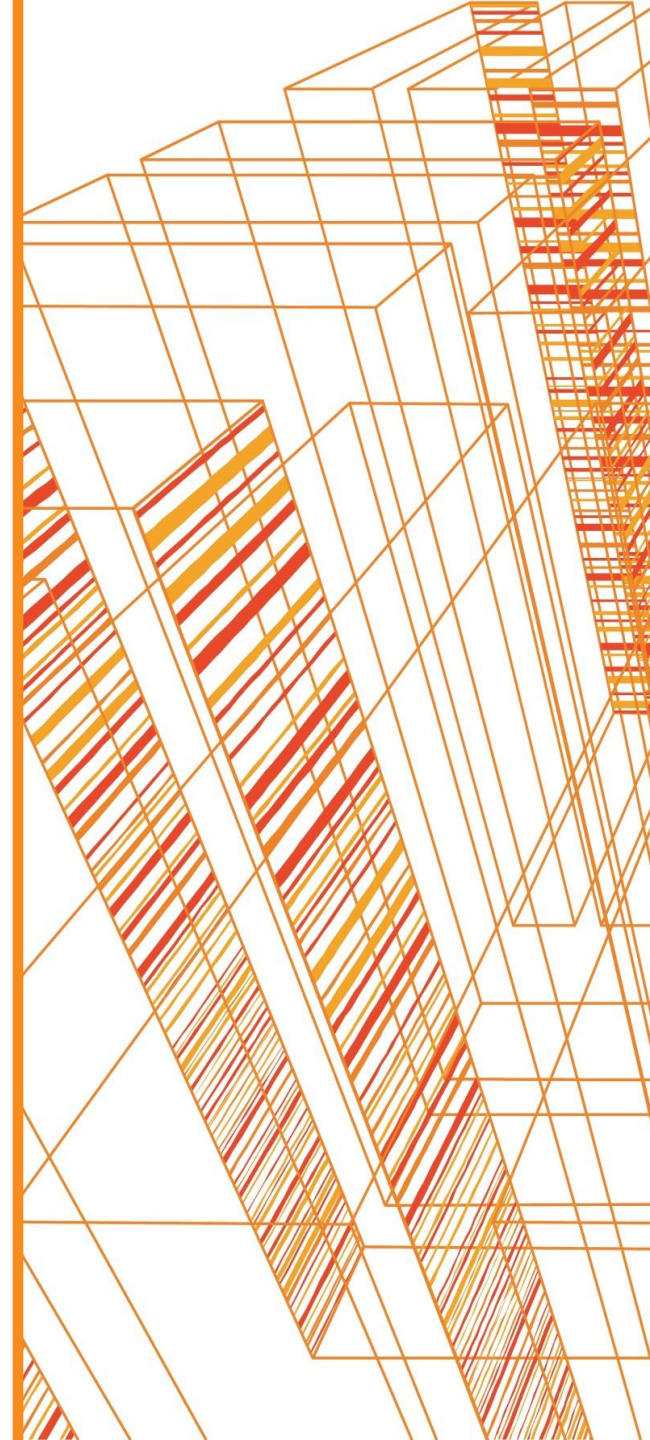


Fe-V-C RESOURCE PROJECT

SYNOPSIS FOR THE SALE OF 744 THOUSAND TONS Fe-V-C RESOURCE

EMALAHLENI (WITBANK), SOUTH AFRICA

15 April 2016





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Introduction

- ❑ Fe-V-C Resource (“Resource”) includes:
 - ❑ Iron
 - ❑ Vanadium
 - ❑ Carbon
- ❑ Classified as hazardous, H2 due to leachable V levels exceeding TCLP and ARLP limits, subsequent test work has recommended that the material be submitted for reclassification to H4 for Ca.
- ❑ Resource covers 10 hectares on a slope of 1 in 20 with a maximum height of 7 meters
- ❑ Estimated 744 thousand tons of the Resource.
- ❑ Product has successfully been extruded into noodles on a trial basis to facilitate handling.
- ❑ Two major income streams with a potential for others.
- ❑ Located at eMalahleni (Witbank), Mpumalanga Province, South Africa.



Ownership and Origin of the Fe-V-C Resource

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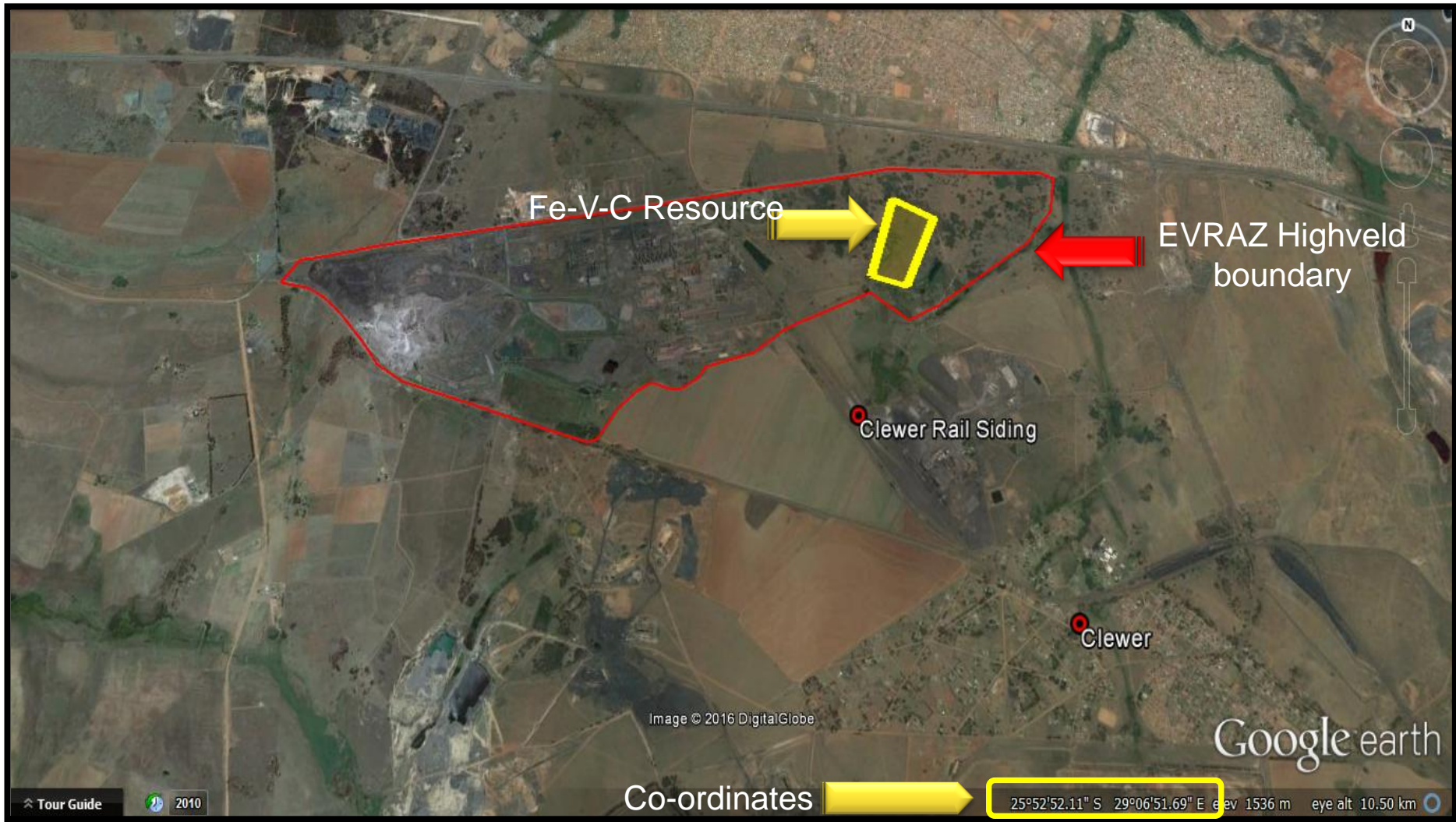
Ownership

- ❑ EVRAZ Highveld Steel and Vanadium Limited (Evraz Highveld), currently in business rescue has beneficial ownership and legal responsibility for the Resource.

Origin

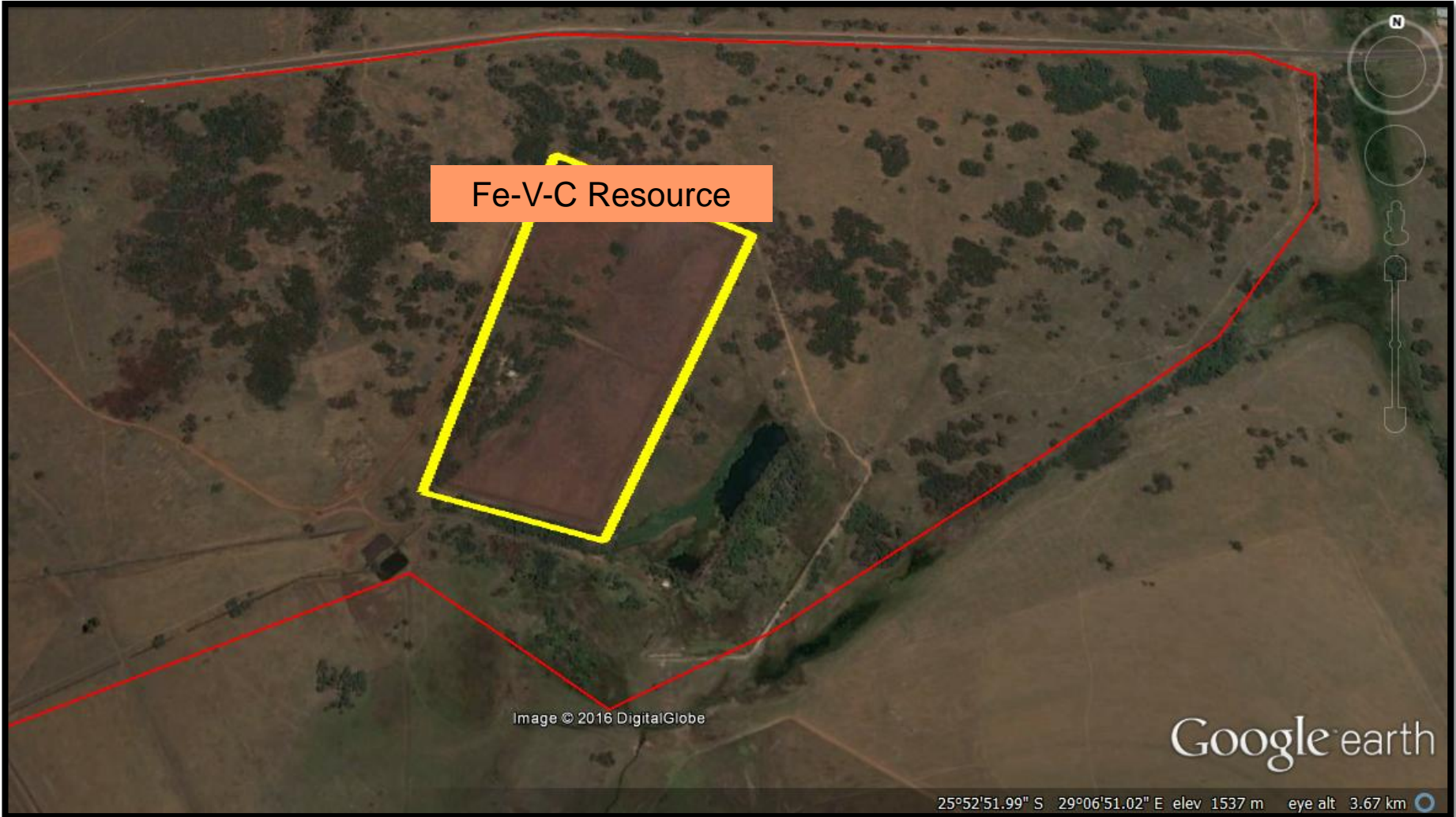
- ❑ The Resource arose from the processing of a molten vanadium containing iron in a top blown shaking ladle process in order to extract the V from the iron.
- ❑ The molten metal was processed through the following unit operations:
 1. High V containing molten iron was decanted into a shaking ladle.
 2. The shaking ladle was placed on an shaking ladle emplacement and top blown with oxygen while simultaneously shaking the ladle.
 3. During the process anthracite, iron ore and scrap was added.
 4. The resultant fume was extracted by means of a suction hood placed over the ladle during the blowing and shaking process.
 5. The fume was cleaned in a wash column and a disintegrator.
 6. The resultant slurry (Fe-V-C resource) was thickened and sent to the east slimes dam for storage.

Location of Fe-V-C Resource Stockpile





Aerial View of the Fe-V-C Resource Stockpile



Analysis of the Fe-V-C Resource

- Below is an average chemical analysis of the Resource as determined by Gulf Mining and exploration

Material	%wt
Fe ₂ O ₃	62.85
C	14.69
V ₂ O ₅	1.13
SiO ₂	11.98
CaO	2.64
S	0.16
ZnO	1.17

□ Pictures of the Fe-V-C resource





Opportunity

Fe units

- ❑ Recovered as Iron and C and agglomerated – sold to EAF operators or direct reduction.
- ❑ Recover and clean Fe_2O_3 for red pigments



Infrastructure Highlights

- ❑ Rail siding of Clewer is approximately 2 km from location of Resource and there is a direct rail link to the sliding.

- ❑ Two export port options:
 - ❑ Rail - Clewer to Maputo (Mozambique)

 - ❑ Rail - Clewer to Richards Bay (South Africa)



Environmental compliance

- The prospective bidder must determine all environmental legal responsibilities, in line with the prevailing legislation as may be amended from time to time, relating to the processes and activities to be undertaken by the prospective bidder and, if successful, to ensure full environmental compliance with such identified responsibilities. All planned processes and activities including any identified environmental responsibilities in relation thereto, will be made clear to Highveld in writing, as part of the bid process, to ensure a transparent relationship and agreement on the environmental compliance requirements. The prospective bidder must lead any discussions with the relevant environmental authorities and obtain the required environmental authorisations relating to the various environmental compliance requirements. The prospective bidder will carry all costs associated with such authorisations and discussions. Any supporting information required from Highveld relating to environmental concerns and compliance requirements must be identified by the prospective bidder and, if available, will henceforth be supplied by Highveld and not be unreasonably withheld, to support the drive of the prospective bidder towards environmental compliance.