

Palabora Mining Company Limited

Registered in the Republic of South Africa, 1 Copper Road Phalaborwa, 1389. Registration No 1956/002134/06

(Incorporated in the Republic of South Africa)
(Registration number 1956/002134/06)
JSE code: PAM ISIN: ZAE000005245

Industrial Development Corporation of South Africa Limited
("IDC")

Hebei Iron & Steel Group Co. Limited
("HBIS")

Tewoo Group Co. Limited
("Tewoo")

General Nice Development Limited
("General Nice")

China-Africa Development Fund
("CADFund")

NOTICE TO INVOKE SECTION 124(I) OF THE COMPANIES ACT, 2008 ("ACT")

1. INTRODUCTION

Shareholders of Palabora Mining Company Limited ("PMC") are referred to the circular dated 16 September 2013 ("Offer Circular"), regarding a mandatory offer in terms of section 123 of the Act and Regulation 86 of the Takeover Regulations by a consortium comprising South African and Chinese entities, namely, IDC, HBIS, Tewoo, General Nice and CADFund (the "Consortium") through Rio Tinto South Africa Limited (which has since changed its name to Smart Union Resources South Africa Limited) ("RTSA"), to the remaining shareholders of PMC ("the Holders") to acquire all their PMC Ordinary Shares ("Offer Shares") ("the Offer").

2. RESULTS OF THE OFFER

The results of the Offer were announced on the Stock Exchange News Service ("SENS") on Tuesday, 17 December 2013 and in the press on Wednesday, 18 December 2013. As announced, the Offer closed at 12:00 on Friday, 13 December 2013 ("Closing Date") and as at the Closing Date, RTSA had received valid acceptances of the Offer from the Holders in respect of 11 950 586 Offer Shares equating to 96.9% of the Offer Shares, resulting in RTSA holding, as at the Closing Date, approximately 99.2% of all the PMC Ordinary Shares in issue.

3. NOTICE TO INVOKE SECTION 124(I) OF THE COMPANIES ACT

As the Offer has been accepted by Holders holding in excess of 90% of the Offer Shares, RTSA has elected to invoke the provisions of section 124(1)(a) of the Act in order to compulsorily acquire all the remaining Offer Shares ("Remaining Offer Shares") from those Holders who have not accepted the Offer ("Remaining Holders") ("Compulsory Acquisition"). Accordingly, notice to invoke section 124(1)(a) in order to compulsorily acquire the Remaining Offer Shares on the same terms and conditions as the Offer, will be distributed to the Remaining Holders today, 7 February 2014 ("Notice").

If any of the Remaining Holders wish to oppose RTSA compulsorily acquiring their Remaining Offer Shares, such Remaining Holders are advised that they are entitled to make an application to court in terms of section 124(2) of the Act within 30 business days after receiving the Notice, seeking an order in terms of that section.

Upon expiration of six weeks from the date of the Notice, if no application has been made to court, or if such application has been made and the application has been disposed of, or if such application is pending, then after it has been disposed of, or after the date on which the demand in terms of section 124(4)(b) of the Act was received, as the case may be, RTSA shall be entitled and bound to compulsorily acquire from the Remaining Holders all of their Remaining Offer Shares in accordance with the provisions of section 124 of the Act on the same terms and conditions as the Offer.

4. SUSPENSION AND TERMINATION OF THE LISTING OF PMC ON THE JSE

The listing of PMC Ordinary Shares on the JSE will be suspended with effect from the commencement of trade on Monday, 10 February 2014. It is expected that the date upon which PMC Ordinary Shares will be delisted from the JSE will be Tuesday, 15 April 2014.

5. SALIENT DATES AND TIMES

	2014
Last day to trade to be recorded on the register as one of the Remaining Holders entitled to receive the Notice	Friday, 24 January
Record date to determine which Remaining Holders are entitled to receive the Notice	Friday, 31 January
Distribution of the Notice to Remaining Holders	Friday, 7 February
Last day to trade to be recorded on the register as one of the Remaining Holders	Friday, 7 February
Suspension of PMC Ordinary Shares on the JSE from the commencement of trading on	Monday, 10 February
Record date to be recorded on the register as one of the Remaining Holders	Friday, 14 February
Last day for Remaining Holders to apply to the court in terms of section 124(2) of the Act	Tuesday, 1 April
Compulsory Acquisition date	Friday, 4 April or the date of finalisation of any court action contemplated in section 124(2)
Date of commencement of payment of the Consideration, as defined in the Notice, to Remaining Holders who have submitted forms of surrender and/or whose details are known and/or holding dematerialised PMC Ordinary Shares within six business days after the Compulsory Acquisition Date (unclaimed Consideration to be held in trust subject to the provisions of section 124(8) of the Companies Act and to be paid on demand)	Monday, 14 April or within six Business Days after the date of finalisation of any Court action contemplated in section 124(2)
Expected termination of listing of PMC on the JSE from the commencement of trading on	Tuesday, 15 April

Notes:

- The above-mentioned dates and times are South African dates and times. All references to days are to business days.
- No dematerialisation or rematerialisation of PMC Ordinary Shares will be processed after the Notice has been distributed.

Johannesburg
7 February 2014

Financial advisors to the Chinese Consortium and to RTSA



Financial advisors to the IDC and to RTSA



Legal advisor to the Consortium and to RTSA



Financial advisor to PMC

Out of the Ordinary®



Specialist Bank

Legal advisor to PMC



in alliance with > Linklaters

Sponsor to PMC

ONE CAPITAL

Independent expert to PMC



General

The release, publication or distribution of this announcement in jurisdictions other than South Africa may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about and observe any applicable requirements in those jurisdictions. This announcement has been prepared for the purposes of complying with the Companies Act and the Companies Regulations and the information disclosed may consequently not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction other than South Africa.

This announcement is not intended to, and does not, constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. This announcement does not constitute a prospectus or a prospectus equivalent document. Holders are advised to read carefully the formal documentation in relation to the Offer once it has been dispatched. The Offer will be made solely through the Offer Circular, which will contain the full terms and conditions of the Offer. Any decision to accept the Offer or other response to the proposals should be made only on the basis of the information contained in the Offer Circular.

Edward Nathan Sonnenbergs Inc., Absa Corporate and Investment Bank (a division of Absa Bank Limited), Barclays Bank PLC and Deutsche Bank are acting exclusively for the shareholders of RTSA in connection with the Offer and for no one else and will not be responsible to anyone other than the shareholders of RTSA for providing the protections afforded to its clients or for providing advice in relation to the Offer. Webber Wentzel, Investec Bank and One Capital are acting exclusively for PMC in connection with the Offer and for no one else and will not be responsible to anyone other than PMC for providing the protections afforded to its clients or for providing advice in relation to the Offer.