

For immediate release

WORK STARTS ON NEW FLUORSPAR MINE

Johannesburg, South Africa. 10 July 2017. Nokeng Fluorspar Mine (RF) (Pty) Limited, a wholly owned subsidiary of SepFluor Limited, has announced the start of construction of the R1.7 billion Nokeng open pit fluorspar mine and concentrator at Rust de Winter, 80 kilometres north east of Pretoria.

Project finance has been raised through a mixture of debt and shareholder equity.

Key equity participants include:

- the African Minerals Exploration and Development Fund II SICAR (AMED II), a private equity fund managed by Explora (Luxembourg) and founded by South African mining entrepreneurs David Twist and Rudolph de Bruin, with Italian financier Carlo Baravalle;
- Ixofluor, backed by the Lelau Mohuba Trust and headed by Sephaku Holdings founder and CEO Dr. Lelau Mohuba;
- Traxys Projects LP, the projects division of commodities trader Traxys Europe SA (Traxys); and
- funds managed by two of AMED II's investors, Kuramo Capital and Tribus Capital.

The finance component of the project was arranged by Fieldstone Africa (Pty) Limited and comprises a consortium of three primary lenders:

- Nedbank Limited as lender and facility agent;
- Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden NV (FMO); and
- Deutsche Investitions Und Entwicklungsgesellschaft mbH (DEG).

In addition, Concentrate Capital partners (CCP), a small investment fund associated with the engineering procurement construction (EPC) contractor DRA, has provided a small tranche of mezzanine debt.

The Department of Trade and Industry (DTI) has approved an infrastructure grant of R21 million under its Critical Infrastructure Programme (CIP), primarily as a contribution towards power supply and road works.

A joint venture comprising DRA Projects SA (Pty) Limited and Group 5 Construction Limited has been awarded the EPC contract for the mine, which includes the concentrator, access roads and the 'self-build' portion of a power supply agreement concluded with Eskom. This involves the construction of a new 14km, 132kv overhead power line. Water supply to the site will be from a newly established wellfield.

Construction is expected to be concluded within a 21-month period, with commissioning beginning in November 2018 and first production in January/February 2019. At an average run-of-mine rate of 630 000tpa, the mine will produce 180 000tpa of acid grade fluorspar and 30 000tpa of metallurgical grade fluorspar.

With a total SAMREC-compliant reserve of 12.18Mt, Nokeng has an estimated life of mine of 19 years. More than 300 fixed-term jobs will be created in the construction phase and some 200 permanent jobs once the mine is in operation.

A significant portion of the early production has been pre-sold to several international fluorspar consumers who have been strongly supportive of the project and its development. A long-term agreement has been concluded with Traxys, which has a significant presence in South Africa, for the marketing and distribution of Nokeng's production.

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