



## Announcement 21 July 2008

### **HYDROFLUORIC ACID AND ALUMINIUM FLUORIDE PROJECT UPDATE – ALFLUORCO (PTY) LTD**

#### **The Project**

Alfluorco (Pty) Ltd is the company established for the beneficiation of acid grade fluorspar to produce Hydrofluoric acid and aluminium fluoride. The project strategy is in line with the DME strategy of mineral beneficiation, and in line with the Fluoro-Chemical initiative of the DTI

#### **Alfluorco Shareholder Partners**

A strategic change in the partners and future shareholders of Alfluorco (Pty) Ltd. has taken place. Minersa, an existing shareholder of Vergenoeg Mining Company, which owns and operates one of the largest hydrofluoric and aluminium fluoride processing facilities in Europe, will replace ICF of Tunisia as the major shareholder and technology partner. With this change, Alfluorco project will benefit from the technology, process operating experience, market experience and customers' confidence to become the leading company in the production of Aluminium Fluoride. The other shareholders remain Vergenoeg Mining Co Pty Ltd and the Industrial Development Corporation of South Africa Ltd (IDC)

#### **Environmental Impact Assessment**

The Site Selection Study and the Environmental Impact Assessment Scoping report has been accepted by the local authorities in uMhlatuze and hence the full EIA has commenced. Specialist studies are nearing completion, and a positive record of decision is expected in October/ November 2008. Rezoning of the property from agricultural and housing to industrial development is in progress.

#### **Bankable Feasibility Study**

The basic engineering technology design package has been done and final costing and integrated design will be completed in the near future. Electrical co-generation has been included in the design, to use the excess energy from the sulphuric acid plant, given the current power shortage in South Africa. The Bankable Feasibility Study will be finalised in December 2008 for Board resolution.

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