



PRESS ANOUNCEMENT
BUSINESS RESCUE PRACTITIONER
LILY MINE

Further to the announcement regarding the investment in Vantage Goldfields by AfroCan the Business Rescue Practitioner would like to clarify the following:

It has been implied in certain media reports that the investment into Vantage Goldfields by AfroCan and indirectly into Lily Mine will be utilised to reopen Mining Operations to the detriment of the Rescue and Recovery of the Container and also that Mining operations will commence in June 2016. Management and I reiterate this is not the case.

It has always been, and is still the intention to Rescue and Recover the container as addressed in the Business Rescue Plan.

After three attempts during February, Rescue and Recovery attempts were aborted as the Mine was declared unsafe and further attempts to continue Rescue and Recovery attempts would endanger the lives of additional personnel. This decision was made collectively together with experts, unions and officials as well as Mine Management. The mine remains closed.

A New Access Decline or Entrance needs to be developed and this decline will cost in the region of R200 million taking approximately 6 to 8 months to complete. During this time no Gold production will take place. The decline has been planned in such a manner that it is a safe access to the area where the container is believed to be. A team will be then deployed to Rescue and Recover the container in safe working conditions.

Mining will then commence approximately 2 months after the decline is complete, as equipment and the Mining Area need to be commissioned. During this time it is anticipated that the container will be retrieved.

At no time has the Business Rescue Process or Management not prioritised this Rescue and Recovery operation.

The Business Rescue Plan addresses these actions and has been approved by the affected persons in Nelspruit on 25 May 2016.

We refer to the Business Rescue Plan which available on our website at www.sturns.co.za

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