

EVRAZ Highveld Steel and Vanadium Limited
(Incorporated in the Republic of South Africa)
(Registration No: 1960/001900/06)
Share code: EHS ISIN: ZAE000146171
("Highveld" or "the Company")

FURTHER RENEWAL OF CAUTIONARY ANNOUNCEMENT AND PLANT STOPPAGE

Shareholders are referred to the announcement released by the Company on 14 April 2015 wherein shareholders were advised that the board of the Company had resolved on 13 April 2015 to commence business rescue proceedings in terms of section 129 of the Companies Act, 2008 ("the Act"), ("the Resolution"), and subsequent updates and announcements dated 30 April 2015, 28 May 2015, 15 June 2015 and 10 July 2015.

A further update on the status of the Company's business rescue proceedings is set out below.

1. Business Rescue is still ongoing, with the publication date of the business rescue plan being 31 August 2015.
2. It was decided to cease production of the Ironmaking division of the Company, which was necessitated by amongst others delayed debtors payments, inadequate cash to procure the required raw materials to continue with manufacturing operations; difficulties experienced with access to funding; and continued inability to pay major creditors timeously. Sustainable operations are not viable at current low demand and poor selling prices.
3. Feeding of raw materials to the Ironmaking kilns was stopped, such that the furnaces can be safely drained and switched out, ready for a future start up. The Steel plant will be stopped and made safe once all the hot metal has been processed. The two mills will continue operating, until all the available stocks have been rolled into saleable products, where after these operations will also be safely stopped. All plant and equipment will for the moment be placed in care and maintenance and prepared for future start up.

4. It is the intention of the Company to resume production once adequate funding has been secured and steel trading conditions have improved to ensure sustained future financial viability.
5. The Company is continuously reviewing its position and possible future proposals with regards to employees and will keep shareholders informed of its future intentions.

eMalahleni

20 July 2015

J.P. Morgan Equities South Africa (Pty) Ltd.

Sponsor