



EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED

Registration number: 1960/001900/06

(Incorporated in the Republic of South Africa)

Share Code: EHS

ISIN Code ZAE000146171

("Evraz Highveld" or "the Company")

VOLUNTARY ANNOUNCEMENT: SUBSCRIPTION OF SHARES IN NYANZA LIGHT METALS (PROPRIETARY) LIMITED ("NYANZA") AND OPERATION OF THE BUSINESS OF NYANZA

Shareholders are advised that EVRAZ Highveld Steel and Vanadium Limited ("EVRAZ Highveld") has entered into an agreement to subscribe for 20% of the issued shares in Nyanza. The remaining 80% of the issued shares in Nyanza will be held by Arkein Industrial Holdings (Proprietary) Limited ("**Arkein**"), upon the agreement becoming unconditional in accordance with its terms. The Company and Arkein have entered into this joint venture for the purpose of conducting the business of Nyanza ("**Business**") as described below. The Company and Arkein have further entered into a shareholders agreement to govern the relationship among the parties in respect of Nyanza and its Business. The shareholders agreement is subject to the fulfilment or waiver of several suspensive conditions by 31 July 2013.

The Company produces iron and steel products and vanadium-bearing slag at its steelworks at eMalahleni, Mpumalanga from which it produces titanium dioxide rich waste slag ("**Waste Slag**"). Nyanza shall perform the business of reprocessing the Waste Slag through the construction and operations of a plant ("**Reprocessing Plant**") producing a rutile ("**titanium dioxide**") pigment, which plant shall be constructed on a site and location to be determined by the parties during the feasibility studies detailed below.

Prior to the construction of the Reprocessing Plant, the parties will conduct a Scoping Study, a Pre-Feasibility Study and a Bankable Feasibility Study. A Scoping Study was initially conducted in order to ascertain the high-level viability of the Business and was completed in

March of 2012; the Pre-Feasibility Study (“**PFS**”) were the studies conducted in order to ascertain a more detailed assessment of the Business as proposed in the Scoping Study and was completed in May 2013. The Bankable Feasibility Study (“**BFS**”) is the extensive technical and financial study to assess the commercial viability of the Business with sufficient detail and integrity that it may be used to arrange project financing. The BFS is envisaged to commence in July 2013 and take 18 months to complete. After the completion of the BFS and subject to the approvals of the boards of the Company and Nyanza and/ or its Shareholders, taking into account the results of the study, Nyanza shall proceed to construct the Reprocessing Plant to conduct the Business.

eMalahleni

26 June 2013

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

Sponsor