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9 July 2007

International Ferro Metals Limited  
("IFL" or "the Company")

Placing of new ordinary shares and directors' dealing

IFL announces that it has raised £85.2 million (before expenses) through the placing by Numis Securities Limited of 71 million new ordinary shares with certain existing shareholders and new institutional investors at 120 pence per share.

HIGHLIGHTS

- The IFL group is a low cost ferrochrome producer with guaranteed off-take agreements, long life resources and a highly experienced management team
- £85.2 million raised (before expenses)
- 71m new ordinary shares placed at 120p/share
- Proceeds will be used to fund the equity component of the planned expansion of existing chromite mining and ferrochrome processing operations
- Expansion is projected to increase production capacity by up to 150% to 665,000 tpa
- Off-take agreements should more than double following the expansion
- Strong forecast ferrochrome demand (66% growth between 2007 and 2015) driven by expanding demand for stainless steel especially from China
- Move to the Official List of the Financial Services Authority and to trading on the main market of the London Stock Exchange in August 2007

Stephen Turner, Managing Director of International Ferro Metals commented "The stronger equity base positions IFL to take full advantage of the current and forecast shortage in the supply of ferrochrome. Through the issue of additional shares representing 16.5% of the Company, its production capacity will be increased by up to 150%. With the ferrochrome price increasing to US\$1/lb, IFL looks forward to an excellent period of growth".

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International Ferro Metals Limited  
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Placing of new ordinary shares and directors' dealing

IFL announces that it has raised £85.2 million (before expenses) through the placing (the "Placing") by Numis Securities Limited of 71 million new ordinary shares (the "Placing Shares") with certain existing shareholders and new institutional investors at 120 pence per share (the "Placing").

IFL, its subsidiary International Ferro Metals (SA) (Pty) Ltd ("IFMSA") and its other subsidiaries (collectively "IFM" or "Group") are a low cost ferrochrome producer. The proceeds of the Placing will be used to fund the equity component of the planned expansion of IFM's existing chromite mining and ferrochrome processing operations at the Buffelsfontein mine, involving the construction of up to three additional furnaces, a pelletising and sintering plant and a beneficiation plant (the "Expansion"). Further details of the Expansion are described below.

Further to the Company's announcement on 4 April 2007 regarding its proposed move to the Official List of the Financial Services Authority ("FSA") and to trading on the main market of the London Stock Exchange ("LSE") for listed securities, the Company announces that this process is ongoing and expected to complete in August 2007. Further details are described below.

### **The Expansion**

The layout of the Buffelsfontein processing facility was designed to allow for potential expansion with sufficient space set aside for an additional pelletising and sintering plant and additional furnaces. The Company intends to increase production through the development of up to three additional furnaces at the site.

IFM has commenced a feasibility study to confirm the economic viability of increasing the capacity of the Buffelsfontein facility up to 665ktpa of ferrochrome. The Expansion would incorporate the installation of up to three additional 66MVA furnaces with pre-heaters, a 600ktpa pelletising and sintering plant and an ore beneficiation plant of 1.1Mtpa, with associated services. The Company also proposes to fit pre-heaters to the two existing furnaces to increase their efficiency, so that the total capacity on completion of the Expansion will more than double to 665ktpa (assuming that three additional furnaces are constructed). Further details will be announced following completion of the feasibility study.

SRK Consulting (South Africa) (Pty) Ltd ("SRK") has reviewed IFM's resources and reserves and its summary is extracted in the table in Appendix I. SRK estimates that IFL will have a 16 year mine life from current reserves for the current facility. Management believes that IFM's resources and reserves will be sufficient to supply the expanded facility for at least 30 years.

IFM is currently in negotiations with specialist contractors, who are recognised as being industry leaders within their respective fields with experience in successfully erecting and commissioning plants of a similar nature, to construct the new furnaces as part of the

Expansion. It is the intention of the Directors, where possible, to engage these contractors on fixed price lump sum turn-key ("LSTK") contracts with performance guarantees and penalty clauses for late commissioning; an approach that was successfully employed by IFM in the construction of the existing facility. While contracts have not yet been concluded, acceptable quotes have been received and negotiations are progressing.

The Directors have set the following progress targets in order to implement the Expansion:

July 2007:	Complete Placing
September 2007:	Lock-in LSTK contractors
December 2007:	Obtain addendum to environmental licence
January 2008:	Complete feasibility study
February 2008:	Secure debt finance
March 2008:	Commence construction
September 2009:	Complete construction and commence ramp-up
March 2010:	Reach full design capacity production

The preliminary indicative capital cost of the Expansion has been estimated at approximately £223.4 million (R3.2 billion) for three additional furnaces and the preheaters to be installed at the current facilities, although this will need to be confirmed by the feasibility study that is currently underway. The Company expects the feasibility study to recommend the Expansion, and is raising funds prior to completion of the feasibility study in order to take advantage of the buoyant ferrochrome market conditions and to be able to place orders for certain long lead-time items without which the Expansion will not be able to proceed according to the planned timetable.

Whilst the Directors are confident that the feasibility study will confirm the economic viability of the Expansion, in the event that it does not, IFM will use the proceeds of the Placing to pursue consolidation opportunities within the ferrometals industry.

### **Financing the Expansion**

The Directors intend to finance the Expansion by a combination of equity and debt. The equity element will consist of the net proceeds of the Placing with the balance of the funding requirements to be provided by debt facilities. The proposed debt facilities are intended to raise a minimum of approximately £143.8m (R2.1 billion). The Group has received indicative offers from four major international banking groups to provide such debt facilities. The expected sources and intended uses of such funds are summarised in Appendix II.

### **IFM and the Ferrochrome market**

Continued increases in global stainless steel production have further strengthened demand for ferrochrome with stainless steel production forecast to grow at 5.9% per annum.

The restrictions on the export of chromite ore from India introduced in March 2007 have threatened ferrochrome production in China. This and other factors have resulted in a tight ferrochrome market.

The demand for ferrochrome is forecast to grow 66% between 2007 and 2015 with a forecast annual growth rate of 5.2% to 2020. The price of charge chrome is forecast to average US\$0.79 over the next decade (the current price being US\$1.00/lb, up from US\$0.75/lb in the first quarter of 2007).

IFM continues to be a low-cost producer of ferrochrome, with total operating costs for 2008 expected to be around US\$0.40/lb. Following Expansion and ramp up to full production,

IFM's costs are expected to remain in the lowest quartile of all producers, and one of the lowest of the South African producers.

### **Guaranteed Off-take Agreements**

IFMSA has an off-take agreement with Jiuquan Iron and Steel Group Company Limited ("JISCO"), the largest steel maker in Northwest China. Under the terms of the agreement entered into in August 2005, JISCO agreed to purchase at least 120,000 tpa of ferrochrome on a take-or-pay basis at a market related price. JISCO also agreed to act as agent for IFMSA to market ferrochrome in China, Taiwan, Japan and Korea. The duration of this contract is indefinite, although it may be terminated after five years in certain circumstances. JISCO has commissioned a 600,000 tpa stainless steel production facility. Pursuant to an addendum, JISCO has agreed to increase its commitment under the off-take agreement to 300,000 tonnes of ferrochrome per year from the commencement of production from IFM's expanded facility.

In addition, IFMSA has a further off-take agreement with CMC Cometals, a division of Commercial Metals Company, a New York Stock Exchange listed company with a market capitalisation of approximately US\$2.5 billion, to purchase 30,000 tpa of ferrochrome, as well as 20,000 tpa of ferrochrome fines, on a take-or-pay basis at a market related price. In addition, CMC Cometals acts as an exclusive agent selling the remainder of the Group's ferrochrome production outside JISCO's territories as identified above. The term of the agreement is eight years from 1 July 2007. CMC Cometals has also agreed to double its minimum commitment under the off-take agreement to 100,000 tonnes of ferrochrome per year from the commencement of production from the expanded facility.

### **The Placing**

IFL has raised £85.2 million (before expenses) through the placing by Numis Securities Limited of 71 million new ordinary shares (the "Placing Shares"), with certain existing shareholders and new institutional investors at 120 pence per Placing Share. The Placing was not underwritten.

As part of the Placing, the Company has issued and allocated 25,488,864 of the Placing Shares (the "JISCO Subscription Shares") to JISCO pursuant to a Subscription Agreement, at a price of 120 pence per JISCO Subscription Share (the "JISCO Subscription"). JISCO's subscription for 6,957,864 of the JISCO Subscription Shares (which will increase its holding above its current 26.1%) (the "Additional JISCO Shares") will be conditional upon Australian Foreign Investment Review Board approval "FIRB Approval" being obtained, which JISCO is in the process of applying for.

In addition, certain Directors have exercised options ("Exercise of Options"), as detailed below, resulting in the issue of 2,250,000 new ordinary shares to those Directors ("Option Shares"). The Exercise of Options also required the issue of a further 794,655 new ordinary shares ("Anti-dilution Shares") to JISCO as a result of its anti-dilution rights agreed at the time of its original subscription for shares in IFL.

Following the Exercise of Options, pursuant to the Subscription Agreement JISCO has agreed to acquire 8,108,333 ordinary shares in the Company from certain Directors and senior management of the Company (the "Sale Shares"), at a price of 120 pence per Sale Share. The transfer of the Sale Shares is conditional upon FIRB Approval being obtained.

Following the Placing and JISCO Subscription, and subject to FIRB Approval being obtained as described above, JISCO will have an interest of 146,143,081 ordinary shares or 29.1% of the issued share capital of IFL.

IFL's issued share capital following the issue of the Placing Shares, Option Shares, Anti-dilution Shares ("New Ordinary Shares") and receipt of FIRB Approval will be 502,206,551 ordinary shares.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM. Dealings in the New Ordinary Shares (other than the Additional JISCO Shares) on AIM are expected to commence on 12 July 2007. Dealings in the Additional JISCO Shares will commence as soon as practicable following receipt of the FIRB Approval.

### Directors' exercise of options and dealings

On 9 July 2007, the Company issued and allotted 2,250,000 ordinary shares to the following Directors of IFL pursuant to an exercise of options.

Director	Exercise Price	Number of Ordinary Shares	Outstanding Share Options
Anthony Grey*	A\$ 0.40	500,000	nil
	A\$ 0.65	500,000	nil
Stephen Turner	A\$ 0.40	200,000	nil
	A\$ 0.65	200,000	nil
Terence Willstead**	£ 0.35	250,000	nil
Stephen Oke	£ 0.35	100,000	150,000
Xiaoping Yang	£ 0.35	250,000	nil
Tian Xia	£ 0.35	250,000	nil
<b>TOTAL</b>		<b>2,250,000</b>	<b>150,000</b>

\* Anthony Grey's 1,000,000 ordinary shares are held by Dalvin Pty Limited, a company of which Anthony Grey is a beneficial owner.

\*\* Terence Willstead's 250,000 options are held by Patermat Pty Ltd as trustee for T.V. Willstead & Associates Pty Ltd Superannuation Fund, in which Terence Willstead has a beneficial interest.

### Directors' and Senior Management's sale of shares to JISCO

On 9 July 2007, certain Directors and senior management (and persons connected with them) of IFL agreed to sell ordinary shares to JISCO at a price of 120p per share, subject to FIRB Approval, as follows:

Director / Senior Manager	Number of Ordinary Shares sold	Subsequent Holding of Ordinary Shares
Anthony Grey*	633,333	1,266,667
Stephen Turner**	6,458,333	6,916,667
Ian Watson	333,333	333,334
Terence Willstead***	83,333	166,667

Director / Senior Manager	Number of Ordinary Shares sold	Subsequent Holding of Ordinary Shares
Stephen Oke	100,000	nil
Xiaoping Yang	83,333	166,667
Tian Xia	83,333	166,667
Ronald Barnard	333,333	333,334
<b>TOTAL</b>	<b>8,108,333</b>	<b>9,350,001</b>

\* Anthony Grey's 633,333 ordinary shares are being sold by Dalvin Pty Limited, a company of which Anthony Grey is a beneficial owner.

\*\*Stephen Turner's 6,458,333 ordinary shares are being sold by Kin Yip International Limited, a company of which Stephen Turner is a beneficial owner.

\*\*\* Terence Willstead's 83,333 ordinary shares are being sold by Patermat Pty Ltd as trustee for T.V.Willstead & Associates Pty Ltd Superannuation Fund, in which Terence Willstead has a beneficial interest.

### Statistics

Number of Placing Shares being issued pursuant to the Placing	71,000,000
Number of Option Shares being issued pursuant to the Exercise of Options and Anti-dilution Shares being issued to JISCO as a consequence of such exercise	3,044,655
Number of JISCO Subscription Shares being issued pursuant to the JISCO Subscription (assuming that FIRB Approval is granted)	25,488,864
Number of Ordinary Shares in issue immediately following the Placing, Exercise of Options, and the JISCO Subscription	502,206,551
Approximate percentage of issued Ordinary Share capital subject to the Placing	16.5%
Approximate percentage of issued Ordinary Share capital to be held by JISCO following the Placing, issue of Anti-dilution Shares and acquisition of Sale Shares (assuming that FIRB Approval is granted)	29.1%
Estimated gross proceeds receivable by the Company pursuant to the Placing	£85.2 million

### Proposed Move to the Main List of the London Stock Exchange

Further to the Company's announcement on 4 April 2007 stating that IFL had commenced the process to apply for admission to the Official List of the FSA and to trading on the main market of the LSE for listed securities, the Company announces that it is continuing to progress the preparation of its prospectus in support of its application for admission to the main market of the LSE.

Pursuant to Rule 41 of the AIM Rules, the Company hereby gives notice of the intended cancellation of admission to trading of the Company's issued share capital on AIM. It is

expected that the Ordinary Shares will be simultaneously cancelled from trading on AIM and admitted to listing on the Official List of the FSA and to trading on the main market of the LSE in August 2007, subject to the receipt of the necessary approvals from the UKLA.

## **General**

Numis Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as broker to the Company in connection with the Placing and the JISCO Subscription and other matters referred to in this announcement and will not be responsible to any person other than the Company for providing the protections afforded to customers of Numis Securities, or for advising any such person on the contents of this announcement or any other transaction, arrangement or matter referred to herein.

Grant Thornton Corporate Finance, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser to the Company in connection with the Placing and other matters referred to in this announcement and will not be responsible to any person other than the Company for providing the protections afforded to customers of Grant Thornton Corporate Finance, or for advising any such person on the contents of this announcement or any other transaction, arrangement or matter referred to herein.

This Announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for securities in the United States, Canada, the Republic of Ireland, Australia, the Republic of South Africa or Japan or any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company or Numis and should not be relied upon in connection with any decision to acquire the Ordinary Shares or any other IFL securities.

The information contained in this Announcement is not for release, publication or distribution, directly or indirectly, to persons in the United States. Neither this announcement nor any copy of it may be: (i) taken or transmitted into the United States; (ii) distributed, directly or indirectly, in the United States or to any US Person (within the meaning of regulations made under the Securities Act; (iii) taken or transmitted into or distributed in Canada, the Republic of Ireland, Australia, the Republic of South Africa or Japan or to an resident thereof for the purpose of solicitation or subscription or offer for sale of any securities or in the context where the distribution thereof may be construed as such a solicitation or offer. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction.

The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the "Securities Act") or under the securities laws, or with any securities regulatory authority, of any state or other jurisdiction of the United States or of any province or territory of Canada, Australia, the Republic of South Africa or Japan. Accordingly, unless an exemption under any applicable law is available, the Ordinary Shares may not be directly or indirectly offered, sold, taken up or delivered, in, into or from the United States, Canada, Australia, the Republic of South Africa or Japan or to or for the account or benefit of any national, resident or citizen of the United States or any person resident in Canada, Australia, the Republic of South Africa or Japan.

The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements. Any failure to comply with these requirements may constitute a violation of the securities laws or other laws of any such jurisdiction. This announcement has been prepared for the purposes of complying with English law and the information disclosed may not be the

same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.

## APPENDIX I

<b>MINERAL RESERVES</b>				<b>MINERAL RESOURCES</b> <i>(geological losses applied)</i>			
	<i>Tonnage</i> <i>(kt)</i>	<i>Cr<sub>2</sub>O<sub>3</sub></i> <i>(%)</i>	<i>Cr:Fe</i> <i>ratio</i>		<i>Tonnage</i> <i>(kt)</i>	<i>Cr<sub>2</sub>O<sub>3</sub></i> <i>(%)</i>	<i>Cr:Fe</i> <i>ratio</i>
Buffelsfontein				<b>Measured</b>			
				Buffelsfontein			
				MG3	5,013	34.93	1.25
				MG2T	2,026	36.84	1.33
MG2 <sup>(1)</sup>	5,916	21.30	1.04	MG2B	5,227	37.25	1.33
MG1	4,310	32.97	1.11	MG1	5,338	40.25	1.47
<b>Probable</b>				<b>Indicated</b>			
Buffelsfontein				Buffelsfontein			
				MG3	1,235	34.46	1.19
				MG2T	542	37.14	1.36
MG2 <sup>(1)</sup>	1,537	21.30	1.11	MG2B	1,452	37.93	1.37
MG1	1,194	32.97	1.23	MG1	1,584	40.49	1.48
<b>Proved &amp; Probable Reserves</b>	<b>12,957</b>	<b>26.26</b>	<b>1.09</b>	<b>Measured &amp; Indicated Resources</b>	<b>22,417</b>	<b>37.53</b>	<b>1.35</b>
				<b>Inferred</b>			
				Buffelsfontein			
				MG3	1,906	34.38	1.18
				MG2T	739	37.27	1.36
				MG2B	2,107	38.00	1.36
				MG1	2,216	40.55	1.49
				Sky Chrome			
				MG1	55,552 <sup>(3)</sup>	36.63	n/r
				<b>Inferred Resources</b>	<b>62,520</b>	<b>36.75</b>	- <sup>(2)</sup>
<b>Total Reserves</b>	<b>12,957</b>	<b>26.26</b>	<b>1.09</b>	<b>Total Resources</b>	<b>84,937</b>	<b>36.96</b>	- <sup>(2)</sup>

- 1 Tonnages and grades for the MG2 are before scalping underground and include the parting between the MG2B and MG2T reefs.
- 2 The Cr:Fe ratio cannot be calculated for the totals since this value was not reported for the MG1 at Sky Chrome. The MG2 resource at Sky Chrome is excluded from the table.
- 3 Total inferred resource of 55,552Kt, of which 80% is attributable to IFL. IFL also has the right to mine the remaining 20% subject to payment of a royalty.

## APPENDIX II

### EXPECTED SOURCE OF FUNDS AND USE OF FUNDS

#### EXPECTED SOURCE OF FUNDS<sup>1</sup>

<b>Equity</b>	<b>Rand</b>	<b>£<sup>2</sup></b>
Financial institutions	775,509,757	54,613,363
JISCO	434,330,243	30,586,637
	<u>1,209,840,000</u>	<u>85,200,000</u>
Debt <sup>3</sup>		
Senior debt (excl interest)	2,042,010,803	143,803,578
Working capital facility	187,500,000	13,204,225
	<u>2,229,510,803</u>	<u>157,007,803</u>
<b>Total financing</b>	<b>3,439,350,803</b>	<b>242,207,803</b>

1. Based on 3 furnace expansion
2. Using R14.2: £1.00 exchange rate
3. Balancing figure: assumes no finance from operating cash flow

#### EXPECTED USE OF FUNDS

##### 3 smelters

	<b>Rand</b>
<b>Buffelsfontein site</b>	
Three furnaces	1,530,000,000
Pelletising & Sintering plant	605,000,000
Bulk earthworks – plant area	21,700,000
Additional internal/external roads	75,300,000
Railway line and sidings for finished product & raw material offloading	31,200,000
Services	59,300,000
Infrastructure	33,700,000
Smelter Services	34,700,000
Admin, infrastructure, general	96,400,000
Slag dump conveyor & stacker	7,700,000
Allowance for price escalation	50,100,000
<b>Skychrome project</b>	
Feasibility study	18,200,000
Opencast mining – establishment per strip	13,500,000
Preparation for underground mining	185,300,000
Infrastructure, building services	18,000,000
Beneficiation plant, including crush & screen, tailings dam	187,300,000
Allowance for price escalation	34,800,000
<b>Total expansion project</b>	<u>3,002,200,000</u>
Preheaters	145,000,000
Capital projects identified as part of 2008 budget & costs related to the feasibility study of Skychrome	25,650,803
	<u>3,172,850,803</u>
Working capital	187,500,000
Transaction costs	79,000,000
<b>Total costs</b>	<u>3,439,350,803</u>

# IMPORTANT INFORMATION

## APPENDIX III

### RISK FACTORS

#### RISK FACTORS

*Any investment in IFL is subject to a number of risks. Some of the following factors relate principally to the Group's business and the sector in which it operates. Other factors relate principally to an investment in ordinary shares in the Company ("Ordinary Shares"). The risks and uncertainties described below are not intended to be exhaustive and are not the only ones facing the Group. Additional risks and uncertainties not currently known to the Group, or that the Group currently deems immaterial, may also have a material adverse effect on the Group's business, financial condition and results of operations. If this occurs, the price of the Ordinary Shares may decline and shareholders could lose all or part of their investment. Investors should consider carefully whether an investment in Ordinary Share is suitable for them in light of the information in this document and their personal circumstances*

#### **Risks specific to the Group's operations**

The successful completion of the Expansion depends on the following key matters: the completion of a feasibility study; agreeing contracts for construction on appropriate terms; the obtaining of necessary permits and rights including a new order mining right to mine the Sky Chrome deposit; the sourcing of suitable equipment and labour in an economic manner; the Company's reliance on contractors; the long lead times involved in obtaining certain key capital items; and the receipt of sufficient financing. Problems arising with any of these elements may prevent the Group from successfully carrying out the planned Expansion.

Any increase in the price of electricity, which is a major element of the Group's cost structure, and which is subject to a range of different factors, could have a negative impact on the Group's future profitability.

Interruptions in the electricity supply to the Group's operations may adversely affect the Group's business due to the downtime to the furnaces that they cause. An inadequate supply of water, which has been a problem at certain occasions in the past, may negatively impact production.

The failure to retain or recruit key senior personnel of the appropriate calibre would adversely affect the Group's business due to the Group's dependence on the experience and expertise of such senior employees.

The failure to retain or recruit sufficient skilled labour from the local populace may cause a loss in productivity to the Group's operations.

The Group's operations may be adversely affected by labour disputes or changes in South African labour laws.

There is no guarantee that the Group will be able to source sufficient financing to maintain or expand its operations in the planned manner.

A weakening of the US\$ against the Rand may have a negative impact on the Group's financial position as the Group's revenues are generally US\$ denominated whilst its costs are generally Rand denominated.

Any disruption or weakening in the Group's current key business relationships, particularly with JISCO and CMC Comerals, could have a negative impact on the Group's ability to carry on its business.

### **Risks specific to the Group's South African location**

South African land and mineral rights could be subject to land claims, which could impose significant costs and burdens on the Group. In addition, some uncertainty exists in relation to the legislation surrounding South African Black Economic Empowerment mining transactions, which could have a negative impact on the Group's ability to procure new order mining rights.

If the outstanding land claim relating to the farm Buffelsfontein 465 JQ is successful, the Group may have to mediate and potentially pay compensation.

There is no assurance that future political and economic conditions in South Africa will be conducive to the development of natural resources by foreign financial investors.

HIV/AIDS is perceived as a serious threat to maintaining a skilled workforce from the local populace.

### **Risks specific to the Group's industry**

Fluctuations in the price of ferrochrome, which can occur through many different factors, may adversely impact the Group's business.

The Group's business operations are subject to risks and hazards inherent in the mining industry, which could adversely effect, among other things, the development of the Lesedi and Skychrome properties, production quantities and rates, and various costs and expenditures.

There can be no guarantee that an identified reserve or resource will become or continue to qualify as a commercially mineable and exploitable deposit.

Legal proceedings may arise from time to time in the course of the Company's business, for example in the case of the delay in Bateman's completion of the pelletising and sintering plant. There can be no guarantee that the Group will be successful in any litigation or that it will be able to negotiate an acceptable settlement.

The Company's insurance may not provide adequate cover in certain unforeseen circumstances, and insurance against certain risks (including certain liabilities for environmental pollution or other hazards as a result of exploration and production) is not generally available.

The Group is subject to environmental risks inherent in the mining industry which may materialise in the form of significant costs relating to any clean-up or rehabilitation.

Failure to comply with health and safety legislation could result in litigation which in turn could adversely affect the Group's business.

Unforeseen economic and political events may have a negative impact on the Group's share price.

## **Risks relating to the Ordinary Shares**

There is no guarantee that JISCO's interests will be aligned to the interests of holders of Ordinary Shares.

IFL's share price is subject to market and other forces and may consequently be volatile.

