



**JOINT NEWS RELEASE**

**XSTRATA-MERAFFE CHROME VENTURE TO INCREASE ORE  
AGGLOMERATION CAPACITY**

Rustenburg, 28 November 2005

The Xstrata-Merafe Chrome Venture ("the Chrome Venture") will construct a chrome ore agglomeration facility at its Wonderkop site, named Project Bokamoso.

The agglomeration facility will be based on the Outokumpu technology currently employed at the Chrome Venture's Boshhoek operation. The total project cost of US\$125 million comprises the construction of the agglomeration facility and related infrastructure development. The Project consists of the erection and commissioning of two sintering and pelletising plants with a combined production capacity of ca. 1.2 million tonnes per annum.

The additional agglomeration capacity will enhance mining and operational efficiencies, reduce operating costs for the Western smelting operations, improve environmental performance and enhance operational flexibility. Construction is expected to commence in Q1 2006, with the plant commissioning starting in Q2 2007. The plant is expected to reach full capacity by the end of 2007.

Peet Nienaber, CEO of Xstrata Alloys said; "This project will deliver significant cost efficiencies, allowing the Xstrata-Merafe Chrome Venture to consolidate further its position as a highly cost-efficient chrome producer while improving our operations' environmental footprint."

Steve Phiri, CEO of Merafe Resources said, "We are delighted to announce Project Bokamoso which will increase chrome ore agglomeration capacity at a relatively low capital cost and within 2 years of commencing construction. This represents a cost efficient method of using the fines already produced from our mining operations to increase capacity and further improve the efficiency of our operations."

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