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Whittle Consulting (Africa) continues to expand its Enterprise Optimisation business.

“Whittle Consulting, strategic optimisation specialists for the mining industry worldwide, are pleased to be able to announce a number of contract awards, completion of several studies and establishment of three strategic alliances in Africa in 2010 and the first quarter of 2011.

Since Steve Burks was appointed as Managing Director of Whittle’s African subsidiary based in Johannesburg in May 2010, work was completed on the first phase of an Enterprise Optimisation study for Goldfields International at its Tarkwa operation producing gold in Ghana, as well as both phases of a study of the Black Rock Mining Operation and Assmang’s related manganese ore processing, transport, ferromanganese smelting and product distribution activities in South Africa. Assmang is a joint venture company between African Rainbow Minerals (ARM) and Assore, and the study objectives were set in order to address the corporate goals of both partners. These two studies spanned the entire set of ten optimisation mechanisms offered by Whittle Consulting (Pit shells, pit phases, mine or pit scheduling, cut-off grade, stockpiling, optimisation of variable processes, product alternatives, logistics, capital expenditure and simultaneous optimisation of all of the other mechanisms over the entire planned life of mine). Tarkwa consists of multiple open pits feeding a number of different ore types to alternative metallurgical processing facilities, so pit phasing, mining schedules and grade transition from one process path to another were particularly important to the optimisation process. The Assmang operation, on the other hand, involves mining of several underground ore bodies from multiple shafts and haulage systems prior to exporting a number of different ore products and also smelting certain blends of ore products to produce ferromanganese for export. The influence of product logistics costs on the operation, balance between ore to be exported and ore smelted, potential to vary the mining width affecting tonnage and grade available to be mined, and the ability of the ore body to support different sizes of operation in future were studied over a period of several months.

Other project work successfully completed during the past few months included two updates of the mining and metallurgical optimisation work previously done for Anglo Gold Ashanti’s Navachab gold operation in Namibia; three phases of work for Anglo Platinum’s Mogalakwena open pit operation in South Africa in which the current mining and processing operations were considered as well as several possible future scenarios likely to be influenced by downstream processing capacities; and a study of Mimosa Platinum’s current underground mine and plant in Zimbabwe as well as possible future plans. The Enterprise Optimisation techniques are likely to add most value in the early study phases of most mine lifecycles, when a good ore block model is already available but before this has been used as the basis for fixing the size and configuration of the planned operation. However, a high percentage of optimisation studies have to date involved existing operations. Enterprise Optimisation is usually able to identify significant potential financial improvements to these as well, particularly if expansions are contemplated.

Since the beginning of 2011, new studies have included an Enterprise Optimisation study of Paladin Energy’s Langer Heinrich uranium operation in Namibia as well as a package of work on the Tasiast gold operation and project in Mauritania, recently acquired from Red Back Mining by Kinross. Marketing continues unabated, with the main method of explaining Whittle’s portfolio of techniques being one or two day training courses. These are presented by Gerald Whittle, and in Africa general courses were presented in Johannesburg in August 2010 and Windhoek in April 2011. In addition, Anglo Gold Ashanti and Mimosa Platinum each commissioned one day in-house courses in the
period under review, specifically for managers and other senior employees interested in learning more about the principles and implementation of (delete- Whittle Consulting’s) optimisation mechanisms.

The African operation was intentionally set up with a minimal local overhead structure and draws heavily on the expertise of Whittle Consulting’s Technical Services group in Melbourne, where all proprietary software is housed and supported. In addition, Whittle’s global alliances with Gemcom and Ausenco for Enterprise Optimisation work worldwide are expected to be used in future to support the African region. To supplement these, strategic framework agreements were also put in place with the mining engineering consulting groups VBKom, MineQuest Consult and GMSI during the past nine months, and opportunities are actively being sought to work together on optimisation projects in order to familiarise these groups with the key principles. Steve Burks has to date managed and contributed to all local studies himself utilising his strong background in project, study and general management in the mining industry as well as many years of exposure to diverse metallurgical processes to recover multiple commodities. As the operation continues to grow the intention is to continue training and developing additional managers and technical specialists employed either by Whittle directly or by the associate companies mentioned above. This process has already commenced and is progressing steadily.

Steve Burks commented ‘Typically, Enterprise Optimisation studies link the complete geological, mining, processing, logistics and product marketing elements of the overall operation. This provides the Owner with a detailed business model of the complete value chain across several distinct operational departments or even multiple mines and processing plants, regardless of scale or complexity. Our aim is to identify improved operational strategies and alternative scenarios for the future, to enable the Client to increase net present value of the Enterprise by a significant amount. Improvements in the range 5-35% or more in NPV have often been demonstrated to be possible when accompanied by committed implementation by the customer of the strategies identified in our studies. Frequently, this is achieved before the application of any new capital investments simply by optimising the use of the existing assets or those already included in an approved study document.’

This work adds to Whittle Consulting’s current global portfolio of work including studies of projects and operations in Australasia, North and South America. The same approach to Enterprise Optimisation is used by all operational offices of the group, and lessons learned in each region are incorporated on new projects in other regions to the extent permitted by the confidentiality agreements signed with each customer.

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