

Appendix 2: 1994 - 2003 data

| Parent Company | BEE Company | Asset Sold/acquired | Transaction Value (mil) | Funding Model (Rmil) | | | | Transaction Year | Sustainability | Remark |
|------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------|----------------------|------------------|---------------|-------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | Vendor | Third Party Loan | Equity (self) | Preference shares | | Successful Yes/no | |
| 1 AngloGold Ashanti | ARM | 6 Shafts in Orkney, 6 shafts and a plant in Welkom | 66 | 66 | 0 | 0 | 0 | 1998 | Yes | ARM paid R7mil for the Free State Assets, the balance of the R28mil was waived by AngloGold. No details on the funding, but indications that Banks refused to fund the Transaction and the CEO of AngloGold (Bobby Godsell) helped. This could be classified as some form of vendor facilitation. Also, part of the transaction involved a tribute agreement over the longer life No 2 shaft in terms of which ARM would mine No 2 shaft, with 60% revenue, net of costs and capital expenditure, accruing to AngloGold |
| 2 Anglo American/Northam | Mvelaphanda | 22.5% of Northam platinum | 459 | 0 | 459 | 0 | 0 | 2000 | Yes | Obtained 17.5% shares from Anglo @ a discount of R408mil, Standard corporate and Merchant bank provided the financing for the transaction |
| 3 Aquarius Platinum | Savannah Resources Consortium (Savannah Platinum, Chuma Platinum and Malibongwe Platinum) | 29.5% of Aquarius Platinum South Africa | 860 | 0 | 845 | 15 | 0 | 2003 | No | SavCon, whose members are Savannah Platinum, Chuma Platinum, Malibongwe Platinum and the Savannah Resources Community Trust, made a R15-million equity contribution towards funding the deal. The consortium secured a further R400-million from the Industrial Development Corporation, R245-million from the Development Bank of Southern Africa and R200-million from the Public Investment Commissioners (PIC). Shareholding was reported to have dropped to 9% in 2012. Shares were sold to service debt obligations and to pay tax. Aquarius (2013 AR) had to intervene to prevent further loss of shares |
| 4 DRD Gold | Khumo Bathong Holdings | 60% in DRD Gold's Crown Gold Recoveries | 105.5 | 0 | 105.5 | 0 | 0 | 2002 | Yes | The Industrial Development Corporation (IDC) has agreed to provide KBH with the required funding. Debt was restructured in 2005 to a vendor finance to give Khumo Bathong Holdings additional shares in DRDgold. |
| 5 DRD Gold | Khumo Bathong Holdings | 3% equity stake in DRD | 68.04 | 0 | 68.04 | 0 | 0 | 2002 | Yes | In respect of the equity stake in DRD, DRD will issue to KBH 4 794 889 new DRD ordinary shares at R14.19 per share. This represents a 10% discount to the 30-day trade weighted average price per DRD share on the JSE at the close of trade on 18 January. The Industrial Development Corporation (IDC) has agreed to provide KBH with the required funding. Debt was restructured in 2005 to a vendor finance to give Khumo Bathong Holdings additional shares in DRDgold. |
| 6 Ingwe Colliery/BHP Billiton | Kuyasa Mining | Ikhwezi Colliery | 326.4 | 0 | 326 | 0 | 0 | 1995 | Yes | Funding obtained from Commonwealth Development Corporation, debt was repaid within a year. The first contract was an enabling arrangement which provided for limited bridging funding and technical assistance including managerial input, geological assistance, mining layout plans and environmental management capacity. Ingwe financed the Environmental Management Programme Report and the purchase of the farmland on which the present operation is situated on behalf of Kuyasa, with a per tonne mined payback arrangement. The right to exploit the minerals on the Ikhwezi lease would remain vested in Ingwe; however, Kuyasa were required to pay a royalty to Ingwe for their use. However the Kuyasa team went ahead with plans for development and production expecting that finance would eventually materialize. Negotiations with contractor Basil Read led to an arrangement whereby the contractor agreed to begin work and await payment until the first coal was produced and sold. Though there was funding provided by the CDC, there was significant vendor facilitation. The value of the deal was not disclosed so it was estimated using the value of BHP and algo deal in 2000 by multiplying the deal value (\$48 mil) by the 2000 exchange rate of 6.8 |
| 7 Anglo Coal | Leeuw Mining and Exploration | Kwazulu-Natal coal reserves, comprising an estimated 104-million saleable tons | Value of assets not disclosed | | | | | 2002 | No | Was in financial distress after the anthracite market collapsed due to the financial crisis in 2009. Was rescued and acquired by Keaton Energy Holdings Limited in 2012. Funding included preference share funding by Anglo Khula & IDC and Loans by Nedbank and IDC (page 9). |
| 8 Randgold & Exploration (R&E) | Phikoloso Mining | 17% Interest in rand gold and exploration | 268 | 34 | 0 | 0 | 234 | 2003 | No. The forensics found that the quid pro quo for R&E issuing R260 million worth of shares into the Phikoloso deal were valuable shareholdings | Randgold & Exploration is to issue 8.8 million new ordinary shares, valued at some R268 million, to Phikoloso Mining which in return will transfer its mining-related assets to Randgold & Exploration. Among the assets Randgold & Exploration will acquire through this process are holdings in Anglo Platinum, Harmony Gold and Afrikander Lease, as well as a participation in Kabusha Mining and Finance, which owns 23 million shares in Afrikander Lease. Based on the market price of the respective companies on the last trading date, such holdings have an aggregate market value of R235 million. Based on the aggregate market value of the portfolio of R235 million and the purchase consideration of R268 million illustrated above, goodwill of R34 million would have arisen on the transaction. 34 (Goodwill, donation) and 235 (through swap of assets) |
| 9 Anglovaal Mining Limited (Avmin) | Harmony | 17.25% stake in Anglovaal Mining Limited (Avmin) | 843.5 | 0 | 850 | 0 | 0 | 2003 | Yes | Based on R43.50 per share, the transaction was valued at R1 687 million and was paid for in cash. On 8 May 2003, Harmony Gold entered into a term loan agreement with Nedbank Limited for R850 million. The purpose of this term loan agreement was to fund the acquisition of 17.25% of Anglovaal Mining Limited. |
| 10 | Crown Gold Recoveries JV (60% Khumo Bathong/40% DRD) | East Rand Proprietary mines | 90 | 0 | 90 | 0 | 0 | 2002 | Yes | The Crown JV (60% Khumo Bathong/40% DRD) is in negotiation with the Industrial Development Corporation on loan finance for the purchase. The initial transaction was restructured in 2006, resulting in KBH owning 15% in DRDGold SA, in 2007 Khumo Batho had 26% shares in Crown gold while DRD had 74%. Re-structuring of the transaction was vendor financed. |