



RICHARDS BAY MINERALS

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Richards Bay Minerals announces BBBEE Transaction

Richards Bay Minerals ("RBM") a 50/50 joint venture between Rio Tinto and BHP Billiton today announced the signing of a Memorandum of Understanding ("MoU") for its 26% broad-based black economic empowerment equity ("BBBEE") Transaction.

An extensive BBBEE partner selection process conducted during 2007, facilitated by Rand Merchant Bank has been concluded. This selection process resulted in a consortium consisting of seven Lead Investor companies ("Lead Investors") being identified. The Lead Investors together with RBM's four host communities ("Communities") will own 24% of RBM. The interests of both the Communities and Lead Investors will be held through a special purpose company created specifically to hold their interest in RBM ("BBBEE Holdco"), and currently named Blue Horizon Investments 41 (Proprietary) Limited. BBBEE Holdco is chaired by JB Magwaza, Chairman of the Imbewu Consortium. The Lead Investors (including a women's group) will hold a 55% interest in BBBEE Holdco with the balance of 45% being held by the Communities. RBM employees will, through an Employee Share Participation Trust ("ESPT"), hold a direct 2% equity interest in RBM.

The shareholding in BBBEE Holdco will be as follows:

Company Name	% holding in BEE Holdco	Effective % holding in RBM	Leadership
Imbewu Consortium	12.50	3.00	Mr JB Magwaza
Matisis Investment Holdings	12.50	3.00	Mr Manne Dipico
Gade Investments	8.40	2.02	Dr Ben Ngubane
Sambulo Investments	8.40	2.02	Mr Nhlanhla Gasa
South African Woman Alliance ("SAWA")	6.00	1.44	Ms Taniya Krishna
Ungoye Investments	3.60	0.86	Mr Mbongeni Mhlambo
Bingelela Investments Consortium	3.60	0.86	Mr Phiwo Thango
Host Communities	45.00	10.80	

The host Communities that are envisaged to benefit from the BBBEE Transaction are the Dube, Mbonambi, Mkhwanazi and Sokhulu, and will each hold an effective 2.7% stake in RBM, making up a combined shareholding of 10.8%. RBM has, through the appointed community representatives, consulted with the Communities in connection with the BBBEE Transaction.

Three of the communities are signatories on the MoU and negotiations are in an advanced stage with the fourth community.

RBM has significantly facilitated the participation of the Communities in the BBBEE Transaction in order to ensure that the benefits start flowing to the Communities from the outset. A community development trust ("Development Trust") for each community through which the Communities will hold shares in RBM is to be established.

The Development Trusts will enable each Community to be appropriately empowered to grow their asset base through investing in other assets. A Public Benefit Trust will also be set up for each Community and will focus mainly on development projects within each of the Communities.

All RBM's (approximately) 1750 permanent employees, the majority of whom are Historically Disadvantaged South Africans (HDSA) and of which 12% are women, will participate in the ESPT. All RBM employees will participate equally in the ESPT regardless of race or seniority. A special class of shares will be created for issue to the ESPT, these shares will be entitled to a priority dividend distribution. The dividends will be distributed equally to all qualifying employees.

"We are very pleased with the composition of our BBBEE shareholders, all of whom will participate in the sustainable growth of the company and share in its success. The majority of the beneficiaries of this BEE Transaction are based in KZN (87.5%). This partnership reflects our commitment to transformation and sustainable development in South Africa, and more specifically to the province in which we mine." said Cameron McRae, Managing Director, RBM.

RBM and its current shareholders, Rio Tinto and BHP Billiton will facilitate the funding of the equity acquisitions by the incoming BBBEE shareholders.

Additional information on the BBBEE Transaction:

- Richards Bay Minerals is the trading name for two registered companies, Tisand (Pty) Limited, which undertakes the dune mining and mineral separation operation, and Richards Bay Iron and Titanium (Pty) Limited which undertakes the smelting and beneficiation process.
- Established in 1976, RBM is a leading global producer of titanium slag, high purity pig iron, rutile and zircon.
- Both companies are unlisted, and only provide financial information through their current shareholders, Rio Tinto and BHP Billiton.
- The BBBEE Transaction will include both the mining and smelting operations.
- This transaction will facilitate the conversion of Tisand (Pty) Limited's mining rights to new order rights and thereby secure its mining interests.

Forward-Looking Statements

This announcement includes "forward-looking statements". All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to products, production forecasts and reserve and resource positions) of Richards Bay Minerals ("RBM"), Rio Tinto or BHP Billiton, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of RBM, Rio Tinto, BHP Billiton, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding RBM, Rio Tinto and BHP Billiton present and future business strategies and the environment in which RBM, Rio Tinto and BHP Billiton will operate in the future.

Among the important factors that could cause RBM's, Rio Tinto's or BHP Billiton's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors and activities by governmental authorities, such as changes in taxation or regulation. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this announcement. RBM, Rio Tinto and BHP Billiton expressly disclaim any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers (the "Takeover Code"), the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Services Authority and the Listing Rules of the Australian Securities Exchange) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in RBM's, Rio Tinto's or BHP Billiton's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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