

Synergy Africa Limited

30 Stratford Road, London, W8 6QD

Registered in England and Wales with company no. 7382978

To: Chromex Mining plc
27-28 Eastcastle Street,
London, W1W 8DH

29 September 2010

Dear Sirs

Chromex Mining plc ("Chromex") – Inducement fee and exclusivity agreement

We refer to the negotiations which we propose to continue with you in relation to the possible cash offer which Synergy Africa Limited ("**Synergy Africa**"), a company 51% owned by Ruukki Group Plc ("**Ruukki**") and 49% owned by Kermas Limited ("**Kermas**"), is considering making for the entire issued and to be issued share capital of Chromex not already owned by Synergy Africa (the "**Offer**", which term shall, for the purposes of this agreement, include any extended or revised offer, including any higher offer, and any other proposed takeover or merger transaction however effected (in accordance with the requirements of The City Code on Takeovers and Mergers (the "**Code**")) between Chromex and Synergy Africa, by way of scheme of arrangement or otherwise).

In consideration for us making the Offer (which we would not do without the following undertakings), you agree the following:

1. INDUCEMENT FEE

On the occurrence of an Inducement Fee Payment Event (as defined in paragraph 2 below), you will pay to us the sum of £370,277 (the "**Inducement Fee**").

2. INDUCEMENT FEE PAYMENT EVENT

An "**Inducement Fee Payment Event**" shall be deemed to have occurred if:

- 2.1 we announce a firm intention to make an Offer in accordance with Rule 2.5 of the Code, which is recommended by the directors of Chromex and the directors of Chromex subsequently withdraw or adversely modify or qualify their favourable recommendation of the Offer prior to the Offer lapsing or being withdrawn (or, with the consent of the Panel on Takeovers and Mergers (the "**Panel**"), not being made); or
- 2.2 we announce a firm intention to make an Offer in accordance with Rule 2.5 of the Code, which is recommended by the directors of Chromex, and

- 2.2.1 the Offer (including any extension or revision of it) subsequently lapses or is withdrawn (other than as a result of Condition (d) of the Offer (as set out in Appendix 1 to our Rule 2.5 announcement) not being fulfilled or waived); and
 - 2.2.2 prior to the Offer lapsing or being withdrawn, a firm intention to make an offer for the whole or any material part of the issued share capital of Chromex is announced in accordance with Rule 2.5 of the Code by a third party (a "**Third Party**") which is not our associate, as such term is defined in the Code, (a "**Third Party Offer**"), which shall include any extended or revised offer by a Third Party and any other proposed takeover or merger transaction however effected (in accordance with the Code) between or in relation to Chromex and any Third Party or any of their subsidiaries, by way of scheme of arrangement or otherwise); and
 - 2.2.3 that Third Party Offer (or any other Third Party Offer announced before the first Third Party Offer lapses or is withdrawn) is recommended by the directors of Chromex, or is not recommended by them but subsequently becomes or is declared unconditional in all respects; or
- 2.3 we announce a firm intention to make an Offer in accordance with Rule 2.5 of the Code, which is recommended by the directors of Chromex, and
- 2.3.1 the Offer (including any extension or revision of it) subsequently lapses or is withdrawn; and
 - 2.3.2 prior to the Offer lapsing or being withdrawn, Chromex enters into a transaction with a Third Party which, under Rule 21.1 of the Code would require approval by shareholders of Chromex and to which Synergy Africa has not give its prior written consent (a "**Restricted Transaction**"); and
 - 2.3.3 that Restricted Transaction is recommended by the directors of Chromex, or is not recommended by them but subsequently completes.

3. PAYMENT OF INDUCEMENT FEE

- 3.1 You shall pay the Inducement Fee to us within seven days of the occurrence of the Inducement Fee Payment Event.
- 3.2 You acknowledge and agree that the Inducement Fee constitutes a genuine pre-estimate of the likely expenditure that would be (or would have been) incurred by us in the circumstances in which such amount would be payable.
- 3.3 You intend and shall use all reasonable endeavours to secure that the Inducement Fee is not treated for VAT purposes as consideration for a taxable supply. If and to the extent that HMRC determine that the Inducement Fee is consideration for a taxable supply, and that Synergy Africa (or the representative member of a VAT Group of which Synergy Africa is a member) is chargeable in respect of such supply, then the Inducement Fee shall be inclusive of Irrecoverable VAT. Accordingly, if at any time HMRC determine that VAT is or will be chargeable on the Synergy Africa (or the representative member of the VAT group of which Synergy Africa is a member) in respect of the Inducement Fee as consideration for a taxable supply, then (i) any amount subsequently payable by Chromex in respect of the Inducement Fee shall be reduced by the amount of any Irrecoverable VAT arising in respect of such payment, and (ii) to the extent that Chromex has already paid an amount in respect of the Inducement Fee it shall repay to the Synergy Africa such amount as secures that the net amount already paid, together with any relevant Irrecoverable VAT and any interest or penalties in respect of such VAT, is equal to the Inducement Fee.

- 3.4 Any sums payable under this agreement shall be paid in full without deduction or withholding and without regard to any lien, right of set-off, counterclaim or otherwise.
- 3.5 Nothing in this agreement shall oblige you to pay any amount which the Panel determines would not be permitted by Rule 21.2 of the Code.
- 3.6 For the purpose of this paragraph 3 of this agreement, "**Irrecoverable VAT**" means, in relation to any person, any amount in respect of VAT which that person has incurred and in respect of which that person is not entitled to a refund (by way of credit or repayment) from HM Revenue & Customs and/or any other tax authority in any jurisdiction, as is applicable, pursuant to and determined in accordance with sections 24, 25 and 26 Value Added Tax Act 1994 and any regulations made under that Act.

4. EXCLUSIVITY

- 4.1 We understand that neither you nor your employees, agents or advisers are soliciting or entering into discussions with any third party in respect of any proposed sale or disposal of Chromex's issued and to be issued share capital (or any part thereof) (the "**Chromex Shares**") or of any material part of the assets of Chromex.
- 4.2 Prior to the Offer lapsing or being withdrawn or, with the consent of the Panel, not being made, you will ensure that neither you nor any of your employees or agents or advisers will:
 - 4.2.1 solicit, initiate, encourage or enter into any discussions or negotiations with any third party relating to the possible sale or other disposal of the Chromex Shares (or any part thereof) or of any material part of the assets of Chromex (whether unsolicited or solicited prior to the date of this agreement) (a "**Competing Proposal**"); or
 - 4.2.2 directly or indirectly enter into any agreement, arrangement or understanding (including any confidentiality undertakings) with any third party with respect to a Competing Proposal; or
 - 4.2.3 save to the extent required by the Code give to any third party any confidential information relating to Chromex which would or may lead to a third party making an offer for the Chromex Shares (or any part thereof) or for any material part of the assets of Chromex.
- 4.3 You will notify us as soon as is reasonably practicable if you or any of your directors, employees, advisers or agents provide any information to any third party in connection with a Competing Proposal whether in accordance with Rule 20.2 of the Code or otherwise and will make available to us any information so provided that has not previously been provided to us.
- 4.4 You will notify us as soon as is reasonably practicable if you receive any offer or expressions of interest relating to the possible sale or disposal of the Chromex Shares or of any material part of the assets of Chromex, except that you are permitted to delay such notification to the extent that and for so long as you are required to do so by virtue of fiduciary duties or duties of confidentiality.
- 4.5 Except as required by law or the Code, you will ensure that neither you nor any of your employees, agents or advisers will directly or indirectly make known to any third party any confidential information relating to our interest in purchasing the Chromex Shares.

5. UNDERTAKING

We and you will use reasonable endeavours to obtain the written confirmation from the South African Department of Mineral Resources referred to in condition (d) of Appendix 1, paragraph 1 of the announcement of the firm intention to make an Offer in accordance with Rule 2.5 of the Code.

6. TERMINATION OF OBLIGATIONS

The Inducement Fee shall cease to be payable and all obligations under this agreement (save for those in paragraph 7) will terminate if:

- 6.1 we fail to announce a firm intention to make an Offer in accordance with Rule 2.5 of the Code on or prior to 4 October 2010; or
- 6.2 save in the circumstances set out in paragraph 2, we announce a firm intention to make an Offer in accordance with Rule 2.5 of the Code and the Offer subsequently lapses or is withdrawn or, with the consent of the Panel, not made, or becomes or is declared unconditional in all respects; or
- 6.3 the Inducement Fee is paid to us in accordance with the provisions of this agreement.

7. MISCELLANEOUS

- 7.1 This agreement is confidential and, except to the extent required by applicable law or by the regulations of any stock exchange or regulatory or supervisory authority (including the Panel) or pursuant to any order of court or other competent authority or tribunal, neither of the parties to this agreement shall announce or disclose to any third party the contents or existence of this agreement without the prior written consent of the other party.
- 7.2 No term of this agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this agreement.
- 7.3 No failure by either of us in exercising any right, power or privilege hereunder shall constitute a waiver of any such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise of any such right, power or privilege.
- 7.4 In the event that any part (including any sub-paragraph or part thereof) of this agreement shall be void or unenforceable by reason of any applicable law, it shall be deemed to be deleted and the remaining parts of this agreement shall continue in full force and effect.
- 7.5 Except as set out in this paragraph 7, no variation of the terms of this agreement, or termination of this agreement, shall be effective unless it is in writing (which for this purpose does not include email) signed by both parties.
- 7.6 Each of the parties to this agreement confirms that this agreement represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supercedes any previous agreement between the parties with respect thereto.
- 7.7 This agreement and any dispute or claim arising out of, or in connection with, it (whether contractual or non-contractual in nature) shall be governed by, and construed in accordance with English law and both parties submit to the exclusive jurisdiction of the Courts of England.

Please confirm your agreement to the terms of this agreement by signing and returning the enclosed duplicate.

Yours faithfully



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Duly authorised for and on behalf of
Synergy Africa Limited

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We agree to the above.

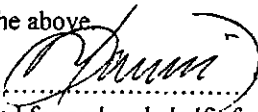
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Date

Yours faithfully

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29/09/10
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Date

