



## NEWS RELEASE

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FOR RELEASE: Immediately

### **Strategic Minerals Sells 15% Interest In Vametco To Black Economic Empowerment Consortium**

Strategic Minerals Corporation of Danbury, Connecticut announced that it sold a 15% equity interest in its Vametco Minerals Corporation subsidiary to a Black Economic Empowerment (BEE) consortium in South Africa.

The Black Economic Empowerment consortium consists of Aka Resources Holdings (Pty.) Ltd. and the Krokodilkraal and Uitvalgrond communities near Vametco's operations in Brits, South Africa. Aka Resources is a privately-held black-empowerment company and will be the lead partner in the consortium. Vametco's operations are located on land leased from Krokodilkraal and Uitvalgrond communities.

Aka Resources will use its own capital to acquire its 75% share of the 15% interest in Vametco. Strategic Minerals Corporation, part of the Evraz Group of Russia, will fund the balance of the purchase.

Vametco Minerals operates a vanadium mine and mill in Brits – about 30 miles west of Pretoria. Its principal product is Nitrovan<sup>®</sup> vanadium, a proprietary vanadium-nitrogen product that efficiently strengthens steel. This value-added product is exported to steelmakers worldwide.

The agreement with the BEE consortium allows Vametco to fulfill the initial requirements of the Broad-based Socio-economic Empowerment Charter for the South African Mining Industry published in October 2002.

“This transaction provides a balance between a commercially-negotiated agreement and certain unique aspects required to sustain the objectives of a Black Economic Empowerment transaction,” said Hein Enslin, President of Strategic Minerals Corporation. “Favorable repayment terms and a dividend policy designed that will accelerate economic benefits to the new BEE consortium are key features of the transaction.”

Mr. Enslin also noted that the capital received from the BEE consortium will help Vametco achieve its contemplated and expansion and modernization plans. Included is an expansion of the existing beneficiation plant and other improvements that will create additional employment in the Brits area and increase exports from South Africa, he said.

Reuel Khoza, Chairman of Aka Resources, indicated that he believes the transaction will have real, long-term, sustainable benefits to all the empowerment partners involved. “At Aka Resources, we believe that the structure of the transaction allows us to participate fully in the future profitability of the vanadium industry. This creates clear incentives to contribute actively and fully in the growth of Vametco. Furthermore, the transaction allows the local communities to benefit directly as true stakeholders in the success of Vametco.”