

**DETAILED ANNOUNCEMENT TO R&E AND JCI SHAREHOLDERS IN RESPECT OF THE PROPOSED SETTLEMENT BETWEEN R&E AND JCI,
 THE LITIGATION SETTLEMENT AGREEMENT AND RENEWAL OF CAUTIONARY ANNOUNCEMENT**

1. INTRODUCTION

R&E and JCI shareholders are referred to the SENS announcement of 21 January 2010, wherein shareholders were advised that JCI, JCI Investment Finance (Pty) Limited ("JCIIF") and R&E (hereinafter collectively referred to as "the parties") had signed a revised settlement agreement ("the revised Settlement Agreement"), following the lapsing of the settlement agreement concluded between the parties initially on 31 August 2009 and again on 18 September 2009 ("the prior settlement agreements"), the terms of which were previously communicated to R&E and JCI shareholders.

Shareholders of JCI and R&E were further informed in the aforementioned announcement that a Litigation Settlement Agreement between the parties, Letseng Diamonds Limited ("Letseng"), Hawkhurst Investments Limited ("Hawkhurst"), Investec Bank Limited ("Investec"), Investec Bank Plc ("Investec Plc") and certain other parties was also concluded on or around 20 January 2010 ("the Litigation Settlement Agreement"), the salient details whereof are set out in paragraph 3 below.

2. THE REVISED SETTLEMENT AGREEMENT

2.1 RATIONALE

R&E and JCI shareholders are referred to, *inter alia*, prior announcements and shareholder updates regarding the disputes between R&E and JCI, the proposed merger between R&E and JCI and the failure thereof, and the conclusion and lapsing of the prior settlement agreements between R&E and JCI.

Strategies endeavouring to conclude a settlement of the legal dispute between R&E and JCI were embarked upon by the boards of both R&E and JCI as an alternative to costly and time consuming litigation. In keeping with such strategies the parties have again, for commercial reasons concluded the revised Settlement Agreement.

Subject to the fulfillment of the suspensive conditions to the revised Settlement Agreement set out below, the implementation of the revised Settlement Agreement will be between the R&E group and the JCI group only and certain directors and officers thereof, result in the JCI group and such directors and officers being discharged from the R&E group's claims against the JCI group and such directors and officers and *vice versa*, this, without the parties making any admissions of liability or any concessions in regard to their respective claims.

2.2 SALIENT TERMS OF THE REVISED SETTLEMENT AGREEMENT

In terms of the revised Settlement Agreement, subject to the fulfillment of the suspensive conditions to the revised Settlement Agreement and the implementation thereof:

- 2.2.1 JCI and JCIIF will cause 6 051 632 (six million fifty one thousand six hundred and thirty two) shares in Gold Fields Limited ("the GFL shares") to be transferred to R&E;
- 2.2.2 JCI will allot and issue 1 555 710 220 (one billion five hundred and fifty five million seven hundred and ten thousand two hundred and twenty) new ordinary shares in JCI ("the new JCI shares") to R&E, representing approximately 44% of the issued share capital of JCI post the issue of such new JCI shares; and
- 2.2.3 R&E will, following the transfer of the GFL shares to R&E and the allotment of the new JCI shares to it, firstly make a capital distribution of such GFL shares to R&E shareholders and immediately following the distribution thereof, unbundle the new JCI shares to the R&E shareholders, both in proportion to such R&E shareholders' respective shareholdings.

In addition, whilst not obliged to do so in terms of the revised Settlement Agreement, R&E intends after the revised Settlement Agreement is concluded, as part of an unbundling process, to unbundle its existing shares in JCI, comprising 305 186 049 ordinary shares, to the R&E shareholders in proportion to their respective shareholdings.

2.3 EFFECTIVE DATE

The effective date of the revised Settlement Agreement is the date on which the last of the GFL shares and the new JCI shares are registered in the Central Securities Depository Participant ("CSDP") account of R&E following fulfillment of the suspensive conditions of the revised Settlement Agreement, being a date not more than 16 (sixteen) business days after the fulfillment of such suspensive conditions, whichever is the first occurring ("the Effective date").

2.4 SUSPENSIVE CONDITIONS

The revised Settlement Agreement is subject to the fulfillment of the following remaining suspensive conditions:

- 2.4.1 within 30 (thirty) calendar days of the Signature Date, such date being 20 January 2010, or such later date as the parties may agree to in writing:
 - 2.4.1.1 the parties shall have obtained a ruling from the Securities Regulation Panel ("SRP") specifying that in the view of the SRP, the transaction contemplated in the revised Settlement Agreement is not an affected transaction within the meaning of section 440(A)(1) of the Companies Act, No. 61 of 1973, as amended ("the Companies Act"), alternatively, the SRP determines that the transaction contemplated in the revised Settlement Agreement is an affected transaction within the meaning of section 440 (A) (1) of the Companies Act, to which the SRP imposes conditions which are acceptable to the parties, or the SRP waives the applicability of the rules in relation to section 440 (A)(1) of the Companies Act and the parties (in either of the latter events only) inform each other in writing that they wish to proceed with the revised Settlement Agreement;
 - 2.4.1.2 the parties shall have procured an irrevocable undertaking from Investec on the terms of the irrevocable undertakings attached to the revised Settlement Agreement, in which Investec undertake to vote in favour of the resolutions to be passed by the R&E shareholders and the JCI shareholders at the R&E general meeting and the JCI general meeting respectively, in order to give effect to the implementation of the revised Settlement Agreement (hereinafter collectively referred to as "the resolutions");
 - 2.4.1.3 the parties shall have procured an irrevocable undertaking from Allan Gray Limited ("Allan Gray") on the terms of the irrevocable undertakings attached to the revised Settlement Agreement, in which Allan Gray undertakes to vote in favour of the resolutions in respect of the shares in which it exercises the voting rights, and to recommend to its clients to vote in favour of the resolutions in respect of the shares in which its clients exercise the voting rights;
 - 2.4.1.4 JCI and JCIIF will have furnished Computershare Investor Services (Proprietary) Limited ("Computershare"), as their nominated CSDP (who shall hold the GFL shares as contemplated in the revised Settlement Agreement), with an irrevocable written instruction, on the terms of the irrevocable instruction attached to the revised Settlement Agreement, to deal with the GFL shares as specified therein and to furnish a copy of such instruction to R&E;
- 2.4.2 within 60 (sixty) calendar days of the Signature Date, or such later date as the parties may agree to in writing:
 - 2.4.2.1 JCI and JCIIF will have procured an irrevocable written confirmation from Investec on terms acceptable to the parties, confirming that Investec shall release from any security held by it in respect of any obligation owed to it by JCI and/or JCIIF whether directly or indirectly the GFL shares, in order to facilitate the transfer of the GFL shares to the CSDP account of R&E as envisaged in the revised Settlement Agreement, free of any withholding or claim by Investec thereto whatsoever;
 - 2.4.2.2 Investec shall have released all and any assets encumbered under the Security documents, as defined in the revised Settlement Agreement, after settlement of the Investec Raising Fee, as also defined in the revised Settlement Agreement, to JCIIF;
- 2.4.3 within 90 (ninety) days of the Signature Date, or such later date as the parties may agree to in writing, the shareholders of JCI in general meeting will have adopted the appropriate resolutions, approving of and ratifying the conclusion and implementation of the revised Settlement Agreement, including but not limited to the passing of:
 - 2.4.3.1 a special resolution to increase the authorised share capital of JCI from R27 000 000 (twenty seven million rand) divided into 2 700 000 000 (two billion seven hundred million) JCI shares, to R38 000 000 (thirty eight million rand), divided into 3 800 000 000 (three billion, eight hundred million) JCI shares, through the creation of 1 100 000 000 (one billion one hundred million) additional JCI shares (which shall include the new JCI shares) in the authorised share capital of JCI, such additional JCI shares to rank *pari passu* in every respect with the existing JCI shares (save that in respect of the new JCI shares only, the voting rights attaching thereto shall be suspended until 48 (forty eight) hours after the distribution thereof to the R&E shareholders as envisaged in the revised Settlement Agreement) and amending the Memorandum of Association of JCI, if necessary, it being acknowledged that nothing contained in the revised Settlement Agreement shall prohibit JCI from legally issuing JCI shares at any time after the Effective Date;
 - 2.4.3.2 the requisite resolution ratifying the transfer of the GFL shares by JCI to JCIIF in August 2005;
 - 2.4.3.3 the requisite resolution approving of the transfer of the GFL shares to R&E;
 - 2.4.3.4 the requisite resolution approving of the issue of the new JCI shares to R&E;
 - 2.4.3.5 the requisite resolution providing that in the event of the new JCI shares being issued to R&E and the revised Settlement Agreement failing for any reason whatsoever and the new JCI shares being required to be returned to JCI and a court not sanctioning the cancellation thereof (following an application being made to it therefore), that in such event, JCI buys back the new JCI shares from R&E at a purchase price of R1.00 (such new JCI shares being deemed by the parties to have been issued and allotted for no consideration and to be void *ab initio*);
- 2.4.4 within 90 (ninety) calendar days of the Signature Date, or such later date as the parties may agree to in writing:
 - 2.4.4.1 the R&E shareholders in a general meeting will have adopted the appropriate resolutions (including and to the extent necessary, in terms of section 228 of the Companies Act), approving and ratifying the conclusion and implementation of the revised Settlement Agreement, including such authority and consent as may be required from the R&E shareholders in order to give effect to the GFL shares being transferred to R&E and the new JCI shares to be issued to R&E, being distributed as soon as possible to the R&E shareholders in accordance with the unbundling provisions of section 46 of the Income Tax Act no.58 of 1962, as amended;
 - 2.4.4.2 R&E will have furnished to Computershare, as its nominated CSDP (who shall receive the GFL shares and the new JCI shares as contemplated in the revised Settlement Agreement), an irrevocable written instruction, on the terms of the irrevocable instruction attached to the revised Settlement Agreement, to deal with the said shares as specified therein;
- 2.4.5 within 120 (one hundred and twenty) calendar days of the Signature Date, or such later date as the parties may agree to in writing:
 - 2.4.5.1 the parties will have received the unconditional written consent of the Competition authorities, in terms of Chapter 3 of the Competition Act, to conclude the transaction contemplated in the revised Settlement Agreement;
 - 2.4.5.2 the special resolution referred to in paragraph 2.4.3.1 above will have been registered at the Registrar of Companies; and
 - 2.4.5.3 the JSE Limited ("JSE") will have approved of the issue of the new JCI shares to R&E and/or have imposed conditions which are acceptable to the parties.

The suspensive conditions of the revised Settlement Agreement are for the benefit of R&E and JCI, either of whom shall on prior written notice to the other, be entitled to extend the date for the fulfillment of the conditions for a period not exceeding 20 (twenty) business days, provided that such notice is given prior to the expiration of the date for the fulfillment of the relevant suspensive condition in respect of which an extension is sought.

2.5 OTHER SALIENT TERMS

- 2.5.1 If any dividends are declared by Gold Fields Limited in respect of the GFL shares in the period between the Signature Date and the date that the revised Settlement Agreement is implemented, such dividends shall, if the revised Settlement Agreement is implemented, be for the benefit of R&E. If the revised Settlement Agreement is not implemented, such dividends shall be for the benefit of JCI.
- 2.5.2 For a period of 120 (one hundred and twenty) calendar days calculated from the Effective date, R&E and JCI will disclose each to the other and on behalf of their group companies, all forensic reports furnished to each of them by their forensic investigators, all accounting records and bank account statements of each other and all trading account statements in respect of the operation of any trading account(s) held by them and their respective group companies pertaining to all periods prior to the Effective date, which may be used solely for the purposes of enabling each of them and their respective group companies to complete outstanding financial statements (including any re-statement thereof), to determine whether they enjoy any claim against any third party and to permit for the evaluation and/or prosecution and/or institution of such claims against third parties where deemed appropriate and in order to enable each of them to comply with taxation and other reporting requirements.
- 2.5.3 Each of R&E and JCI will co-operate and use their reasonable commercial endeavours to assist one another in terms of the revised Settlement Agreement in order to enable each of them to pursue claims which either of them or their respective group companies may enjoy against third parties.

The full and further material terms and conditions of the revised Settlement Agreement will be detailed in the circulars which will be furnished to shareholders as set out in paragraph 4 below. This announcement is not intended to detail all of the terms of the revised Settlement Agreement nor to be an exhaustive summary thereof.

3. THE LITIGATION SETTLEMENT AGREEMENT

3.1 RATIONALE

The parties to the Litigation Settlement Agreement are Letseng, JCI, R&E, Investec, Investec Plc, JCIIF, Hawkhurst, Discus Limited ("Discus"), Global Management Overseas Limited ("Global"), Latitude Investments Limited ("Latitude"), African Strategic Investment (Holdings) Limited ("Holdings") and the Azalia Trust ("Azalia").

Certain legal proceedings in relation to various legal disputes, which legal disputes are more fully defined in the Litigation Settlement Agreement, have been instituted amongst certain of the parties to the Litigation Settlement Agreement ("the Litigation Disputes").

Subject to the suspensive conditions to the Litigation Settlement Agreement (which are detailed in 3.5 hereof) the parties for commercial reasons and in order to avoid costly litigation have agreed, without making any admissions or concessions as to liability, to resolve the Litigation Disputes on the basis set out in the Litigation Settlement Agreement.

The provisions of the Litigation Settlement Agreement and the payments to be made in terms thereof shall constitute a full and final settlement of the Litigation Disputes insofar as the parties to the Litigation Settlement Agreement are concerned.

The Litigation Settlement Agreement is independent of the revised Settlement Agreement.

3.2 SALIENT TERMS OF THE LITIGATION SETTLEMENT AGREEMENT

On the effective date of the Litigation Settlement Agreement:

- 3.2.1 each of the parties will to the extent within their power, take all steps to withdraw and terminate each of the designated actions which actions are defined in the Litigation Settlement Agreement (including the lifting of the interdict by Letseng which forms part of an application between *inter alia* Letseng, Investec and JCI in the South Gauteng High Court (Johannesburg));
- 3.2.2 Letseng shall transfer 42 000 (forty two thousand) ordinary shares in the capital of Randgold Resources Limited ("the RGR Shares") to R&E;
- 3.2.3 JCI shall pay an amount of R267 500 000 to Investec ("the Loan Settlement Fee") in settlement of any disputes pertaining to the payment of a Raising Fee in terms of a loan agreement concluded between JCI and Investec in August 2005, as amended from time to time ("the Loan Agreement"). Alternatively, Investec shall allow certain of the assets encumbered to it as security in terms of the Loan Agreement to be released for the sole purpose of those assets being realised and the realisation proceeds being applied in settlement of the Loan Settlement Fee. Immediately following payment of the Loan Settlement Fee to Investec, Investec shall release to JCIIF all assets encumbered and/or held by them in terms of the Loan Agreement. Should the Loan Settlement Fee, or any part thereof, not be paid to Investec on the effective date of the Litigation Settlement Agreement, interest shall accrue on the Loan Settlement Fee, or any balance thereof that remains owing, at the SAFEX Call Rate from the Effective date to the date of payment thereof (both days inclusive);

3.3 If all of the suspensive conditions to the Litigation Settlement Agreement have been fulfilled or waived (other than the suspensive condition (unless waived) referred to in 3.5.3 of this announcement) JCI will by no later than 14 (fourteen) business days prior to the date of the meeting referred to in 3.5.3 and subject to compliance with certain other provisions of the Litigation Settlement Agreement, pay an amount of R40 000 000 to Letseng ("the Letseng Indemnity Costs") into a bank account nominated by Letseng, which will, subject to further provisions of the Litigation Settlement Agreement become available to Letseng.

3.4 THE EFFECTIVE DATE

The effective date of the Litigation Settlement Agreement is the first business day immediately following the fulfillment of the last of the suspensive conditions referred to in paragraph 3.5 below.

3.5 SUSPENSIVE CONDITIONS

The Litigation Settlement Agreement is subject to the fulfillment of the following suspensive conditions:

- 3.5.1 within 45 (forty five) calendar days of the date of signature of the Litigation Settlement Agreement, being 22 January 2010 ("the Signature Date of the Litigation Settlement Agreement") or such extended date as determined by Letseng on written notice to the other parties (provided that such extended period shall not be longer than 30 (thirty) calendar days), the Exchange Control Department of the South African Reserve Bank approves the transactions contemplated in the Litigation Settlement Agreement;
- 3.5.2 within 15 (fifteen) calendar days of the Signature Date of the Litigation Settlement Agreement or such later date as determined by Investec on written notice to the other parties, 75% of the shareholders of JCI who are entitled to vote at the relevant meeting of such shareholders provide Investec with irrevocable undertakings to vote in favour of the resolution which is to be passed by the shareholders of JCI authorising the payment of the Loan Settlement Fee to Investec as well as the payment of any interest payable thereon ("the JCI Resolution"). (For the purposes of determining whether the aforesaid 75% threshold is met, the irrevocable undertakings of Hawkhurst and Letseng to vote their shares held in JCI in favour of the JCI Resolution on the terms set out in the Litigation Settlement Agreement, will be taken into account. Investec shall be entitled in its sole and absolute discretion to waive compliance with this suspensive condition on written notice to the other parties);
- 3.5.3 within 45 (forty five) calendar days of the Signature Date of the Litigation Settlement Agreement or such extended date as agreed in writing by the parties, the shareholders of JCI:
 - 3.5.3.1 approve the JCI Resolution with the requisite majority; and
 - 3.5.3.2 approve the payment of the Letseng Indemnity Costs to the extent payable by JCI;
- 3.5.4 within 15 (fifteen) calendar days of the Signature Date of the Litigation Settlement Agreement or such extended date as agreed in writing between the parties, R&E, in its capacity as the largest creditor of BNC Investments (Proprietary) Limited (in liquidation) ("BNC") procures that BNC signs the waiver attached to the Litigation Settlement Agreement waiving any and all claims actions, proceedings and/or enquiries of BNC against Hawkhurst and undertakes not to institute, at any point in the future, any claims, actions proceedings and/or enquiries on behalf of BNC against each of Letseng, Global, Discus, Latitude, Azalia and/or Hawkhurst, the cause of action of which arose before the Signature Date of the Litigation Settlement Agreement, or in circumstances which arise after the Signature Date of the Litigation Settlement Agreement in respect of transactions, dealings, conduct and/or acts or omissions which arose prior to the Signature Date of the Litigation Settlement Agreement.

The suspensive conditions set out in paragraph 3.5.3 and 3.5.4 above may be waived by written agreement between the parties.

3.6 OTHER TERMS OF THE LITIGATION SETTLEMENT AGREEMENT

- 3.6.1 The other terms of the Litigation Settlement Agreement are set out therein.
- 3.6.2 This announcement is not intended to detail all of the terms of the Litigation Settlement Agreement nor to be an exhaustive summary thereof.

4. DOCUMENTATION TO SHAREHOLDERS AND REGULATORY APPROVALS

The terms of both the revised Settlement Agreement and the Litigation Settlement Agreement will be detailed in circulars that will be furnished to the shareholders of R&E and JCI in due course. The revised Settlement Agreement will be subject to the necessary regulatory approvals being obtained from the JSE, the SRP and the Competition Commission, to the extent applicable.

The requisite approvals will be sought from the R&E shareholders as required in terms of the revised Settlement Agreement whilst the requisite approvals will be sought from the shareholders of JCI in accordance with the requirements of the revised Settlement Agreement and the Litigation Settlement Agreement.

5. FINANCIAL EFFECTS AND RENEWAL OF CAUTIONARY

R&E and JCI shareholders are advised to continue to exercise caution when trading in their shares over-the-counter until further announcements are made, setting out the *pro forma* financial effects of the proposed settlement on R&E and JCI respectively, as detailed in the announcement above.

R&E and JCI shareholders will be kept abreast of developments as soon as practically possible regarding the implementation of the revised Settlement Agreement and the Litigation Settlement Agreement and the necessary regulatory and shareholder approvals required in this regard.

Johannesburg
 28 January 2010

Attorneys to R&E:



Sponsor and Corporate advisor to R&E:



Sponsor to JCI:

