

Mercury Recycling Update re Acquisition

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Mercury Recycling Group PLC
10 August 2012

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Mercury Recycling Group Plc ("Mercury" or the "Company")

Update re Acquisition

On 27 July 2012, the Company announced that it was seeking shareholder approval to proceed with the acquisition of iron ore assets in the Northern Limb of the Bushveld Complex in South Africa and that it was posting an Admission Document and notice of general meeting to shareholders to be held on 15 August 2012. The Admission Document was posted to shareholders on 27 July 2012.

Following that announcement, the Company has received a letter (the "Letter") from lawyers acting for two individuals claiming to represent a tribe in South Africa. The tribe is purporting to have certain occupancy rights over land subject to the Prospecting Rights which the Company is in the process of acquiring. The Company has obtained legal opinions that conclude that the said tribe does not have any valid entitlements which could impact on the Enlarged Group's rights to prospect. Furthermore, the opinions consider that due process has been followed with respect to the granting of the Prospecting Rights under South African law.

Giles Clarke, non-executive director, commented:

"The Board regards this letter as completely spurious but have been advised to make shareholders aware of it. We have received very robust expert legal advice from a South African law firm specialising in such matters and have been completely reassured that the letter is opportunistic and without any merit whatsoever. We remain fully committed to completing the Acquisition and are excited about the prospects for the Company following the Acquisition."

Capitalised terms used but not defined in this announcement have the same meaning as given to them in the Admission Document.

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