



THE TANDAN GROUP

TANDAN SOUTH AFRICA (PTY) LTD.

Reg. No. 95/19579/07

A member of The Tandan Group of Companies

July 5, 2000

Messrs.
Comtrade Co-Operative Society
Pretoria

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PER HAND

Dear Sirs,

Ref: Our discussions / Comtrade

I refer to our discussions and wish to confirm the contents thereof, for the sake of good order:

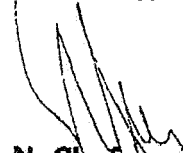
1. Due to circumstances beyond our control, and notwithstanding having taken all possible precautions available to us, we have experienced potential losses in our trading activities in both Angola and the Democratic Republic of Congo.
2. Our consultants, Messrs. HSBC Equator Bank plc examined all the circumstances surrounding our potential trade losses and concluded that these resulted from foreign currency shortages and devaluations in the target markets, as well as unforeseen political turmoil.
3. Furthermore, our advisory bank concluded that none of these potential losses were due in any way as a result of negligence on our part.
4. However, it has been the policy of our Group to insure that our Joint Venture partners do not incur losses in capital or in their projected profits, and as a result we have opted to secure our JV partner's interests from a diversification of our Group's activities.
5. HSBC assisted our Group in securing substantial equity interests in various base metal mining projects of proven stature and of world class standards, in partnership with various mining corporates, including GECAMINES and Group Forrest International.

6. The various concessions and assets secured include proven resources of 1.7 million tons of copper and 250 thousand tons of cobalt, which suggests an asset with a value to the Group exceeding US\$ 250 million NPV.
7. The Group is in the process of finalizing negotiations with major mining houses interested in purchasing equity and we expect to conclude the first pass negotiations in the forthcoming few weeks.
8. We are endeavoring to be in a position to liquidate our JV partner's positions by end August 2000. Obviously we shall attempt to expedite this time frame even further if at all possible.
9. We also expect to be able to declare an additional profit to our JV partners of not less than the last quarterly estimated benefit.
10. In the interim, we shall allocate an equity holding to satisfy the value of our Joint Venture partner's interests at a deep discount of between 60% and 80% on NPV with a clawback agreement / put option for our partner.

In the course of next week, we shall forward to you a comprehensive evaluation of the project and its asset value, presently being prepared by a team of mining specialists of high repute.

We trust that we shall be in a position to extend our mutual business interests in the foreseeable future.

Yours truly,



N. Shefer
Tandan S.A. (Pty) Ltd.
(as agents)