

Assore Limited (Assore) is a mining holding company engaged principally in ventures involving base minerals and metals.

The group's principal investment is a 50% interest in Assmang Limited (Assmang) which it controls jointly with African Rainbow Minerals Limited (ARM).

The group, through its various joint venture entities and subsidiary companies, is involved in the mining of manganese, iron and chrome ores together with other industrial minerals and the production of manganese and chrome alloys. The group is also responsible for marketing all products produced, the bulk of which is exported and the remainder either used in the group's beneficiation processes or sold locally.

The company was incorporated in 1950 and its shares are listed on the JSE Limited under "Assore" in the general mining sector.

As required by the Charter to the Mineral and Petroleum Resources Development Act, 15,02% of the company's shares are held by black empowerment entities: Shanduka Resources (Proprietary) Limited (11,76%) and the Bokamoso Trust (3,26%) a broad-based black empowerment community trust.

Turnover
R4 293,0m

Gross profit
R1 118,8m

Attributable profit
R774,7m

Headline earnings
R736,0m

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HIGHLIGHTS FOR THE YEAR

Higher US dollar prices and increased sales volumes for products

Headline earnings increased by 127,2% to R736,0 million

Dividends for the year increased from 230 cents to 350 cents per share

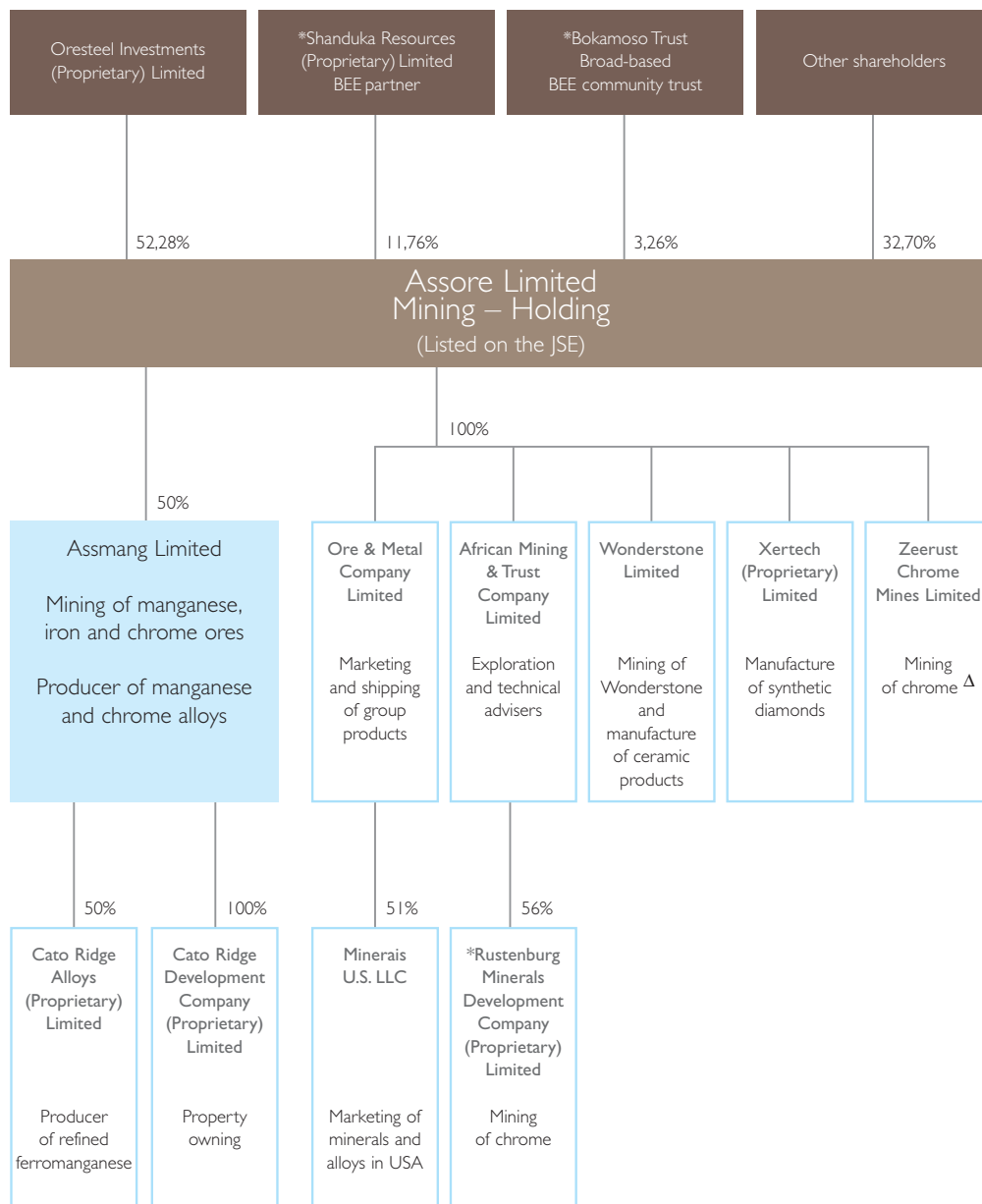
Capacity of new Khumani Iron Ore Mine increased during the year from 8,4 to 10,0 million tons and construction on schedule



Global export destinations of group products

Strong relationships have been established with customers in Europe, North America, South America, India and the Far East and products with a market value of approximately R6,3 billion (R2006: R4,5 billion) were marketed and distributed in these regions during the year.

GROUP STRUCTURE OF OPERATING COMPANIES



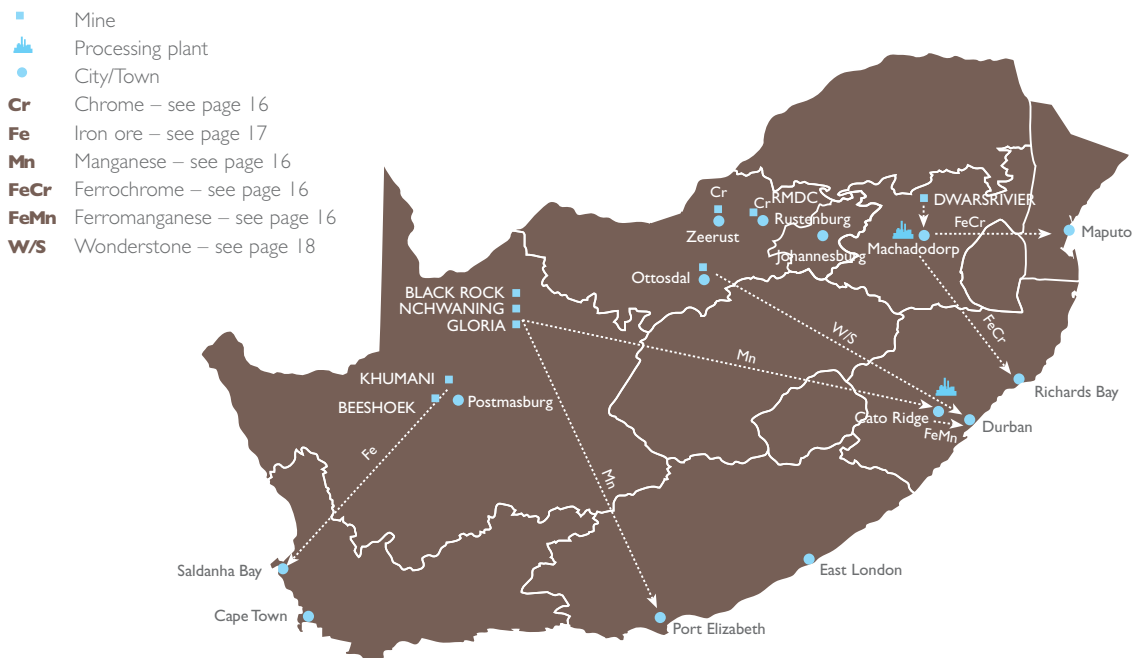
* Black economic empowered entity
 Δ On care and maintenance

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GROUP AT A GLANCE

The activities of the group were conducted through its jointly controlled entities and subsidiary companies which are illustrated in the group structure chart set out on page 3.

Location of operations in South Africa



The profit/(loss) contributions for the various classes of business of the group were as follows:

| | 2007 R'000 | 2006 R'000 |
|---|----------------|---------------|
| Mining and beneficiation | 655 098 | 310 868 |
| Marketing and shipping | 120 553 | 92 706 |
| Profit on disposal of available-for-sale investments (net of capital gains tax) | 36 786 | 129 086 |
| Discount on BEE transaction | – | (35 752) |
| Other operations | (9 082) | (17 086) |
| Profit per income statement | 803 355 | 479 822 |

| OPERATING RESOURCES | COMMODITY | OPERATION | TYPE OF OPERATION | DESCRIPTION |
|---|---|--|---|--|
| JOINT VENTURE ENTITY (ASSMANG) | | | | |
| Manganese Division | Manganese <i>(see page 16)</i> | Nchwaning Mine Gloria Mine Cato Ridge Works Cato Ridge Alloys | Mine, washing and screening Mine, washing and screening Ferromanganese smelter Refined ferromanganese refinery | Manganese ore is mined in the Black Rock area of the Northern Cape province and manganese alloys are produced at the Cato Ridge Works in KwaZulu-Natal. Cato Ridge Alloys, a joint venture with Japanese partners, produces refined ferromanganese at the Cato Ridge Works. Feed for the Cato Ridge Works is derived from Assmang's manganese mines and the bulk of both ore and alloy production is exported. |
| Chrome Division | Chrome <i>(see page 16)</i> | Dwarsrivier Mine Machadodorp Works | Mine and concentrator Smelter and pelletising plant | Chrome ore is mined at Dwarsrivier Mine near Lydenburg in Mpumalanga province and production is used mainly to supply the group's Machadodorp Ferrochrome Works. |
| Iron Ore Division | Iron ore <i>(see page 17)</i> | Beeshoek Mine Khumani Mine (Bruce-King/Mokaning Project) | Mine and dense medium jigging Construction of surface infrastructure in progress | Iron ore is mined at the Beeshoek open-cast operations which are located outside Postmasburg in the Northern Cape. Detrital iron ore from the new Khumani Iron Ore Mine near Kathu is being transported to Beeshoek by road for processing while the Khumani plant is under construction. |
| SUBSIDIARY COMPANIES | | | | |
| Rustenburg Minerals Development Company | Chrome <i>(see page 16)</i> | Rustenburg Mine | Mine and concentrator | The group also mines chrome ore near Rustenburg (Rustenburg Minerals Development Company (Proprietary) Limited) (RMDC) in open-cast operations and production is supplied mainly to the local market. |
| Wonderstone | Wonderstone <i>(see page 18)</i> | Wonderstone Mine | Mining of Wonderstone and manufacture of ceramic products | The group mines a type of pyrophyllite, which, for trade purposes, is referred to as Wonderstone. The deposit is located outside Ottosdal, approximately 300 kilometres west of Johannesburg. The bulk of the material mined is exported to the United States of America, the United Kingdom and the Far East, and the balance beneficiated to produce high precision components manufactured to customers' specification. |
| Zeerust Chrome Mines | Chrome | Zeerust Chrome | Mining of chrome | On care and maintenance. |
| Xertech | Synthetic diamonds <i>(see page 18)</i> | Xertech | Manufacture of synthetic diamonds | The group's synthetic diamond production facility operates from premises in Linbro Park on the outskirts of Johannesburg under the name of Xertech. Sales are concluded both locally and for export. |
| Ore & Metal Company | Marketing and shipping of products <i>(see page 19)</i> | Ore and metal | N/A | Ore and Metal Company Limited is responsible for the marketing and shipping of all the group's products, including those produced by the three divisions of Assmang. Strong relationships have been established with customers in Europe, North America, South America, India and the Far East. |
| Minerais U.S. LLC | Marketing of minerals and alloys in USA <i>(see page 19)</i> | Minerais | N/A | Minerais U.S. LLC is responsible for marketing and sales administration of the group's products in the USA, in particular manganese and chrome alloys, and trades in various commodities related to the steel making industry. |
| African Mining & Trust Company | Exploration and technical adviser <i>(see page 19)</i> | African Mining | N/A | African Mining and Trust Company Limited is technical adviser to Assmang and other group companies for which it receives fee income. |

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BOARD OF DIRECTORS



Left to right: Desmond Sacco, R J Carpenter, C J Cory, P C Crous,
P N Boynton, B M Hawkworth, M C Ramaphosa, Dr J C van der Horst

EXECUTIVE DIRECTORS

DESMOND SACCO

Chairman

BSc (Hons) (Geology) (Wits) (Unisa)

Des qualified as a geologist and joined the Assore group in 1968. He was appointed to the Assore board in 1974 and, on retirement of his father in 1992, he was appointed Chairman and Managing Director. In that year, he was also appointed Deputy Chairman of Assmang Limited and in 1999, he became Chairman of Assmang. He is a fellow of the Institute of Directors (IOD) and of the Geological Society of South Africa (GSSA).

R J CARPENTER

Deputy Chairman

BA, ACIS

Bob joined the Ore & Metal Company Limited in 1964 and was appointed Managing Director in 1991. Ore & Metal is a wholly owned subsidiary of the Assore group and acts as marketing and shipping agent for products produced by all the Assore and Assmang group companies. He was appointed to the Assore board in 1987, to the Assmang Board in 1989 and was made Deputy Chairman of Assore in 1993.

C J CORY

Chief Executive Officer

BA, CA(SA), MBA (Wits)

Chris completed articles with Alex. Aiken & Carter (now KPMG) and qualified as a Chartered Accountant in 1982. In 1989 he joined the Assore group as Group Accountant. In 1992 he was appointed Group Financial Director and made Chief Executive Officer in June 2004 when the roles of Chairman and Managing Director were split. He was appointed to the Assmang Board as a non-executive director in 1993 and currently chairs the Assmang Audit Committee. He is a member of the South African Institute of Chartered Accountants (SAICA).

P C CROUS

Group Technical Director

BSc (Eng), BComm, MBA

Phil trained as a mining engineer obtaining a BSc (Eng) at Pretoria University in 1975. Thereafter

he joined Iscor, and in 1977 he took up a position with Assmang where he advanced to Mine Manager. In 1982 he joined Sasol as General Mine Manager and was subsequently promoted to Operations Manager at Secunda Collieries, responsible for four mechanised mines. In 1988 he joined manufacturing company Sandock-Austral as Managing Director. In 1991 he was invited to join Assore in his current position as Group Technical Director and was appointed to the Assmang Board in 1992. He is a member of the South African Institute of Mining and Metallurgy (SAIMM) and the Institute of Directors (IOD).

NON-EXECUTIVE DIRECTORS

P N BOYNTON

Non-executive director

BSc (Hons), BComm, CA(SA), ACMA, MBA

Paul joined Old Mutual's investment team in 1995, having previously worked as an investment banker in Johannesburg for seven years and before that for Deloitte for three years. He is currently head of Alternative Asset Management at Old Mutual and an executive director of Old Mutual Asset Managers. He joined the Assore board as a non-executive director in July 2004 and serves on the group's Audit Committee.

B M HAWKSWORTH

Independent non-executive director

CA(SA)

Brian qualified as a Chartered Accountant in Durban and relocated to Johannesburg in 1973 as a partner of Ernst & Young. Since withdrawing as a partner of Ernst & Young he holds several non-executive directorships including the Financial Services Board (the FSB). He was appointed to the Assore board as an independent non-executive director in 1996 and currently chairs the Assore Audit and Remuneration Committees. He is a member of the South African Institute of Chartered Accountants (SAICA) and was a past member of its Council and Executive Committee and is also a fellow of the Institute of Directors which he chaired in the early 1990s.

M C RAMAPHOSA

Non-executive director

BProc

Cyril is executive chairman and a significant shareholder of Shanduka Group (Proprietary) Limited. He is joint non-executive chairman of Mondi plc and Mondi Limited. He is also non-executive chairman of the MTN Group Limited, the Bidvest Group and SASRIA Limited and a non-executive director of SAB Miller plc, Macsteel b.v., Alexander Forbes Limited and Standard Bank Group Limited.

Cyril sits on the Board of the Commonwealth Business Council and is Vice Chairman of the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria (GBC). He sits on the UN Secretary-General's Advisory Panel on International Support for NEPAD. Cyril has received several honorary doctorates. He joined the Assore board as a non-executive director in July 2006.

DR J C VAN DER HORST

Independent non-executive director

BA, LLD

Johannes studied at the Universities of Stellenbosch and Hamburg (Germany) and the Harvard Business School. He held various positions in Old Mutual from 1971 to 2002 where he was General Manager (Investments) from 1985 to 1997. In September 1997, he was appointed to head up Old Mutual's demutualisation project which culminated in the listing of Old Mutual on the London Stock Exchange and the JSE Limited in July 1999. He served on the Assore board between 1989 and 1997, and again since January 2003 when he was appointed as an independent non-executive director and serves on the group's Audit and Remuneration Committees. He is also on the boards of Reunert Limited and Wooltru Limited.

Construction of the 10,0 million ton per annum **KHUMANI Iron Ore Mine** at a cost of R4,0 billion is on schedule to produce first tonnage for export in the second quarter of 2008 as planned and total capital committed to date amounted to R2,4 billion.

The project will be funded from operating cash flows and debt facilities at the Assmang level.



Without doubt, the most significant project in the group is the development of the new Khumani Iron Ore Mine near Kathu in the Northern Cape.

