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THE YEAR UNDER REVIEW

If the previous year was a watershed in which significant changes occurred for Assore, as I stated in my Chairman's review at the time, then the June 2007 year has been one of utilising and enhancing the benefits of those changes, combined with a generally favourable market for our products. This has enabled the group to enjoy a particularly successful year.

The key elements of change, being the BEE transaction with Shanduka and the agreement with ARM, which defined the joint control of and way ahead for Assmang, have been bedded down successfully, creating the strategic platform from which to achieve optimal growth and stability. That this has already proved successful, can be gauged by record performances in respect of both sales and output which, together with strong demand for our products, has produced record profit and dividends.

Assore's 50% share in Assmang continues to play the dominant role in the group's performance. Assmang's product portfolio, particularly manganese and iron ore, enjoyed ongoing strong international demand, especially from China.

This demand propelled further increases in the price levels achieved for most products, notably manganese alloys, which, when translated back into rand, were further enhanced by currency exchange rates, as anticipated in my review of the previous year. The average US dollar exchange rate for Assmang for the financial year was R7,08 against R6,32 in 2006 and the rand was also weaker against the euro, at an average rate of R9,22 (2006: R7,61) for the year.

These factors contributed to Assmang lifting its earnings for the year by 99,8% and Assore's share of such profits, which it proportionately consolidates, by a similar level. Assore derives further income from commissions it earns as the marketer of Assmang's products, which helped to raise Assore's headline earnings by 127,2% to R736,0 million (2006: R323,9 million).

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 which, I am pleased to report, is on schedule to commence production by mid 2008. Following an agreement reached with Transnet to upgrade the Sishen-Saldanha rail line and Saldanha Bay port facilities to the necessary capacity, the target output for the initial phase of the Khumani Iron Ore Mine has been raised from 8,4 million tons to 10,0 million tons per annum. While the additional capacity will enhance the return achieved within the existing cycle, it comes at an increase in cost from R3,2 billion to R4,0 billion as a consequence of the additional production facilities and higher costs of steel and scarce skilled labour.

SALES VOLUMES

Assmang's major products are primarily key materials in the manufacture of carbon and stainless steels and, as mentioned, these markets are currently substantially influenced by demand, particularly from China. The effect of this demand is well illustrated by the following table of sales volumes from Assmang for the year ended 30 June 2007:

Assmang's turnover for the year under review reached a record level of R6,1 billion (2006: R4,4 billion) and sales volumes for all products were also at record levels except for chrome ore and manganese alloys which were marginally lower. This demand propelled further increases in the price levels achieved for most products, notably manganese alloys, which, when translated back into rand, were further enhanced by currency exchange rates.

	Metric tons '000 2007	Metric tons '000 2006	% change
Iron ore	6 855	5 926	15,7
Manganese ore*	2 327	1 678	38,7
Manganese alloys*	251	260	(3,5)
Charge chrome	232	210	10,5
Chrome ore*	172	178	(3,4)

* Excluding intragroup sales

RESULTS FOR THE YEAR

Benefiting from the combination of increased sales and higher prices, the contributions to headline earnings at Assmang by the three major product categories showed a 70,3% growth to R679,4 million from iron ore, 76,5% to R575,3 million by manganese ore and alloys and a R140,1 million turnaround from a R63,9 million loss to R76,2 million profit in chrome ore and alloys. As stated, Assore proportionately consolidates its 50% share of these earnings.

Group revenue rose by 27,1% to R4,4 billion and gross profit by 86,7% to R1,1 billion. Headline earnings grew by 127,2% to R736,0 million and attributable earnings by 69,4% to R774,7 million. The difference is the respective growth rates being attributable to non-recurrent earnings, mainly profit on disposal of available-for-sale investments, which in the current year were R36,8 million and R129,1 million in the previous year. Headline earnings per share grew by 132,5% to 2 720 cents and the total dividend relating to the year's activities was lifted by 52,2% to 350 cents a share.

Assmang's major products and therefore Assore's interests are closely related to the world's markets in carbon steels and stainless steel. World carbon steel production continues to expand driven mainly by demand from China, which is resulting in increased demand for iron ore, manganese ore and manganese alloys. For the foreseeable future, which in prevailing international conditions is limited, that situation seems likely to continue as does the demand for iron ore, manganese ore and particularly manganese alloys, with resulting upward pressure on the sales prices.

OUTLOOK

As mentioned, Assmang's major products and therefore Assore's interests are closely related to the world's markets in carbon steels and stainless steel. For the past few years and to an increasing extent, those markets have been dominated by demand from China as that country's economy has expanded at a rate now exceeding 10% per annum. For the foreseeable future, which in prevailing international conditions is limited, that situation seems likely to continue as does the demand for iron ore, manganese ore and particularly manganese alloys, with resulting upward pressure on the sales prices.

Contracts for the sale of iron ore are traditionally finalised in April and current expectations are that the forthcoming contracts, to be finalised in April 2008, will be at higher prices. Spot prices for manganese ore have moved significantly since the year-end and this could have a substantial impact on contract prices which will be effective from 1 April 2008.

The stainless steel market has been following much the same pattern as the carbon steel, with China setting the trend and a consequent strong demand for ferrochrome and chrome ore, resulting in higher prices. However, there has recently been some moderation in the level of production of ferrochrome, which might lead to oversupply and some downward pressure on US dollar prices.

Overhanging these factors is the significant influence which movements in the US dollar and euro exchange rates have on the group's performance prospects.

CAPITAL EXPENDITURE

Capital expenditure for the year under review totalled R2,3 billion (2006: R742,4 million), most of which was concentrated within Assmang. Some R1,7 billion or 75,8% of the total was expended on the new Khumani Iron Ore Mine, representing about 42% of the budgeted total cost of that project. The following table details the make-up of the expenditure in Assmang:

CAPITAL EXPENDITURE (ASSMANG)

	2007 R'000	2006 R'000
Manganese Division	297	239
Iron ore Division	1 735	346
Chrome Division	199	120
	2 231	705

BORROWINGS

The level of short-term interest-bearing borrowings increased to R544,8 million (2006: R253,5 million), largely as a result of increased expenditure on the new Khumani Iron Ore Mine. While all funding of that project is being met by resources available to Assmang, these are proportionately consolidated by Assore and interest-bearing debt is expected to continue increasing over the next two years but remain well within Assmang's limits.

DIVIDENDS

An interim dividend of 150 cents (2006: 80 cents) per share was declared on 19 February 2007 and paid to shareholders on 19 March 2007. An increased final dividend of 200 cents (2006: 150 cents) and reflecting the strong improvement in earnings, has been declared, making the total dividend for the year 350 cents (2006: 230 cents). The final dividend was paid to shareholders on 25 September 2007.

APPRECIATION

The records, achieved in so many areas over the year, including earnings and dividend, are, in no small way, due to the efforts of the group's dedicated and loyal management and staff. They too, could not have achieved the performance that I have been able to report on, without the input from customers, suppliers, shareholders and bankers and I thank one and all for their support.

With effect from 1 July 2007, my son, Patrick Sacco, was appointed as my alternate on the Assore board. Patrick has been with the group for the past four years and I take this opportunity to welcome him in this capacity.



Desmond Sacco
Chairman

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While the additional capacity will enhance the return achieved within the existing cycle, it comes at an increase in cost from R3,2 billion to R4,0 billion as a consequence of the additional production facilities and higher costs of steel and scarce skilled labour.





MINING AND BENEFICIATION

MANGANESE ORE AND ALLOYS

Manganese ore is mined by Assmang 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 between Assmang, Mizushima Ferroalloys Company Limited and Sumitomo Corporation Limited, (both of Japan), 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.

Sales tonnages of manganese ore and alloy for the year were as follows:

	Metric tons 2007 '000	Metric tons 2006 '000
Manganese ore	2 327*	1 678
Manganese alloys	251*	260

* Excludes intragroup sales

World crude steel production continued to increase in the year under review and, for the 2006 calendar year increased by 8,6% to a record of 1 240,0 million tons (2005 calendar: 1 129,3 million tons) of which China produced 419,0 million tons (2005 calendar: 349,0 million tons) representing an increase over the previous year of 17,7%.

Despite the increase in steel production, global manganese ore supply continued to outpace demand during the year and as a result export prices weakened further from the high levels in 2005. However, sales volumes of manganese ore were increased in both the export and domestic markets to 2 327 000 tons (2006: 1 678 000 tons).

Prices for manganese alloys increased for the year under review following the demand resulting from strong growth in crude steel production. High capacity utilisation at manganese alloy producers in

all major regions, resulted in a stable supply demand balance for manganese alloys. Record prices for manganese metal exported from China resulted in substitution by refined alloys, thus increasing demand and prices. In addition an increase in the cost basis for manganese alloy producers in China supported higher prices for manganese alloys for the year under review. Consolidation in the manganese ore and alloys market provided further impetus for higher prices for manganese alloys, specifically towards the end of the period under review.

High carbon ferromanganese sales reduced from the previous year to 170 000 tons (2006: 188 000 tons) mainly due to stock build up prior to a major furnace rebuild at the Cato Ridge works which commenced in August 2007. Sales from the metal recovery plant were in line with production and reached 24 000 tons (2006: 13 000 tons) Although demand for refined ferromanganese remains strong, sales volumes were negatively affected by lower than planned production levels. Sales of refined ferromanganese for the year under review reached 56 000 tons (2006: 58 000 tons).

Higher US dollar prices for manganese alloys for the year outweighed the effect of lower sales volumes and with increased sales of manganese ore, the contribution to profit of Assore from this division increased to R287,9 million (2006: R163,4 million).

Capex for the year for the Manganese Division was R297,7 million (2006: R239,1 million) of which R34,7 million was spent on furnace rebuilds and R38,9 million on equipping the Nchwaning III shaft complex and the balance on various smaller projects at the mine and Cato Ridge Works.

CHROME AND CHROME ALLOYS

Chrome ore is mined at Assmang's Dwarsrivier Mine near Lydenburg in Mpumalanga province and production is used mainly

Rustenburg Minerals Directors



Left to right: Frans Kalp, Dr Ben Marengwa, Willie Modise, Gabriel Mokgoko

to supply the group's Machadodorp Ferrochrome Works. 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 (refer black empowerment in Assore).

The bulk of chrome ore mined worldwide is converted to ferrochrome and utilised in the production of stainless steel. Global stainless steel production continued to show strong growth propelled mainly by China. The first half of calendar 2007 saw strong production of stainless steel at 15,5 million tons and total production for calendar 2007 is likely to reach almost 30,0 million tons (2006 calendar year: 28,7 million tons).

This strong stainless steel market resulted in good demand for both charge chrome and chrome ore and led to higher prices for both commodities, with prices for the former rising in three out of the four quarters of the financial year. Assmang's charge chrome sales increased by 10,5% to 232 000 tons for the financial year (2006: 210 000 tons), while chrome ore sales reduced marginally to 172 000 tons (2006: 178 000 tons). As a result of the higher prices and increased volumes, the division made a profit for the year and the contribution to the profit of Assore was R38,4 million (2006: R29,6 million loss).

Approximately 286 032 tons (2006: 313 389 tons) of run of mine, lumpy and concentrate were produced by RMDC during the year which resulted in a net profit after tax of R10,2 million (2006: R3,7 million) of which R4,5 million (2006: R1,6 million) was due to minorities being, BEE partners Mampa.

Mining operations at RMDC are still open-cast and as mining is done with the use of contractors capital expenditure for the year was contained at R7,6 million (2006: R1,9 million). Open-cast resources will however be depleted during the forthcoming year

and agreement has been reached with empowerment partners, Mampa, to develop two underground shafts on the existing deposits at an estimated cost of R100,0 million which will be funded by cash resources and loan facilities made available by Assore.

IRON ORE

Iron ore is mined by Assmang at the Beeshoek open-cast operations which are located outside Postmasburg in the Northern Cape. In addition 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.

Seaborne iron ore trade in the world for calendar 2006 was 722,0 million tons and this is expected to increase to at least 770,0 million tons in 2007 as the growth in world crude steel production continues.

Assmang's sales of iron ore increased to 6,9 million tons during the year (2006: 5,9 million tons) however; it is unlikely sales volumes will increase further until the new Khumani Mine becomes operational in mid-2008.

World demand for iron ore continues to be strong, especially in China and prices improved by a further 9,5% in the last quarter of the year under review. Based on the higher prices and higher sales volumes the contribution of the Iron Ore Division to Assore profit was significantly higher at R339,7 million (2006: R199,5 million).

Capital expenditure for the year increased significantly to R1 734,5 million (2006: R346,1 million) due to the development of the new Khumani open-cast mine near Kathu in the Northern Cape. During the year the capacity was increased from the original 8,4 million tons per annum to 10,0 million tons and the estimated cost to completion is now R4,0 billion (previously R3,2 billion).

To date, R1 735,0 million comprising 42% of the total project capital, has been spent on the construction of the first phase and construction on the 10,0 million tons per annum mine is currently on schedule to produce the first tonnage for export in the second quarter of 2008. The balance of expenditure was incurred on waste stripping and replacement items at Beeshoek.

WONDERSTONE

Since 1937, the group has mined a type of pyrophyllite which, for trade purposes, is referred to as Wonderstone. The deposit, which is located outside Ottosdal, approximately 300 kilometres west of Johannesburg, is of volcanic origin and displays unique corrosion, heat and abrasive resistant properties. The bulk of the material mined is exported to the United States of America, the United Kingdom and the Far East where it is utilised in various hi-tech industrial applications including the manufacture of synthetic diamonds and consumable products for the welding and electronics industries.

During the year, sales of 726,9 tons (2006: 677,6 tons) of natural pyrophyllite were concluded at US dollar prices slightly higher than the previous year. In response to market demand, the company also supplies certain customers with a range of high precision components for use directly in their manufacturing processes. Last year 1 299 431 (2006: 1 242 000) components were produced and sold on this basis.

Wear tiles are produced by the company's Technical Ceramics Division, Ceramox, which it acquired in 2002. Turnover has increased by 98,5% per annum since that date and should increase significantly following the capital expansion project scheduled for completion by the year-end. Wonderstone is also produced in powder form to customer specific, particle size distribution requirements. This specified powder can be supplied in natural, calcined or spray dried form. Customers for these products benefit from the higher degree of technical support with regard to the material's performance

Wonderstone Directors



Left to right: Sam Matsimela, Richard Burnand, John Connelly

characteristics and technical applications. Both the mine and its manufacturing operations have been awarded ISO 9001: 2000 and ISO 14001 accreditation.

Turnover for the year increased to R35,7 million (2006: R26,4 million) due to increased sales prices, sales volumes and favourable exchange rates resulting in a profit for the year of R2,8 million (2006: R2,5 million loss).

Capital expenditure for the year amounted to R3,3 million (2006: R9,0 million), most of which was spent on the expansion of the manufacturing operations.

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 were concluded both locally and for export during the year in terms of a sales agency agreement finalised in the previous year with an established supplier in Europe. Process development work during the year has resulted in a significant improvement in the quality of finished product which is gaining market acceptance. As sales are still not covering fixed costs, a loss of R15,1 million (2006: R19,8 million loss) was incurred for the year. The quality of production which has been achieved on a sustainable basis is competitive in the higher end of the market and it is planned to increase sales significantly during the forthcoming year with the facility now operating on a 24/7 shift basis. The two additional 14 000 ton presses which were ordered in the previous year have been installed and are in the process of being commissioned.

Capital expenditure for the year was R42,0 million (2006: R22,8 million) and it is anticipated that the increased capacity will impact significantly on sales and reduce average cost of production in the forthcoming year.

Ore and Metal Directors



Left to right: Alistair McAdam, Jaco Venter, Alastair Stalker, John Lewis

African Mining and Trust Directors



Left to right: Frans Olivier, Sally Venegas, Andries Mouton, Tiaan van Aswegan

MARKETING AND SHIPPING

Wholly owned subsidiary 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.

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MINERAIS U.S. LLC

The group holds a 51% share in Minerais U.S. LLC (Minerais) which is a limited liability company registered in the state of New Jersey in the United States of America (USA). Minerais 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. The company made a contribution to group net profit for the year of R15,7 million (2006: R15,3 million).

TECHNICAL ADMINISTRATION

African Mining and Trust Company Limited is technical adviser to Assmang and other group companies for which it receives fee income.

African Mining and Trust Company Limited is technical adviser to Assmang and other group companies for which it receives fee income. As the fee income is based on the levels of activity of group companies, net profit after taxation increased to R30,5 million (2006: R16,6 million).

INVESTMENTS

The group maintains a portfolio of listed shares which are selected and held in accordance with long-term investment criteria. No additional investment was made in the portfolio during the year and disposals generated a profit after capital gains tax of R36,8 million (2006: R129,1 million). The portfolio is valued in the financial statements at market value and the difference between cost and market value is transferred to other reserves net of any capital gains tax which would arise on eventual disposal. At year-end the market value of the remaining portfolio was R236,0 million (2006: R169,6 million) based on a cost of R37,0 million (2006: R47,5 million). Dividends received on the portfolio for the year were R5,0 million (2006: R3,9 million).

Other income also includes interest received of R20,7 million (2006: R18,8 million) generated from cash in excess of current requirements which is invested on a short-term basis in the money market.

This report is issued as the annual update of resources and reserves to inform shareholders and potential investors of the mineral assets held by Assmang and Assore.

Set out below are details of the group's mineral resources and reserves as required by section 8,62(m) of the JSE Listings Requirements. This report is issued as the annual update of resources and reserves to inform shareholders and potential investors of the mineral assets held by Assmang and Assore. Based on materiality, disclosure for Assmang is presented in the form of a Competent Persons Report whereas details for other group companies are set out in summarised format.

ASSMANG – JOINT VENTURE ENTITY

General statement

Assmang's method of reporting Mineral Resources and Mineral Reserves conforms to the South African Code for Reporting Mineral Resources and Mineral Reserves (SAMREC Code) and the Australian Institute of Mining and Metallurgy Joint Ore Reserves Committee Code (JORC Code).

The convention adopted in this report is that mineral resources are reported inclusive of that portion of the total mineral resource converted to a mineral reserve. Resources and reserves are quoted as at 30 June 2007.

The evaluation method is generally ordinary kriging with mining block sizes ranging from 10 x 10 metres to 100 x 100 metres to 250 x 250 metres in the plan view. The blocks vary in thickness from 2,5 to 50 metres. The evaluation process is fully computerised, generally utilising the Datamine software package.

The mineral resources and mineral reserves are reported on a total basis regardless of the attributable beneficial interest that Assmang has on the individual projects or mines. When the attributable beneficial interests on a mine or project is less than 100%, the actual percentage of the attributable interest is specified.

Assmang comprises the following operating divisions with varying attributable interests in assets operated as joint ventures (JV) with other mining companies. A locality map showing the major operations appears on page 4.

Operating division	Operating assets	Type
Iron ore Division	Beeshoek Mine	Mine and dense medium separation (DMS)
	Khumani Mine (Bruce-King/Mokaning Project)	Construction of surface infrastructure in progress
Manganese Division	Nchwaning Mine	Mine, washing and screening
	Gloria Mine	Mine, washing and screening
	Cato Ridge Works	Ferromanganese and silicon-manganese smelter
	Cato Ridge Alloys	Ferromanganese refinery
Chrome Division	Dwarsrivier Mine Machadodorp Works	Mine and concentrator Smelter and pelletising plant

Maps, plans and reports supporting resources and reserves are available for inspection at Assmang's registered office and at the relevant mines.

In order to satisfy the requirements of the Minerals and Petroleum Resources Development Act, Assmang's operations will have to obtain new mining rights for all properties required to support the planned operations over the next 30 years. The Act is effective from 1 May 2004 and the new rights must be obtained within five years from then. The operations are at various stages of application.

Rounding of figures may result in computational discrepancies.

Assore's attributable beneficial interest in Assmang's operations is 50%.

MANGANESE ORE OPERATIONS

The manganese mines are situated in the Northern Cape province in South Africa, approximately 80 kilometres north-west of the town of Kuruman. Located at latitude 27°07'50"S and longitude 22°50'50"E, the site is accessed via the national N14 route between Johannesburg and Kuruman, and the provincial R31 road.

MINING AUTHORISATION

The Nchwaning mining lease (MLI10/76) comprises an area of 1 877,0587 hectares and is located on the farms Nchwaning (267), Santoy (230) and Belgravia (264). An application for the conversion to a new order mining right will be submitted during the 2008 financial year.

The Gloria mining lease (MLI1/83) comprises an area of 1 713,1276 hectares and is located on portion 1 of the farm Gloria (266). An application for the conversion to a new order mining right will be submitted during the 2008 financial year.

GEOLOGY

The manganese ores of the Kalahari Manganese field are contained within sediments of the Hotazel Formation of the Griqualand West Sequence, a subdivision of the Proterozoic Transvaal Supergroup. At Black Rock, Belgravia and Nchwaning, the Hotazel, Mapedi and Lucknow Formations have been duplicated by thrusting. The average thickness of the Hotazel Formation is approximately 40 metres.

The manganese orebodies exhibit a complex mineralogy and more than 200 mineral species have been identified to date. The

hydrothermal upgrading has resulted in a zoning of the orebody with regard to fault positions. Distal areas exhibit more original and low-grade kutnohorite + braunite assemblages, while areas immediately adjacent to faults exhibit a very high-grade hausmannite ore. The intermediate areas exhibit a very complex mineralogy, which includes bixbyite, braunite and jacobsite amongst a host of other manganese-bearing minerals. A similar type of zoning also exists in the vertical sense. At the top and bottom contacts it is common to have high iron (Fe) and low manganese (Mn) contents while the reverse is true towards the centre of the seam. This vertical zoning has given rise to a mining practice where only the centre 3,5-metre high portion of the seam is being mined. At the Gloria Mine the intensity of faulting is much less, which also explains the lower grade.

RESOURCES/RESERVES

Measured resources are classified as material available up to 50 metres in front of the mining faces. Material situated further than 50 metres from current development is classified as indicated resources. These classification criteria is currently under review as it is felt that measured resources are extremely under quoted. Geological losses are built into the grade model. Measured resources are converted to proved reserves taking a 20% pillar loss (Nchwaning) into account (23% for Gloria). In the same way probable reserves are obtained from the indicated resources. Two manganese seams are present. The number 1 seam is up to 6 metres in thickness, of which 3,5 metres are mined, using a manganese marker zone for control. There is, therefore, minimum dilution.

The Nchwaning Mine was diamond drilled from surface at 330-metre centres and the data captured in excel spreadsheets. The core was logged and 0,5-metre-long, half-core, diamond-saw cut samples were

MINERAL RESOURCES AND RESERVES (continued)

submitted to Assmang's laboratory at Black Rock for x-ray fluorescence (XRF) analyses. Mn and Fe values were checked by wet chemical analyses. Several standards were used to calibrate XRF equipment, and results were compared with other laboratories on a regular basis.

A total of 341 boreholes for the number 1 orebody and 372 holes for the number 2 orebody, as well as a total of 20 080 face samples were considered in the grade estimation. The available data for an area was optimised over a thickness of 3,5 metres and exported into data files for computerised statistical and geostatistical manipulation to determine the average grades of Mn, Fe, silica (SiO₂), calcium (CaO) and magnesium (MgO).

Ordinary kriging interpolation within Datamine was used to estimate the grade of each 50 x 50 x 3,5-metre block generated within the geological model. Subcell splitting of the 50 x 50-metre blocks was allowed to follow the geological boundaries accurately. The relative density of Nchwaning manganese ore was taken as 4,3 t/m³.

The 2007 mineral reserves for the Nchwaning number 1 orebody changed slightly from 116,8 million tonnes in 2006 to 114,6 million tonnes (1,88%) in 2007 as a result of the orebody being re-modelled and the annual production draw down. Similarly, the mineral resources at Nchwaning number 1 orebody decreased by 2,6 million tonnes to 143,4 million tonnes (2006: 146 million tonnes).

NCHWANING MINE: 1 BODY MANGANESE RESOURCES/RESERVES

Map code	Nchwaning 1 body resources	Tonnes Mt	Nchwaning 1 body reserves	Tonnes Mt	Mn %	Fe %
1	Area 1 measured	1,51	Area 1 proved	1,21	48,8	8,97
2	Area 1 indicated	5,33	Area 1 probable	4,26	38,9	6,04
3	Area 2 measured	7,45	Area 2 proved	5,96	45,8	8,97
4	Area 2 indicated	19,10	Area 2 probable	15,28	44,5	9,40
5	Graben measured	0,90	Graben proved	0,72	46,7	10,10
6	Graben indicated	16,10	Graben probable	12,90	48,7	9,60
7	Area 3 measured	6,20	Area 3 proved	4,96	46,6	9,90
8	Area 3 indicated	86,80	Area 3 probable	69,40	44,2	8,70
	Total measured	16,06	Total proved	12,85	46,4	9,40
	Total indicated	127,33	Total probable	101,84	44,6	8,80
	Total resources 1 body	143,39	Total reserves 1 body	114,69	44,8	8,87

The mineral resources at Nchwaning number 2 orebody decreased slightly to 181,9 million tonnes (2006: 184,7 million tonnes).

NCHWANING MINE: 2 BODY MANGANESE RESOURCES

Map code	Nchwaning 2 body resources	Tonnes Mt	Mn %	Fe %
2	Area 1 indicated	20,0	43,6	15,9
4	Area 2 indicated	56,5	42,7	15,1
6	Graben indicated	17,1	42,7	16,6
8	Area 3 indicated	88,3	41,9	15,4
	Total indicated	181,9	42,4	15,5
	Total resources 2 body	181,9	42,4	15,5

Measured resources = Immediately available tonnes up to 50 metres in front of mining faces, or else classified as indicated.

Proved reserves = Measured resources less 20% pillar loss.

Probable reserves = Indicated resources less 20% pillar loss.

Procedures for drilling and assaying at Gloria Mine are the same as at Nchwaning. A total of 103 boreholes were considered in the evaluation of the Gloria Mine. The wide-spaced borehole interval puts some limitation on the evaluation in areas away from current mining faces. A total of 5 166 underground sampling values were used in evaluating areas close to current mining.

The boreholes were optimised over a stoping width of 3,5 metres and the relative density was taken as 3,8 t/m³. The seams were evaluated by means of statistical and geostatistical methods to determine the average grades of Mn, Fe, SiO₂, CaO and MgO.

Ordinary kriging interpolation within Datamine was used to estimate the grade of each 50 × 50 × 3,5-metre block generated within the geological model. Subcell splitting of the 50 × 50-metre blocks was allowed to follow the geological boundaries.

GLORIA MINE: 2 BODY MANGANESE RESOURCES

Gloria 2 body resources	Tonnes Mt	Mn %	Fe %
Indicated	67,9	31,9	10,98
Inferred	70,3	–	–

Measured resources = Immediately available tonnes up to 50 metres in front of mining faces, or else classified as indicated.

Proved reserves = Measured resources less 23% pillar loss.

Probable reserves = Indicated resources less 23% pillar loss.

GLORIA MINE: 1 BODY MANGANESE RESOURCES/RESERVES

Map code	Gloria 1 body resources	Tonnes Mt	Gloria 1 body reserves	Tonnes Mt	Mn %	Fe %
1	Measured	10,0	Proved	7,7	38,4	5,07
2	Indicated	87,6	Probable	67,4	38,3	5,67
	Measured and indicated resources 1 body	97,6	Total reserves 1 body	75,1	38,3	5,67
	Inferred	70,3	–	–	–	–

HISTORICAL PRODUCTION AT NCHWANING AND GLORIA MINES

Year	Nchwaning Mt	Gloria Mt
2002	1,10	0,53
2003	1,02	0,49
2004	1,17	0,33
2005	1,96	0,15
2006	2,83	0,13
2007	2,49	0,43

The 2007 mineral reserves at Gloria number 1 orebody stayed the same at 75,3 million tonnes. The measured and indicated mineral resources at Gloria number 1 orebody showed a minor decrease from 97,7 to 97,6 million tonnes. Only limited production took place at Gloria for the year under review. The mineral resources at Gloria number 2 orebody stayed the same at 138,2 million tonnes.

Trackless mechanised equipment is used in the bord and pillar mining method. Mining in the eastern extremity of Nchwaning occurs at a depth of 200 metres while the deepest (current) excavations can be found at a depth of 519 metres below surface. Gloria Mine is extracting manganese at depths that vary between 180 and 250 metres below surface.

Ore from Nchwaning number 2 mine is crushed underground before being hoisted to a surface stockpile via a vertical shaft. Similarly, ore from the Nchwaning number 3 mine is crushed underground before being conveyed to a surface stockpile via a declined conveyor system. Ore is withdrawn from the surface stockpile and forwarded to two stages of crushing, dry screening and wet screening to yield lumpy and fine products.

At the Gloria Mine, ore is crushed underground before being conveyed to a surface stockpile via a decline shaft. Ore is withdrawn from the surface stockpile and forwarded to crushing, dry screening and wet screening to yield lumpy and fine products.

At both plants the finer fractions are stockpiled while the coarser fractions are extracted from the respective product boxes into road haulers, sampled, weighed and stored on stacks ahead of despatch. Samples from each stack are analysed for chemical content and size distribution. This ensures good quality control and enables the ore control department to blend various stacks according to customer demand.

At current production rates and an annual increase of 10% the Nchwaning life of mine on number 1 orebody is expected to be

30 years. This will include blending in ore from the number 2 orebody, to supply a Fe-rich product. The life of mine on Gloria number 1 orebody is estimated at more than 30 years.

IRON ORE

The Iron Ore Division is made up of the Beeshoek Mine located on the farms Beeshoek 448 and Olynfontein 475. The iron ore resources on the farms Bruce 544, King 561, and Mokaning 560, which were formerly known as the BKM project, are now being developed into what in future will be known as the Khumani Iron Ore Mine. All properties are in the Northern Cape approximately 200 kilometres west of Kimberley. The Beeshoek open-pit operations are situated 7 kilometres west of Postmasburg and the new Khumani open pits will be adjacent to, and south-east of, the Sishen Mine, which is operated by Kumba Resources. Located at latitude 28°30'00"S/longitude 23°01'00"E, and latitude 27°45'00"S/longitude 23°00'00"E respectively, these mines supply iron ore to both the local and export markets. Exports are railed to the iron ore terminal at Saldanha Bay.

Mining of iron ore (mainly specularite) was undertaken as early as 40 000 BC on the farm Doornfontein which is due north of Beeshoek. The potential of iron ore in this region was discovered in 1909, but, due to lack of demand and limited infrastructure, this commodity was given little attention. In 1929 the railway line was extended from Koopmansfontein (near Kimberley) to service a manganese mine at Beeshoek. In 1935 The Associated Manganese Mines of South Africa Limited (Assmang) was formed, and in 1964, the Beeshoek Iron Ore Mine was established, with a basic hand sorting operation. In 1975 a full washing and screening plant was installed and production increased over the years to the current level of approximately 6 million tonnes a year.

MINING AUTHORISATION

The Beeshoek mining lease (ML3/93) comprises an area of 5 685,64 hectares and is located on the farms Beeshoek (448) and Olynfontein (475). An application for the conversion to a new order mining right will be submitted during the 2008 financial year.

The Khumani mining lease comprises an area of 7 388,02 hectares and is located on the farms Bruce (544), King (561), Mokaning (560) and McCarthy (559). Mining rights were granted during the 2007 financial year.

GEOLOGY

The iron ore deposits are contained within a sequence of early proterozoic sediments of the Transvaal Supergroup deposited between 2 500 and 2 200 million years ago. In general two ore types are present, namely laminated hematite ore forming part of the manganore iron formation and conglomerate ore belonging to the Doornfontein Conglomerate Member at the base of the Gamagara Formation.

The older laminated ore types occur in the upper portion of the manganore iron formation as enriched high-grade hematite bodies. The boundaries of high-grade hematite orebodies cross-cut primary sedimentary bedding, indicating that secondary hematitisation of the iron formation took place. In all of these, some of the stratigraphic and sedimentological features of the original iron formation are preserved.

The conglomeratic ore is found in the Doornfontein Conglomerate member of the Gamagara Formation and is lenticular and not persistently developed along strike. It consists of stacked, upward fining conglomerate-gritstone-shale sedimentary cycles. The lowest conglomerates and gritstones tend to be rich in subrounded to rounded hematite ore pebbles and granules and form the main orebodies. The amount of iron ore pebbles decreases upwards in the sequence so that upper conglomerates normally consist of poorly sorted, angular to rounded chert and banded iron formation pebbles.

The erosion of the northern Khumani deposit is less than that in the southern Beeshoek area. The result is that Khumani is characterised by larger stratiform bodies and prominent hanging wall outcrops. The down-dip portions are well preserved and developed, but in outcrop the deposits are thin and isolated. Numerous deeper extensions occur into the basins due to karst development. A prominent north-south strike of the ore is visible. The southern Beeshoek orebodies were exposed to more erosion and are more localised and smaller. Outcrops are limited to the higher topography on the eastern side of the properties. Down dip to the west, the ore is thin and deep. The strike of the orebodies is also in a north-south direction, but less continuous.

Haematite is the predominant ore mineral, but limonite and specularite also occur.

RESOURCES/RESERVES

In the iron ore operations, the following table shows how the search ellipse (ie the ellipsoid used by the kriging process to determine if a sample is used in the estimation of a block) is used to classify the mineral resource:

MINERAL RESOURCE CLASSIFICATION CRITERIA

	Minimum number of samples	Maximum number of samples	Search ellipse settings XYZ (m)
Measured	6	30	100 x 100 x 10
Indicated	5	30	200 x 200 x 20
Inferred	4	30	400 x 400 x 40

Only measured and indicated resources are converted to proved and probable reserves respectively. Modifying factors were applied to these resources and financially optimised. The financial outline is used to define the optimal pit by means of the Lersch-Grossman algorithm. The resources within this mining constraint are defined as reserves. These are categorised into different product types, destined for the different plant processes and scheduled for planning.

The methodology followed to identify targets is initiated with geological mapping, followed by geophysics (ground magnetics and gravity). Percussion drilling is used to pilot holes through overlying waste rock down to the iron ore bodies. Diamond drilling is the next phase, which is usually on a 200 x 200-metre grid. Further infill drilling is carried out at spacing ranging from 100 x 100 metres to 25 x 25 metres, depending on the complexity of the geological structures. Numerous exploration programmes were completed in the last 40 years. A total of 2 832 holes (1 315 holes on Khumani and 1 517 holes on Beeshoek) were drilled. Core samples were logged and split by means of a diamond saw and the half-core is sampled every 0,5 metres. Before submission for assaying, the half-cores were crushed, split and pulverised. Samples with values larger than 60% are included in the definition of the orebodies. Any lower-grade samples inside the orebody are defined as internal waste and modelled separately. Each zone is modelled per section, and then wireframed to get a three-dimensional (3D) model.

Ordinary kriging interpolation within Datamine was used to estimate the grade of each 10 x 10 x 10-metre block generated within the geological model. Density in the resource model is calculated using a fourth degree polynomial fit applied to the estimated Fe grade. Densities range from 4,38 t/m³ (60% Fe) to 5,01 t/m³ (68% Fe). A default density of 3,2 is used for waste.

At Beeshoek all blast holes are sampled per metre, but composited per hole. All holes are analysed for density and blast holes in ore are sampled and analysed for Fe, potassium oxide (K₂O), sodium oxide (Na₂O), silica (SiO₂), aluminium oxide (Al₂O₃), phosphorus (P), sulphur (S), CaO, MgO, Mn and barium oxide (BaO). Every fifth blast hole is geologically logged per metre, which is used to update the geological model. The chemical results of these holes are used to update the ore block model. Approximately 45 000 blast holes are drilled a year and 9 000 blast holes are used every year to update the models. The major analytical technique for elemental analyses is XRF spectroscopy. Volumetric titration is used as a verification method for the determination of total iron in the ore. International standards (eg SARM 11) and in-house iron standards are used for calibration of the XRF spectrometer. The Beeshoek laboratory participates in a round robin group that includes seven laboratories for verification of assay results.

BEESHOEK IRON ORE: RESOURCES/RESERVES

Pit/Area	Measured		Indicated		Inferred		Total resource		Proved reserve		Probable reserve		Total reserve	
	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %
BN	26,36	63,53	0,02	63,61	–	–	26,38	63,53	18,86	64,01	0,58	64,32	19,44	64,02
GF	3,46	63,95	0,09	61,80	–	–	3,55	63,81						
HF/HB	16,40	63,92	0,01	62,33	–	–	16,41	63,92	2,84	65,23	0,03	66,45	2,87	65,25
HH Ext	0,28	62,63	–	–	–	–	0,28	62,63						
HL	3,92	64,83	–	–	–	–	3,92	64,83						
N Detrital	–	–	5,90	60,00	–	–	5,90	60,00						
Village	40,79	63,56	0,10	64,64	–	–	40,89	63,57						
BF	9,99	63,30	0,23	63,55	–	–	10,23	63,30	4,72	63,83	0,01	62,54	4,73	63,82
West Pit	10,19	63,04	0,05	64,05	–	–	10,24	63,04						
East Pit	9,35	64,61	–	–	0,05	61,87	9,39	64,61	1,58	65,02			1,58	65,02
S Detrital	–	–	7,35	60,00	–	–	7,35	60,00						
Total	120,74	63,67	13,75	60,07	0,05	61,87	134,54	63,31	28,00	64,16	0,62	64,03	28,62	64,16

HISTORICAL PRODUCTION AT BEESHOEK MINE

Year	Mt
2002/2003	7,11
2003/2004	7,57
2004/2005	7,86
2005/2006	7,72
2006/2007	13,26

The 2007 mineral resources at Beeshoek Mine decreased from 147,8 to 134,5 million tonnes, due to the annual production drawdown. The mineral reserves at Beeshoek decreased substantially from 37,4 Mt to 28,6 Mt, mainly due to the exclusion of the Village deposit. The high stripping ratio of 4,5 tonnes of waste to 1 tonne of ore militates against the inclusion of this in reserve. Ore reserves at pits such as East pit and the BF pit were drawn down heavily to meet sales requirements. Of the 28 million tonnes of mineral reserves available, only about 33% is suitable for the ordinary wash-and-screen process, limiting the life of mine at Beeshoek to approximately one year for the current export ore qualities. The Khumani Mine will take over the Beeshoek export production in 2008.

At Khumani Mine the 2007 mineral resources and ore reserves remain the same when compared to 2006. The mineral reserves amount to 444,7 million tonnes at Fe grade of 64,7%. Resources and reserves were audited and signed off by Snowden Mining Consultants in February 2005. Infrastructure construction is in progress, and production is to start in 2008, with an estimated life of mine of 30 years.

Mining operations are all open pit, based on the conventional drill-and-blast, truck-and-shovel operations. Run-of-mine ore is crushed and stored as high or normal grade on blending stockpiles. Ore from the stockpiles is either sent to the wash-and-screen plant or, if contaminated, to the beneficiation plant. The washing and screening plant consist primarily of tertiary crushing, washing, screening, conveying and stacking equipment. The beneficiation plant consists of tertiary crushers; scrubbers; coarse and fine jigs or Larcodem; fine crushing; elutriators and upward flow classifiers; lumpy, fines and scaw product stockpiles; and a rapid load-out facility. No chemical is used in any of the treatment plants.

KHUMANI IRON MINE: RESOURCES/RESERVES

Area	Measured		Indicated		Inferred		Total measured and indicated		Proved reserve		Probable reserve		Total reserve	
	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %
Bruce A	23,5	64,91	99,0	64,54	0,8	63,37	122,5	64,60	17,1	65,20	57,2	64,70	74,3	64,82
Bruce B	21,1	65,71	77,0	64,06	8,7	64,64	98,1	64,43	19,4	65,70	44,7	64,40	64,1	64,79
Bruce C	37,5	65,45	6,9	65,95	1,6	64,80	44,4	65,50	34,1	65,50	1,4	65,90	35,5	65,52
King/ Mokaning	255,8	64,53	123,9	64,48	17,7	63,98	379,7	64,49	202,6	64,50	68,2	64,60	270,8	64,53
Khumani/ Detrital	–	–	–	–	12,0	60,00	–	–	–	–	–	–	–	–
Total	337,9	64,73	306,8	64,43	40,8	62,97	644,7	64,59	273,2	64,75	171,5	64,59	444,7	64,69

CHROMITE

Chromite operations at Dwarsrivier Mine form part of the Chrome Division of Assmang Limited. The mine is situated on the farm Dwarsrivier 372KT, approximately 30 kilometres from Steelpoort and 60 kilometres from Lydenburg, in Mpumalanga province in South Africa. Located at longitude 30°05'00''S/latitude 24°59'00''E, Assmang purchased the farm from Gold Fields Limited, together with all surface and mineral rights in October 1998.

Neighbouring properties to the north and south of Dwarsrivier had existing chrome mining operations at the time of purchase. The feasibility study of the plant, tailings dam and designs for the open-cast and underground mines then commenced. After the completion of the consolidated assessment, approval to proceed with the final design and construction work was given in July 1999.

Chromite was obtained from the open-cast mining areas at a rate of approximately 0,9 million tonnes a year and these areas were mined out within five years. Underground mining commenced in 2005 at a rate of 1,2 million tonnes a year. Dwarsrivier Mine is specifically geared to deliver high quality metallurgical grade chromite to the Machadodorp smelter. In addition, the plant has been designed to produce chemical and foundry grade products.

MINING AUTHORISATION

An old order Mining Licence 21/99 was granted in October 1999. It was granted for the mining of chrome and platinum group metals. An application for the conversion to a new order mining right will be submitted during the 2008 financial year.

GEOLOGY

Dwarsrivier Mine is situated in the eastern limb of the Bushveld Complex, which comprises persistent layers of mafic and ultramafic rocks, containing the world's largest known resources of platinum group metals, chromium and vanadium. The mafic rocks termed the Rustenburg Layered Suite, are approximately 8 kilometres thick in the eastern lobe, and are divided formally into five zones.

The rocks of the marginal zone at the base of the succession consist mainly of pyroxenites with some dunites and harzburgites. Above the marginal zone, the lower zone comprises mainly pyroxenites, harzburgites and dunite, and is present only in the northern part of the Eastern Lobe, and only as far south as Steelpoort. The appearance of chromitite layers marks the start of the critical zone, the most important economical zone. The layers are grouped into three sets termed the lower, middle and upper groups. The sixth

chromitite seam in the lower group (LG6), is an important source of chromite ore and is the orebody being mined at Dwarsrivier Mine. In the eastern lobe, in the vicinity of Dwarsrivier, the strike is nearly north-south, with a dip of approximately 10 degrees towards the west. Average thickness of the LG6 seam is about 1,86 metres in the Dwarsrivier area. Pipe-like dunite intrusions are evident in the area, as well as dolerite dykes that on average strike northeast-southwest. No significant grade variation is evident, especially not vertically in the ore seam. Small, insignificant regional variations do, however, exist.

RESOURCES/RESERVES

Information was obtained from boreholes with a 300 to 150-metre grid spacing. Resources were determined with a decreasing level of confidence.

- Measured resource (150 metres drill grid spacing)
- Indicated resource (300 metres drill grid spacing)
- Inferred resource (drill grid spacing greater than 300 metres)

All possible resources down to a mineable depth of 350 metres below ground level have been considered.

A strategy to ensure the availability of adequate information ahead of mining activities is in place. The strategy is to ensure all mining areas falling within the first five years of the life of mine plan contain proved reserves. Vertical diamond drilling holes are used, except where information is needed to clarify large-scale fault planes. The mineral resource at Dwarsrivier Mine is based on a total of 230 diamond drill holes that have been used for grade estimation and orebody modelling purposes. The drill core is NQ size and is geologically and geotechnically logged. The collar position of the drill holes is surveyed, but no down-hole surveys are done, and the holes are assumed to have minimal deflection.

The chromitite seam is bounded above and below by pyroxenites. As such, the ore horizon is clearly defined. The core is sampled from the top contact downwards at 0,5-metre intervals. The core is split and half is retained as reference material in the core sheds. The other half is crushed and split into representative samples, which are crushed and pulverised for chemical analysis. The samples are analysed fusion/ICP-OES for chrome oxide (Cr_2O_3), SiO_2 , FeO, Al_2O_3 , MgO and CaO. Three laboratories, all ISO 17025 accredited for this method, are used. Every tenth sample is analysed in duplicate. SARM 8 and SARM 9 standards, as well as in-house reference material (CRI), are included every 20 to 30 samples in each batch. The density for each sample is measured using a gas pycnometer.

MINERAL RESOURCES AND RESERVES (continued)

DWARSRIVIER MINE: CHROME RESOURCES/RESERVES PLAN

Chrome resources	Tonnes Mt	Cr ₂ O ₃ %	FeO %	Chrome reserves	Tonnes Mt	Cr ₂ O ₃ %	FeO %
Measured	16,92	39,32	23,21	Proved	13,5	39,32	23,21
Indicated	28,72	39,06	22,55	Probable	22,9	39,06	22,55
Total measured and indicated	45,64	39,16	22,79	Total reserves	36,4	39,16	22,79
Inferred	53,11	39,00	22,71	–	–	–	–

Datamine software is used to construct a 3D geological model (wireframe) of the LG6 chromite seam, based on borehole and other geological data. A cut-off value of 35% Cr₂O₃ was used to distinguish between ore and waste. Mineral resources have been calculated using ordinary kriging, where Cr₂O₃-, FeO-, Al₂O₃-, MnO and MgO – contents of the LG6 seam and densities were determined, using block sizes of 50 x 50 x 4 metres.

When compared to 2006, the 2007 mineral reserves increased by 6,2 million tonnes or 20% to 36,4 million tonnes (30,2 million tonnes) and the mineral resources show an increase of 4 million tonnes or 10% to 45,6 million tonnes (41,6 million tonnes). The reason for the change is that additional 300-metre exploration drilling increased the indicated resource base from the inferred category. An exchange of information with the neighbouring Thorncliffe mine led to the re-interpretation of the 350 mbgl that led to an increase in the inferred resources.

During mining, a slightly diluted run of mine ore is fed to the beneficiation plant. This decreases the average grade from approximately 40% Cr₂O₃ to 37% Cr₂O₃. An addition of approximately 9% of waste material results in this 3% Cr₂O₃ grade decrease. In the dense media separation part of the plant, the coarse fraction is upgraded to 40% Cr₂O₃, with a yield of 80%. In the spiral section of the plant the finer fraction is upgraded to 44% Cr₂O₃, and 46% Cr₂O₃ respectively, for metallurgical grade fines and chemical grade fines. Foundry sand is also produced with a similar grade to that of the chemical grade fines. A 67% yield is achieved in the spiral circuit.

HISTORICAL PRODUCTION AT DWARSRIVIER CHROME MINE

Year	Mt
2001/2002	0,70
2002/2003	0,85
2003/2004	0,96
2004/2005	0,92
2005/2006	0,82
2006/2007	1,07

The current life of mine of the Dwarsrivier Chrome Mine is more than 30 years. Excluded from this plan are the inferred mineral resources and material situated deeper than 350 metres below ground level.

COMPETENCE

The competent person with overall responsibility for the compilation of the mineral reserves and resources is Paul J van der Merwe, PrSciNat, an ARM employee. He consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Paul van der Merwe graduated with a BSc (Hons) in Geology from Free State University. He spent four years as an exploration geologist for FOSKOR. He then joined the Uranium Resource Evaluation Group of the then Atomic Energy Corporation of South Africa for 12 years. While employed there he studied geostatistics and spent some time at the University of Montreal, Canada. In 1991, he joined Anglovaal Mining (now ARM) in the Geostatistics Department and evaluated numerous mineral deposit types for this group in Africa. In 2001, he was appointed as Mineral Resource Manager for the group. He is registered by the South African Council for Natural Scientific Professions as a professional natural scientist in the field of practice of geological science, registration number 400498/83, and as such is considered to be a competent person.

All competent persons at the operations have sufficient relevant experience in the type of deposit and in the activity for which they have taken responsibility. Details of the Assmang's competent persons are available from the company secretary on written request.

The following competent persons were involved in the calculation of mineral resources and reserves. They are employed by Assmang:

M Burger	
S van Niekerk, PrSciNat	Iron
M Burger, PrSciNat	Chrome
A Pretorius*, PrSciNat	Manganese

* external consultant

Definitions

The definitions of resources and reserves, quoted from the SAMREC code, are as follows:

A 'mineral resource' is a concentration (or occurrence) of material of economic interest in or on the earth's crust in such form, quality or quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well constrained and portrayed geological model. Mineral resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into inferred, indicated and measured categories.

An 'inferred mineral resource' is that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability.

An 'indicated mineral resource' is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

A 'measured mineral resource' is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations

such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

A 'mineral reserve' is the economically mineable material derived from a measured and/or indicated mineral resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified. Mineral Reserves are subdivided in order of increasing confidence into probable Mineral Reserves and proved Mineral Reserves.

A 'probable mineral reserve' is the economically mineable material derived from a measured and/or indicated mineral resource. It is estimated with a lower level of confidence than a proved mineral resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

A 'proved mineral reserve' is the economically mineable material derived from a measured mineral resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

P J van der Merwe
27 August 2007

SUBSIDIARY COMPANIES RESOURCES/RESERVES

Mine	In situ resource (millions)				Reserve (millions)				
	Measured tons	Indicated tons	Inferred tons	Total resource	Proved tons	Probable tons	Total reserve	In situ rand/tons	Value * (million)
Rustenburg									
Minerals	2,2	3,1	5,4	10,6	1,5	1,9	3,4	7,00	36,66
Wonderstone Ltd	5,0	–	107,6	112,6	4,7	–	4,7	10,80	53,69
Zeerust Chrome	0,8	–	5,8	6,7	0,8	–	0,8	2,77	2,33
Total	8,0	3,1	118,8	129,9	7,0	1,9	8,9	n/a	n/a

* measured and indicated multiplied by rand/ton



The development of skills is a critical issue, which is being implemented rapidly, but thoroughly, at each operation in order to address the widening gap between the supply of, and demand for, skilled labour.

The board is of the view that the advancement of new and existing employees by means of employment equity can only succeed if this forms part of carefully managed succession and workforce plans which do not compromise the high standards of efficiency sought by the group in the workplace.



The group is committed to promoting respect for the dignity of the individual, the maintenance of fair employment conditions and the development, through education, of competent and committed employees.

The group has adopted principles to guide various aspects of corporate behaviour to ensure the group remains committed to the highest standards of integrity in dealing with its stakeholders and developing its business activities in a sustainable way.



The group provides financial assistance for study purposes to all members of staff, including their dependants, based on defined performance criteria.

The group also supports and provides sponsorship for a variety of sporting events, in particular, providing financial assistance and incentives for the participation of young sportsmen and women from disadvantaged backgrounds who display significant sporting talent.



The Assore board believes that strong corporate governance not only enhances sustainable control of an organisation but is essential to preserving organisational reputation, investor confidence, access to capital, when required, and sustainable employee motivation.

The Assore board believes that strong corporate governance not only enhances sustainable control of an organisation but is essential to preserving organisational reputation, investor confidence, access to capital, when required, and sustainable employee motivation.

Consequently the group subscribes, in all its activities, to a policy of best practice in business management and corporate governance for South African companies, which it implements in accordance with the following three dimensional framework:

- Installing a risk and control environment within its business entities where management is responsible for identifying, quantifying and managing risks to achieve the organisation's objectives on a sustainable basis;
- Creating a process which provides executive management, through the Audit Committee, with assurance over the adequacy of internal control within the organisation, ie that the risk and control environment in place is appropriate for the business concerned and is working as intended; and
- Establishing a challenge process to identify the effectiveness of both the risk management environment and the assurance processes. This is generally the role of the internal audit function and other independent technical assurance specialists used on a consultancy basis.

The company's shares are listed on the JSE which requires that all listed companies comply with the Code of Corporate Practices as set out in the King Report on Corporate Governance. The King Report was originally issued in November 1994 and updated in March 2002 as the "King II Report". The objective of the King Reports is to formulate recommendations for the maintenance and improvement of standards of corporate governance in South African companies in accordance with international best practice.

The group's practices are compliant with all the material requirements of these reports and ongoing consideration is given to those peripheral practices recommended in the King II Report which have not yet been implemented by the group. Where it is not possible or it is impractical for the group to comply with the recommendations, the instances are referred to in this report and mention is made of the alternative procedures which the board has agreed to implement.

BOARD OF DIRECTORS

The directors are committed to the principles of corporate discipline, transparency, independence, accountability, responsibility, fairness and social responsibility.

Composition

The holding company has a unitary board structure comprising eight directors, four of which are executive and four non-executive.

Of the four non-executive directors Mr P N Boynton represents the Old Mutual Life Assurance Company (South Africa) Limited (Old Mutual), which has a significant interest in the group and Mr Cyril Ramaphosa represents the Shanduka Group which is one of Assore's Black Economic Empowerment partners. The other two non-executive directors are regarded as independent and hold directorships in other listed and unlisted companies resident in South Africa.

The non-executive directors do not receive any benefits from the company other than their fee for services as directors, which, in the case of the directors representing Shanduka and Old Mutual, are paid over to their respective employers.

The four executive directors are Messrs Desmond Sacco (Chairman), R J Carpenter (Deputy Chairman), C J Cory (Chief Executive Officer) and P C Crous (Group Technical Director) and each of these executives is also on the board of joint venture company, Assmang.

Remuneration

Details of emoluments paid to directors and directors' interests in shares of the company are disclosed in the Directors' Report on pages 47 and 48 and none of the executive directors have signed contracts of service with the company which specify either a paid notice period or additional compensation in the event of termination.

Election

In accordance with the company's Articles of Association, all directors are subject to retirement by rotation and re-election by shareholders at least once every three years. In addition all directors are subject to re-election by shareholders at the first annual general

meeting following their initial appointment. A brief curriculum vitae of each director is set out on page 7 of this report.

Meetings

The board meets at least four times per annum on predetermined dates with additional meetings convened when considered necessary. The board met on four occasions in the year under review and attendance at these meetings was as follows:

	Possible	Attended
Desmond Sacco	4	4
R J Carpenter	4	4
C J Cory	4	4
P C Crous	4	4
B M Hawksworth	4	4
P N Boynton	4	3
M C Ramaphosa	4	4
Dr J C van der Horst	4	4

Audit Committee

B M Hawksworth (Chair) P N Boynton
C J Cory Dr J C van der Horst

The Audit Committee is a subcommittee of the board and the Chairman of the Audit Committee reports on activities of the committee at each board meeting. The Audit Committee was established in terms of a charter approved by the board which, *inter alia*, sets out its duties and responsibilities and is reviewed on an annual basis to ensure it remains appropriate to the activities of the group.

The majority of the members of the Audit Committee, including the Chairman (who will make himself available to take questions at the annual general meeting), are non-executive directors and the committee meets at least three times per annum.

The prime objectives of the Audit Committee are to:

- monitor the efficiency and effectiveness of the group's internal control environment;
- review and approve the drafts of financial reports prior to their issue;
- consider the appropriateness of the group's accounting policies; and
- provide a forum for the management of the external and internal audit functions and the resolution of issues which arise from audit activities.

All audit work is undertaken based on programmes prepared in accordance with an ongoing risk evaluation process which ensures that the focus of the audit effort is optimised (refer Risk Management and Internal Audit and Internal Control below).

Representatives of the internal and external auditors are invited to attend the regular meetings of the committee and, if necessary, have direct access to the Chairman of the committee throughout the year.

Remuneration Committee

B M Hawksworth (Chair) Dr J C van der Horst
Desmond Sacco

The majority of the members are non-executive directors, including the Chairman, and the committee meets at least once a year for the annual salary review which the Chief Executive Officer attends by invitation. Recommendations on the broad framework and cost of executive remuneration are made annually to the board for approval and in order to do so the committee is required to determine:

- the group's general policy on executive remuneration;
- specific remuneration packages for executive directors; and
- where necessary, criteria to assess the required performance of executive directors.

The remuneration of non-executive directors is determined by the Assore executive and, in terms of the Articles of Association, requires approval at a shareholders' meeting. Remuneration of other employees in the group is determined annually by the executive directors in conjunction with the human resources department.

Insider trading and closed periods

The group operates a closed period prior to the publication of its interim and final results. During this period directors, officers and designated persons who may have access to price sensitive information are precluded from dealing in the shares of the group. The closed period extends from the 15th of the month following the end of a financial reporting period and expires on the day on which the results are published. Where appropriate, dealing is also restricted during sensitive periods where major transactions are being negotiated and a public announcement is imminent.

RISK MANAGEMENT

Risk is an ever-present feature of business in general. It is exacerbated in the mining industry as a result of the remote locations of operations, the physical danger inherent in the day-to-day activities of mining and smelting operations and the volume and complexity of legislation with which these industries have to comply. The most prominent financial risks to which the group is exposed, namely fluctuations in exchange rates and world commodity prices, are to a large extent outside of the board's direct control.

Group risk management is achieved through the identification and control of all significant business risks including operational risks, which could adversely affect the achievements of the group's business objectives. Risk is managed at group level through the appointment of various risk management committees, which comprise representatives from senior management. The committees report to the board of directors through the Audit Committee. An independent formalised process of identifying, recording and reviewing the management of major risk exposures has been implemented, assisted by specialised external consultants where required. Independent risk engineering consultants grade each operation against international risk standards for fire, security, engineering, commercial crime, contingency planning and mining, as well as environmental risk to monitor whether current practices meet the set criteria and are being maintained. The risk

management committees are also responsible for ensuring that appropriate financial and insurance mechanisms are integrated into the risk plan and the group is protected against catastrophic risk including failure of IT systems.

In addition, the group risk management process includes ongoing review of compliance with legislation in the areas of environmental rehabilitation, health and safety, and human resource management. This review is undertaken in conjunction with independent, specialist consultants and subjected to regular compliance audits. Reports emanating from these independent reviews are tabled at the Audit Committee, which monitors progress and raises unresolved issues at board level for resolution.

HEALTH, SAFETY AND ENVIRONMENT

Health

The HIV/AIDS pandemic is without doubt the most important health concern for all businesses in South Africa. It does not only affect the productivity of all operations through illness, absenteeism and untimely death, but also has an impact on the working environment of employees and on the social implications for both their families and the communities within which they live.

Each of the larger operations in the group has devised a comprehensive strategy to control the impact of HIV/AIDS on its operations and on its global competitiveness, and to provide humanitarian support to affected employees and their families. Current policies focus on the education of the workforce using an extensive HIV/AIDS education programme. This programme has also been taken to the schools and other institutions within the rural areas surrounding the group's operating divisions. Regular surveys are conducted to measure changing attitudes towards HIV/AIDS and voluntary education also takes place.

Participation in initiatives to address HIV/AIDS is ongoing. The HIV/AIDS Scorecard process has evolved over the past three years to measure the extent to which the operations are subscribing to the King II Good Governance Principles, which requires the board of directors to:

- ensure they understand the social and economic impact that HIV/AIDS will have on the group's business activities;
- adopt an appropriate HIV/AIDS strategy plan and policies to address and manage the potential impact;
- regularly monitor and measure performance using established indicators; and
- report to stakeholders on a regular basis.

Management of the HIV/AIDS pandemic is critical to sustainable development and, in order to achieve the goals set in the King II Report, the group will continue to improve its operational interventions by setting targets for each operation and reviewing achievement against plan on a regular basis.

Safety

Employees undergo stringent safety training on operating procedures, use of equipment and operation of plant and machinery. Attention is focused on supervision and direction in reducing workplace accidents

and related occupational health and hygiene related incidents. Activities in this regard include the application of regular measurement against legislated or regulatory requirements, analytical reviews of accidents which occur and compliance with current industry and international best practices.

Environment

The Assore group views its responsibility in terms of protecting the environment in a serious light and environmental management is regarded as a key performance area for all operations. Environmental management systems are based on internationally accepted standards and are implemented in conjunction with recognised consultants based on the following commitments:

- Recognition of rehabilitation as an essential part of the mining process;
- Ongoing maintenance and assessment of environmental conditions surrounding mining and smelting activities with the view to reducing to a minimum pollution, waste generation and other negative impacts on the environment in which operations are located;
- Developing awareness amongst staff of environmental issues through ongoing training programmes; and
- Maintaining positive relationships on environmental issues with stakeholders, including shareholders, employees, neighbours and regulatory authorities.

It is a requirement that all mining companies in the group undertake environmental impact assessments and complete restoration work with regard to areas that have been disturbed by mining and prospecting activities in accordance with these assessments. All companies in the group, which are currently involved with prospecting and mining activities, have submitted environmental management programmes to the relevant Regional Director of the Department of Minerals and Energy for approval and all the costs associated with the programmes are regarded as an integral part of the prospecting and mining operations concerned. These costs are either charged to the cost of mining when incurred or, where it is not possible to complete restoration work as an integral part of the mining operation, annual contributions are made to the Environmental Trust Funds (Trusts) which have been established for this purpose. Annual contributions to these Trusts are calculated, based on the remaining life of the mining operations and the final estimated cost concerned, which includes decommissioning costs and the cost of restoration as required by the Department of Minerals and Energy. Notwithstanding the transfers made to the Trusts, the full liability for rehabilitation is raised as a long-term provision and the investments of the Trusts are recognised as an asset in the group's balance sheet.

INTERNAL AUDIT AND INTERNAL CONTROL

The board, through its appointed Audit Committee, is accountable for the implementation of appropriate internal controls, which are reviewed regularly for efficiency and effectiveness. These controls are designed to manage the risk of failure, and provide reasonable assurance that there is an adequate system of internal control in place. As with all management systems the assurance provided is not absolute and the risk of failure cannot be eliminated entirely. The internal audit functions

at the various operations in the group have been outsourced to the special services divisions of recognised professional auditing firms. Internal auditors monitor the operation of the internal control systems and, after discussion with management, report findings and recommendations to the Audit Committee. Corrective action is taken to address control deficiencies as and when they are identified. Nothing has come to the attention of the board to indicate that any material breakdown in the effective functioning of controls, procedures and systems has occurred during the year under review.

Representatives of the internal audit team are invited to attend Audit Committee meetings and, where areas of new risk are identified eg initiation of capital projects or new systems of internal control, separate independent investigations take place on an *ad hoc* basis in addition to the programmed reviews referred to above.

EMPLOYEE PARTICIPATION AND SOCIAL INVESTMENT

For many years, collective bargaining procedures have been negotiated with workforce representatives but, where a workforce has elected not to be represented by a recognised union, it is encouraged to elect a Works Committee to achieve the same objectives. The forums so created are utilised in wage negotiations and to communicate information regarding operating performance and facilitate workforce participation in health, safety and educational issues.

The group is committed to promoting respect for the dignity of the individual, the maintenance of fair employment conditions and the development, through education, of competent and committed employees. The group, in conjunction with the Assore Chairman's Fund, provides financial assistance for study purposes to all members of staff, including their dependants, based on defined performance criteria. A substantial proportion of the donations made annually by the Fund is made to a wide range of educational institutions ranging from self-help programmes and adult literacy training to financial assistance for study at tertiary level. The Fund also supports and provides sponsorship for a variety of sporting events, in particular; providing financial assistance and incentives for the participation of young sportsmen and women from disadvantaged backgrounds who display significant sporting talent.

EMPLOYMENT EQUITY

The Employment Equity Act imposes obligations, *inter alia*, on all companies to meet certain employment quotas with regard to the various employee groupings which are designated by the Act.

The board is of the view that the advancement of new and existing employees by means of employment equity can only succeed if this forms part of carefully managed succession and workforce plans which do not compromise the high standards of efficiency sought by the group in the workplace.

Employment equity plans and reports for each operation were developed in consultation with the recognised unions at each of the operations and have been presented to the Department of Labour in accordance with legal requirements. An Employment Equity Committee, representing management and employees, exists at

each of the operations and progress in implementing the equity plans and revising targets is monitored on a regular basis. The following equity principles have been employed within the legislative framework in formulating the policies referred to above:

- To ensure no unfair discrimination occurs in employment practices;
- To treat all persons equally, fairly, with dignity and respect;
- To achieve a diverse, efficient workforce which aims to be equitably representative of the population in its operational areas;
- To create opportunities for; and remove barriers to, human resource development;
- To involve employees and their representatives in employment equity matters; and
- To be an effective corporate partner of communities, government and other social stakeholders.

The development of skills is a critical issue, which is being implemented rapidly, but thoroughly, at each operation in order to address the widening gap between the supply of, and demand for, skilled labour.

CODE OF ETHICS, RESPONSIBILITIES TO STAKEHOLDERS AND SUSTAINABLE DEVELOPMENT

The group has not developed a comprehensive Code of Ethics but the following principles have been adopted to guide various aspects of corporate behaviour to ensure the group remains committed to the highest standards of integrity in dealing with its stakeholders and developing its business activities in a sustainable way.

Investors

Dealing properly with all stakeholders in order to serve the best interests of shareholders on a sustainable basis. Commitment to full compliance with relevant laws and rules, good corporate governance, transparency and fair dealing.

Employees

Employing only the most appropriately skilled individuals and investing in their development in a non-discriminatory environment.

Communities

Promoting strong relationships with, and raising the capacity of the communities in which the group's activities are located.

Customers and business partners

Seeking mutually beneficial long-term relationships with customers, business partners, contractors and suppliers based on fair and ethical practices.

Governmental bodies

Respect for laws of the countries in which the group operates, while seeking to observe within its operations the universal standards promulgated by leading inter-governmental organisations.

Non-governmental organisations

Maintenance of constructive relations with relevant non-governmental organisations.

BLACK ECONOMIC EMPOWERMENT

Assore is supportive of the broad-based economic imperatives contained in the Minerals and Petroleum Resources Development Act (the MPRD Act) and the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry issued thereunder (the Mining Charter), and has embarked on initiatives aimed at meeting these requirements at its mining operations, as set out below.

The MPRD Act has changed the previous common law and statutory position in South Africa in terms of which mineral rights could be held privately. Instead, pursuant to the MPRD Act and with effect from 1 May 2004, the State has assumed sovereignty and custodianship of all mineral rights in South Africa and will grant prospecting rights and mining rights to applicants based on the merits of their applications (which are designated as 'new order rights'). A transitional period is provided during which holders of existing mineral and exploration rights (designated as 'old order rights'), upon meeting certain requirements, may convert such existing in-use old order rights into new order rights, or in the case of unused rights, may apply for new order rights.

The Mining Charter is intended to facilitate the entry of historically disadvantaged South Africans (HDSAs) into the mining industry. The scorecard which the State has issued pursuant to the Mining Charter requires, *inter alia*, that mining companies achieve 15% HDSA ownership of mining assets within 5 years (ie 1 May 2009) and 26% within 10 years (ie 1 May 2014). The Mining Charter also requires, *inter alia*, that mining companies provide plans and achieve employment equity at management level and procure goods and services from black empowered organisations on a preferential basis in accordance with the predetermined criteria set out in such plans.

In view of meeting the Charter's requirements, Assore has:

- Completed an audit of current compliance with the requirements of the Charter.
- Commenced with the introduction of a preferential procurement policy at all its operations.
- Concluded empowerment transactions with Mampa Investment Holdings (being the commercial arm of The Mankwe Development Foundation) (Mampa) in April 2004 and Shanduka Resources (Proprietary) Limited (Shanduka Resources) and the Bokamoso Trust (the Community Trust) in February 2006 (refer below).
- Developed a social and labour plan for all its operations which supports the integrated development plan of the relevant local authorities. The plan, which has received the approval of the relevant departments includes the construction of educational

facilities, maintenance and upgrading of roads and presentation of programmes on adult education, health and safety and environmental awareness.

Following the introduction of the MPRD Act, Assore has entered into the following empowerment transactions:

1. In April 2004, an empowerment transaction was finalised with Mampa in terms of which Mampa acquired a 44% interest in Rustenburg Minerals Development Company (Proprietary) Limited (RMDC). RMDC mines chromitite in the Rustenburg area and was previously a wholly owned subsidiary of the Assore group. Mampa is represented on both the management committee and the board of RMDC and has an option to increase its stake in RMDC to 51%. In October 2005 RMDC was successful in its application to convert all of its mining rights to new order rights and on 29 June 2006 RMDC paid its maiden dividend in terms of the joint venture agreement, Mampa receiving R2,5 million.
2. In February 2006, the Assore group entered into empowerment transactions effecting the acquisition of 15,02% of the issued ordinary share capital of Assore by two Black Economic Empowerment (BEE) entities, namely:
 - Shanduka Resources, a subsidiary of Shanduka Group (Proprietary) Limited (Shanduka), which purchased an 11,76% equity interest in Assore; and
 - the Community Trust, which has been formed to benefit HDSAs and HDSA community groupings, which purchased a 3,26% equity interest in Assore.

SHANDUKA RESOURCES

Shanduka Resources is a subsidiary of Shanduka, a black-owned and managed investment holding company founded by Cyril Ramaphosa, James Motlatsi and several other black professionals. Shanduka realises its own contribution to broad-based BEE ownership through community development trusts holding equity interests in Shanduka. These trusts are part of the Shanduka Foundation which was launched in 2004 as the vehicle through which Shanduka channels its social and community investment initiatives. Shanduka has committed to spend in excess of R100 million in upliftment programmes over the next 10 years.

The Shanduka Foundation is committed to support initiatives aimed at:

- developing women-led small businesses and new entrepreneurs;
- providing scholarships for deserving, previously disadvantaged

- students at accredited tertiary institutions enabling them to continue their studies in business related courses; and
- assisting underprivileged schools to acquire basic facilities through the Adopt-a-School programme.

Shanduka Resources has a long-term strategy to develop a diversified resources house with operational capabilities and has investments in the coal, diamond, paper and gold industries. Shanduka Resources will provide leadership for Assore's BEE partners and strategic support to Assore in achieving its BEE objectives.

THE COMMUNITY TRUST

The Community Trust has been established for the benefit of HDSAs and broad-based HDSA community groupings in the areas in which the Assore group's mines and beneficiation plants are located.

Assore has initiated a process through which it will identify and negotiate with certain community groupings for their participation as trustees and beneficiaries in the community trust in accordance with the Community Trust's trust deed.

Assore has concluded relationship agreements with each of Shanduka Resources and the Community Trust in order to regulate the respective relationships between the parties to ensure, insofar as is possible, the continued compliance by each of Shanduka Resources and the Community Trust (as the Assore group's BEE partners) with the direct ownership requirements of the Mining Charter.

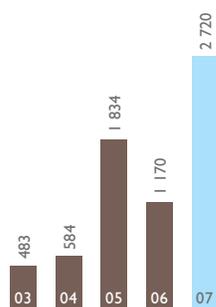
FIVE-YEAR SUMMARY of the consolidated financial statements

Income statements	2003 ^Δ R'000	2004 ^Δ R'000	2005* R'000	2006 R'000	2007 R'000
Turnover	1 753 027	2 228 091	3 093 944	3 382 587	4 293 036
Profit before profit on disposal of available-for-sale investments	217 859	309 029	793 607	561 614	1 129 414
Profit on disposal of available-for-sale investments	–	–	–	145 777	43 025
Taxation and State's share of profits	(76 414)	(99 583)	(252 545)	(227 569)	(369 084)
Profit for the year	141 445	209 446	541 062	479 822	803 355
Attributable to:					
– Shareholders of the holding company	136 372	169 843	509 445	457 384	774 704
– Minority shareholders	5 073	39 603	31 617	22 438	28 651
As above	141 445	209 446	541 062	479 822	803 355
Other information					
Attributable earnings as above (R'000)	136 372	169 843	509 445	457 384	774 704
Earnings per share (cents)	487	607	1 819	1 652	2 863
Headline earnings (R'000)	135 157	163 444	513 445	323 933	736 021
Headline earnings per share (cents)	483	584	1 834	1 170	2 720
Dividends declared during the year	18 200	12 600	26 600	64 400	84 000
Less: Dividends attributable to treasury shares	–	–	–	–	(2 928)
	18 200	12 600	26 600	64 400	81 072
Dividends relating to the activities of the group for the year under review (cents)					
– Interim declared and paid	25	20	50	80	150
– Final (declared subsequent to year-end)	25	45	150	150	200
	50	65	200	230	350
Weighted average number of shares for purposes of calculating earnings per share					
Ordinary shares in issue	28 000	28 000	28 000	28 000	28 000
Treasury shares	–	–	–	(305)	(942)
Weighted average	28 000	28 000	28 000	27 695	27 058
Average exchange rates for the year:					
SA rand to US dollar	9,00	6,84	6,18	6,41	7,20
SA rand to euro	9,37	8,16	7,84	7,80	9,68

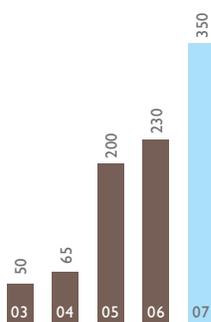
Δ Years 2003 and 2004 are prepared in accordance with South African GAAP, and the years thereafter in terms of IFRS

* Restated due to the adoption of IFRS

Headline earnings per share (cents)



Total dividends relating to the activities of the group for the year under review (cents)

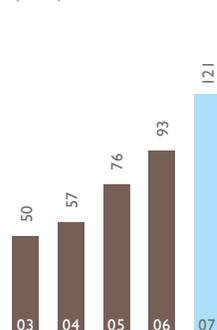


Balance sheets	2003 ^Δ R'000	2004 ^Δ R'000	2005* R'000	2006 R'000	2007 R'000
ASSETS					
Non-current assets					
Property, plant and equipment, investment properties and intangibles	1 056 281	1 206 428	1 391 931	2 023 210	3 003 319
Available-for-sale investments	147 152	165 715	232 093	169 750	236 119
	1 203 433	1 372 143	1 624 024	2 192 960	3 239 438
Current assets					
Other current assets	827 341	1 006 005	1 319 769	1 544 173	1 774 566
Cash resources	109 170	179 766	293 059	171 835	309 457
Total assets	2 139 944	2 557 914	3 236 852	3 908 968	5 323 461
EQUITY AND LIABILITIES					
Share capital and reserves					
Ordinary shareholders' interest	1 382 513	1 549 309	2 092 721	2 475 316	3 230 707
Minority shareholders' interest	12 701	42 560	39 363	51 114	48 673
Total equity	1 395 214	1 591 869	2 132 084	2 526 430	3 279 380
Non-current liabilities					
Deferred taxation	198 251	240 576	345 181	544 844	620 597
Long-term liabilities	34 865	55 425	65 333	122 312	156 955
	1 628 330	1 887 870	2 542 598	3 193 586	4 056 932
Current liabilities					
Non-interest-bearing	202 992	290 878	467 514	461 928	721 759
Interest-bearing	308 622	379 166	226 740	253 454	544 770
Total equity and liabilities	2 139 944	2 557 914	3 236 852	3 908 968	5 323 461
Net asset value per share (rand)	50	57	76	93	121
Exchange rates at year-end					
SA rand to US dollar	7,46	6,17	6,65	7,11	7,02
SA rand to euro	8,64	7,53	8,06	9,10	9,50

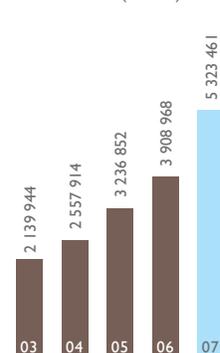
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* Restated due to the adoption of IFRS

Net asset value per share (rand)



Total assets (R'000)



EXECUTIVE DIRECTORS

Desmond Sacco (Chairman)[#]
 R J Carpenter (Deputy Chairman)
 C J Cory (Chief Executive Officer)^{*}
 P C Crous (Group Technical Director)

NON-EXECUTIVE DIRECTORS

P N Boynton^{*}
 B M Hawksworth^{*†#}
 M C Ramaphosa
 Dr J C van der Horst^{*†#}

ALTERNATE DIRECTORS

J W Lewis (British)
 P E Sacco
 R Smith

** Member of the Audit Committee*

Member of the Remuneration Committee

† Independent

SECRETARY AND REGISTERED OFFICE

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CORPORATE INFORMATION

Company registration number: 1950/037394/06
 Incorporated in South Africa