CONTENTS

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

GROUP PROFILE

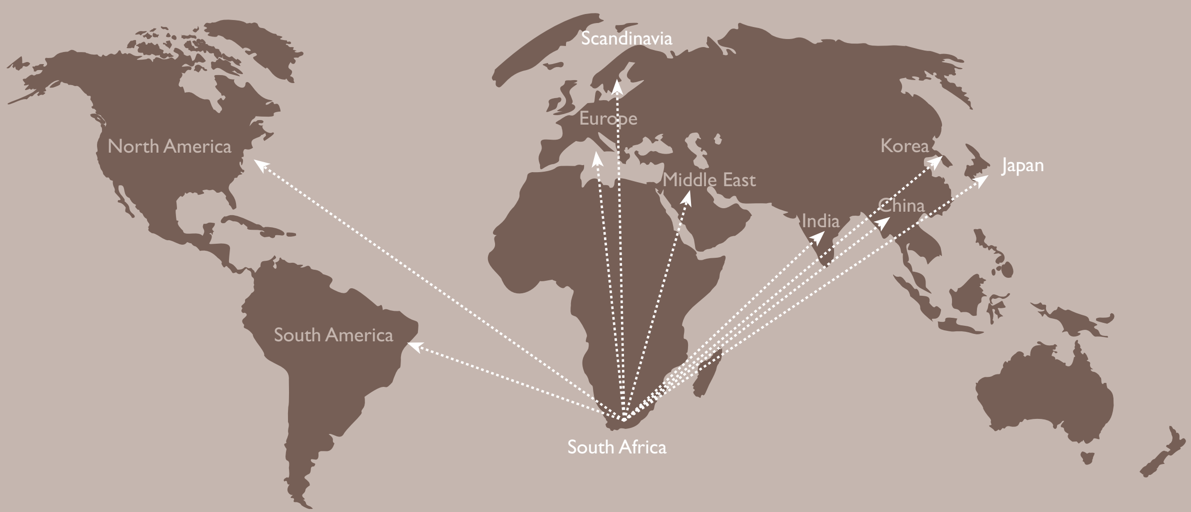
The group's principal investment is a 50% interest in Assmang Limited (Assmang) which it controls jointly with African Rainbow Minerals Limited (ARM). The group, through its various joint-venture entities and subsidiary companies, is involved in the mining of manganese, iron and chrome ores together with other industrial minerals and the production of manganese and chrome alloys. The group is also responsible for marketing all products produced, the bulk of which is exported and the remainder either used in the group's beneficiation processes or sold locally.

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

15,02% of the company's shares were held by black economic empowerment entities: Shanduka Resources (Proprietary) Limited (11,76%) and the Bokamoso Trust (3,26%), a broad-based black economic empowerment community trust (as calculated before the cancellation of shares on 15 September2008).

The company also owns and controls an additional 9,88% of its ordinary share capital which is earmarked to increase empowerment shareholding to 26% by the year 2014 in accordance with the Minerals and Petroleum Resources Development Act.

GLOBAL FOOTPRINT



Strong relationships have been established with customers in Europe, North America, South America, India, the Middle- and Far East, and products with a market value of approximately R14,2 billion (2008: R14,6 billion) were marketed and distributed in these regions during the year.

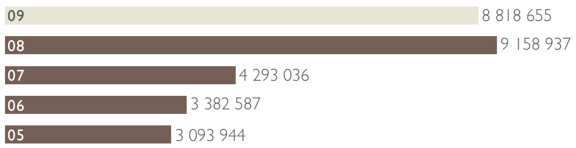
- Record iron ore volumes but at lower prices
- Assmang's 10 million tons per annum Khumani Iron Ore Mine completed on time and within budget
- Approved Khumani Expansion Project, increasing iron ore capacity to 16 million tons of saleable product per annum
- Headline earnings increased by 6,8%
- Dividends per share for fiscal year 2009, 60% higher than 2008

Turnover
R8,8 billion

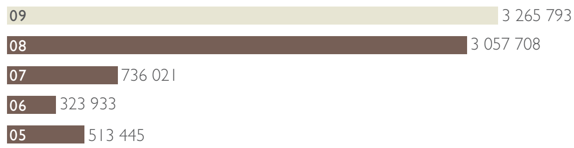
Attributable profit
R3,2 billion

Gross profit
R4,8 billion

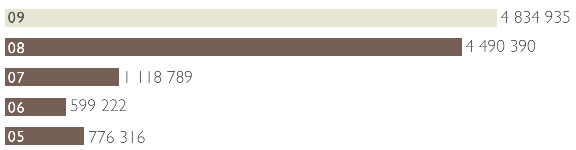
Headline earnings
R3,3 billion



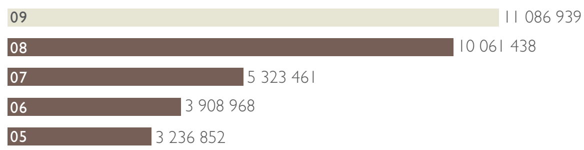
Turnover (R'000)



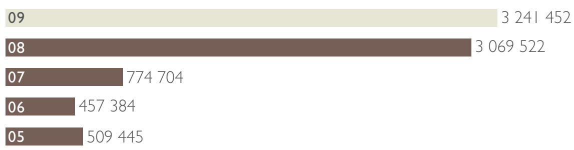
Headline earnings (R'000)



Gross profit (R'000)



Total assets (R'000)



Attributable profit (R'000)

CORPORATE INFORMATION

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

B M Hawksworth†*#
M C Ramaphosa
E M Southey†*#
Dr J C van der Horst†*#

ALTERNATE DIRECTORS

N G Sacco (Alternate to C J Cory)
P E Sacco (Alternate to Desmond Sacco)
R M Smith (Alternate to M C Ramaphosa)

† *Independent*
* *Member of the Audit Committee*
\# *Member of the Remuneration Committee*

SECRETARY AND REGISTERED OFFICE

African Mining and Trust Company Limited
Assore House
15 Fricker Road
Illovo Boulevard
Johannesburg 2196

POSTAL ADDRESS

Private Bag X03
Northlands 2116
Email: info@assore.com
www.assore.com

TRANSFER SECRETARIES AND SHARE TRANSFER OFFICE

Computershare Investor
Services (Proprietary) Limited
70 Marshall Street
Johannesburg 2001

AUDITORS

Ernst & Young Inc.
Wanderers Office Park
52 Corlett Drive
Illovo
Johannesburg 2196

ATTORNEYS

Webber Wentzel
10 Fricker Road
Illovo Boulevard
Johannesburg 2196

Deneys Reitz
82 Maude Street
Sandton 2196

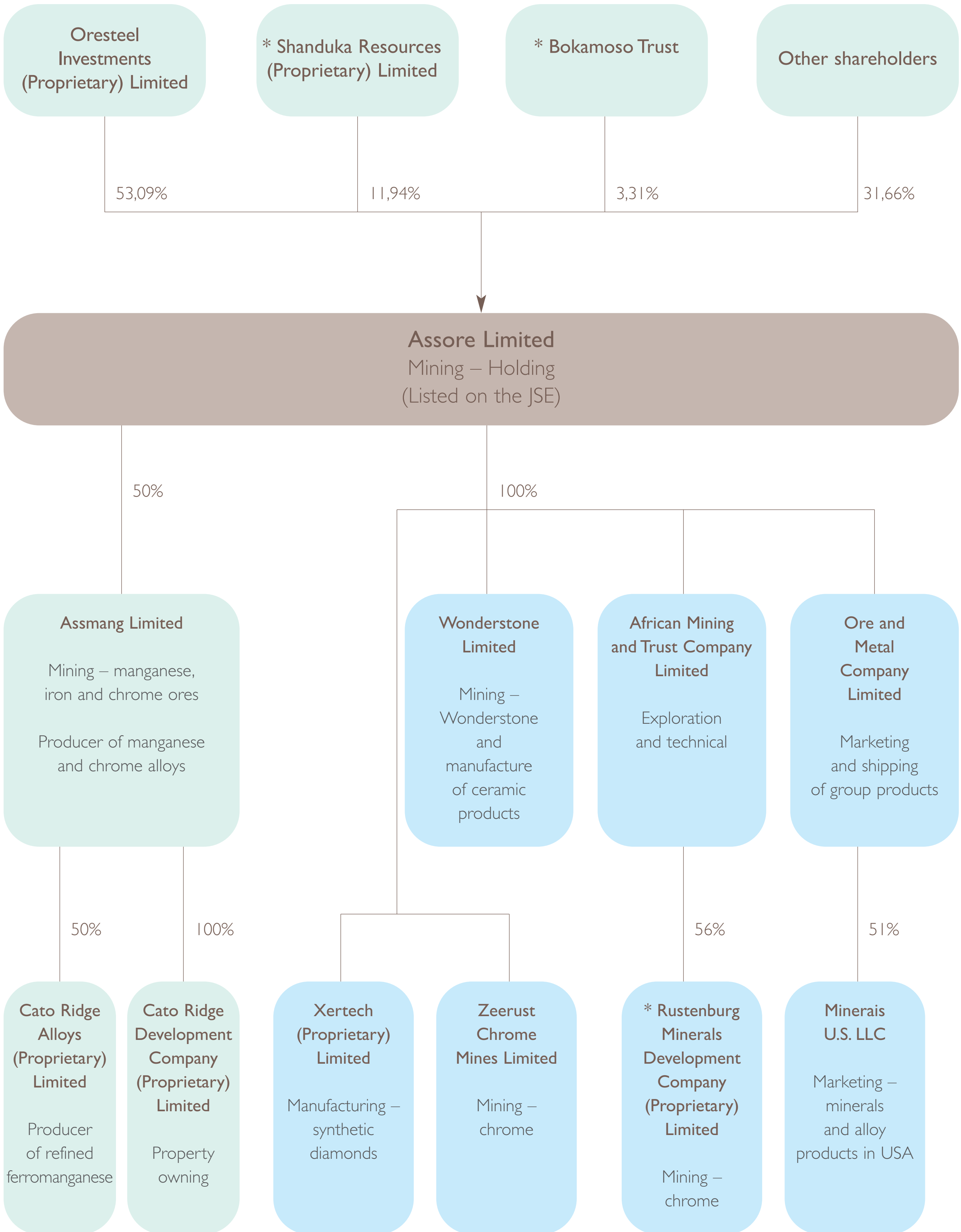
BANKERS

The Standard Bank of South Africa Limited
88 Commissioner Street
Johannesburg 2001

CORPORATE INFORMATION

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

GROUP STRUCTURE OF OPERATING COMPANIES



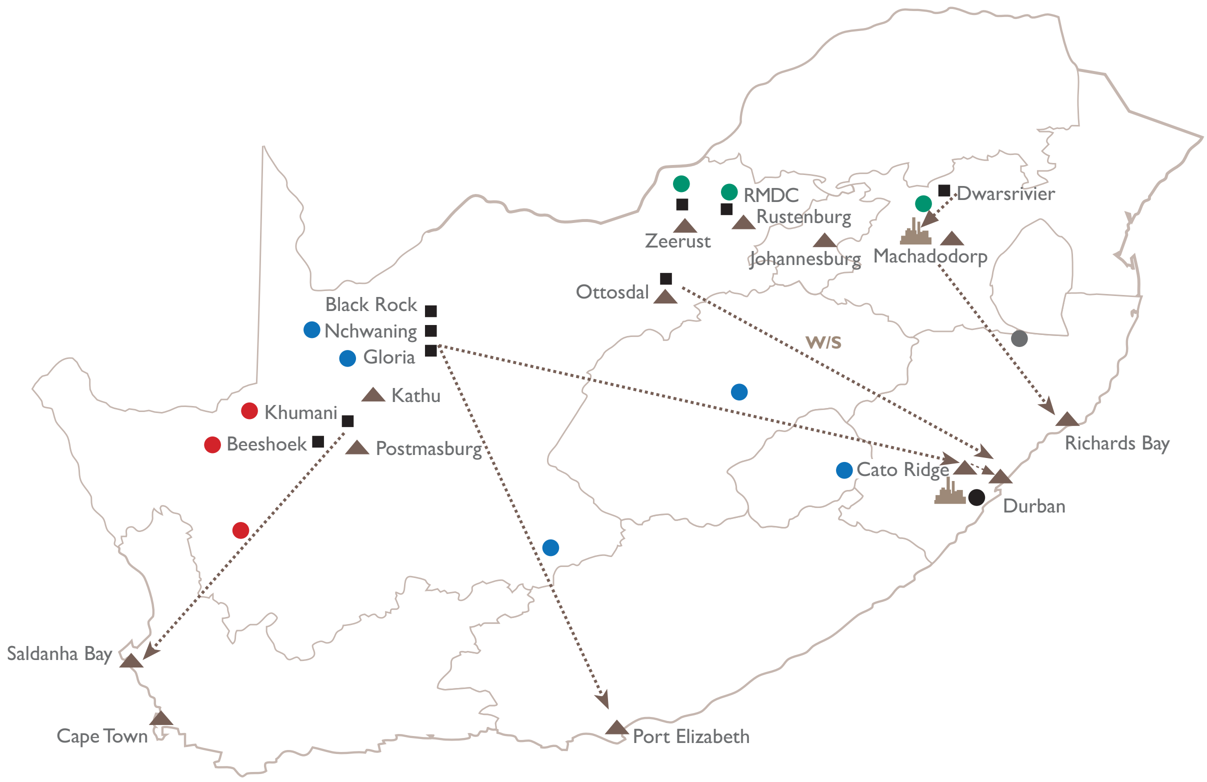
* *Black empowered entity*

GROUP AT A GLANCE

LOCATION OF OPERATIONS IN SOUTH AFRICA

●	**Cr**	Chrome Ore
●	**Fe**	Iron Ore
●	**Mn**	Manganese Ore
●	**FeCr**	Ferrochrome
●	**FeMn**	Ferromanganese
W/S		Wonderstone
■		Mine
		Processing plant
▲		City/Town

Operating entities	Commodity	Type of operation
JOINT-VENTURE ENTITY (ASSMANG)		
Manganese Division	Manganese (see page 16)	Mine, washing and screening Ferromanganese smelting Refined ferromanganese smelting
Iron Ore Division	Iron ore (see page 17)	Mine, crushing, screening and dense medium jigging
Chrome Division	Chrome (see page 17)	Mine and concentrator Smelter and pelletising plant
SUBSIDIARY COMPANIES		
Rustenburg Minerals Development Company	Chrome (see page 17)	Mine and concentrator
Zeerust Chrome Mines	Chrome	Reprocessing of chrome dumps
Wonderstone	Wonderstone (see page 18)	Mining and beneficiation of Wonderstone and manufacture of ceramic products
Xertech		Manufacture of synthetic diamonds (see page 18)
Ore and Metal Company	n/a	Marketing and shipping of products (see page 19)
Minerais U.S. LLC	n/a	Marketing of minerals and alloys in USA (see page 19)
African Mining and Trust Company	n/a	Operational management, exploration and technical adviser (see page 19)



Description

Manganese ore is mined in the Black Rock area of the Northern Cape province and manganese alloys are produced at the Cato Ridge Works in KwaZulu-Natal. Cato Ridge Alloys, a joint venture with Japanese partners, produces refined ferromanganese at the Cato Ridge Works. Feed for the Cato Ridge Works is derived from Assmang's manganese mines and the bulk of both ore and alloy production is exported.

Iron ore is mined in the Northern Cape open-cast operations at the Khumani Iron Ore Mine which is located near Kathu in the Northern Cape and at the Beeshoek Mine which is located outside Postmasburg.

Chrome ore is mined at the Dwarsrivier Mine near Lydenburg in Mpumalanga province and production is used mainly to supply the group's Machadodorp Ferrochrome Works.

Chrome ore is mined near Rustenburg in open-cast operations and production is supplied mainly to the local market. The company is in the process of developing two decline shafts which, when in production in the first half of 2010, will replace the existing open-cast operations.

Reprocessing of chrome dumps.

The company mines a type of pyrophyllite, which, for trade purposes, is referred to as Wonderstone. The bulk of the material mined is beneficiated to produce high-precision components manufactured to customers' specification which are exported to the United States of America and the United Kingdom. The company also produces a range of wear and acid resistant tiles and ceramic products for the local market.

The group's synthetic diamond production facility operates from premises in Linbro Park on the outskirts of Johannesburg under the name of Xertech. All production is currently for export.

Ore and Metal Company Limited is responsible for the marketing and shipping of all the group's products, including those produced by the three divisions of Assmang. Strong relationships have been established with customers in Europe, North America, South America, India and the Far East.

Minerais U.S. LLC 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 related commodities.

African Mining and Trust Company Limited is technical adviser to Assmang and other group companies and provides operational management to group mines and plants.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Desmond Sacco
Chairman
BSc (Hons) (Geology) (Wits) (Unisa)

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

C J Cory
Chief Executive Officer
BA, CA(SA), MBA (Wits)

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

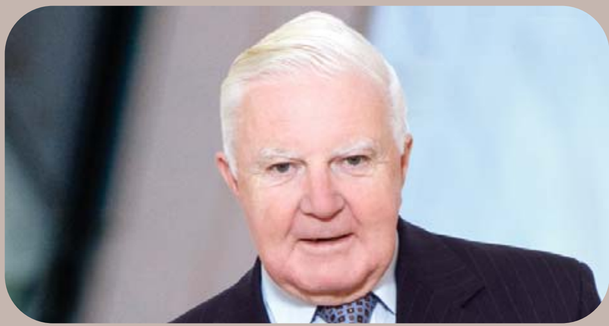
R J Carpenter
Deputy Chairman
BA, ACIS

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

P C Crous
Group Technical Director
BSc Eng, BComm, MBA

Phil trained as a mining engineer, obtaining a BSc (Eng) at Pretoria University in 1975. Thereafter he joined Iscor, and in 1977 he took up a position with Assmang where he advanced to Mine Manager. In 1982, he joined Sasol as General Mine Manager and was subsequently promoted to Operations Manager at Secunda Collieries, responsible for four mechanised mines. In 1988, he joined manufacturing company Sandock-Austral as Managing Director. In 1991, he was invited to join Assore in his current position as Group Technical Director and was appointed to the Assmang board in 1992. He is a member of the South African Institute of Mining and Metallurgy (SAIMM) and the Institute of Directors (IOD).

NON-EXECUTIVE DIRECTORS

E M Southey
Independent non-executive director
BA, LLB

Ed was admitted as an attorney, notary and conveyancer in 1968 and practised as a partner of Webber Wentzel until his retirement as senior partner of that firm in 2006. He remains an executive consultant to the firm. He is a former president of the Law Society of the Northern provinces and of the Law Society of South Africa. He is a director of a number of companies. He joined the Assore board as a non-executive director in January 2009 and serves on the group's Audit and Remuneration Committees.

M C Ramaphosa
Non-executive director
BProc

Cyril is executive chairman and a significant shareholder of Shanduka Group (Proprietary) Limited. He is also non-executive chairman of the MTN Group Limited, the Bidvest Group and SASRIA Limited and a non-executive director of SAB Miller plc, Macsteel Holdings (Proprietary) Limited, Alexander Forbes Limited and Standard Bank Group Limited. He was the first deputy chairman of the Commonwealth Business Council. He sits on the United Nations secretary general's advisory panel on International Support to Nepad and is a member of the International Business Council of the World Economic Forum. Cyril has received several honorary doctorates. He joined the Assore board as a non-executive director in July 2006.

B M Hawksworth
Independent non-executive director
CA(SA)

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

Dr J C van der Horst
Independent non-executive director
BA, LLD

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


Stop - Make Sure That
Pantographs Are In The
Up Position And Wait
For Instruction

The 10 million ton per annum Assmang Khumani Iron Ore Mine has been completed on time and within budget, and additional capital expenditure of R5,5 billion for the completion of the Khumani expansion project has already been approved. The completion of the project will be funded by utilising existing cash resources, operational cash flows and existing borrowing facilities.

In October 2008, the extent of the world economic turmoil became apparent, with demand for carbon and stainless steels plunging, seriously impacting the prices and sales volumes for all of our divisions . . .

I cannot recall a financial year in Assore's history where the trading conditions in the constituent half-year periods have been so markedly different. Breaking these periods into fiscal quarters further crystallises the results of the group in relation to trading conditions experienced during the year under review.

THE YEAR UNDER REVIEW

Despite the world economic turmoil which ensued in October 2008, the past financial year again produced record earnings for the group, and headline earnings of R3 266 million were 6,8% higher than the previous year. Assore's prime focus remains its 50% shareholding in Assmang and the commissions and other income derived from marketing the group's products and providing technical and management services to group companies.

In excess of 52% of headline earnings were recorded in the first quarter of the year, with the exceptionally high commodity prices and firm demand seen at the end of the previous year, continuing into the first quarter of the year. In October 2008, the extent of the world economic turmoil became apparent, with demand for carbon and stainless steels plunging, seriously impacting the prices and sales volumes demand for all divisions, except for iron ore, where sales driven mostly by demand from China, remained firm throughout the year, but at lower prices. In the second quarter, the SA rand weakened from an average of R7,79 in the first quarter to R9,39, assisting the group in maintaining high profitability levels, on the back of the consistent iron sales volumes. Trading conditions showed signs of improvement during the fourth quarter, with improving sales volumes in manganese ores and alloys. The SA rand strengthened over the second half of year, averaging R9,03, reducing reported revenues.

The contribution from Assmang's divisions relative to Assore's headline earnings for the past year are manganese ores and alloys with 60,1% (2008: 73,6%), iron ore with 33,1% (2008: 14,1%) and chrome ores and alloys with 3,3% (2008: 12,3%). Assore proportionately consolidates the results of Assmang, which reported increased headline earnings of R6,3 billion for the year to June 2009 (2008: R5,5 billion). The impact of the increased iron ore volumes is reflected in these ratios, and further assists the group in being able to generate stable cash flows.

From an operational perspective, the most significant achievement for the year was the completion of the expansion project at Assmang's Khumani Iron Ore mine to 10 million tons per annum, which was completed on time, within budget and to specification. The board of Assmang has approved a further expansion project that is expected to increase capacity to 16 million tons, following commitment received from Transnet to increase Assmang's annual export allocation on the Sishen/Saldanha rail corridor to 14 million tons. The balance of the production is to be sold in the local market.

Regretfully, four fatalities occurred at the Assmang operations during the year. Our condolences are extended to their families and friends, and we reiterate our commitment to a culture of safety, and we strive for an environment where no serious safety incidents occur. The Departmental inquiry into the explosion that occurred at furnace 6 at Cato Ridge in February 2008 has commenced, and in the interim, Assmang has set up a trust fund to financially assist the dependants of the employees who were fatally injured in the explosion.

SALES VOLUMES

Sales volumes for the year by commodity were as follows:

	Metric tons '000 2009	Metric tons '000 2008	% change
Iron ore	**7 409**	6 581	13
Manganese ore*	**2 152**	3 711	(42)
Manganese alloys*	**117**	247	(53)
Charge chrome	**144**	275	(48)
Chrome ore*	**256**	304	(16)

* *Excludes intragroup sales*

With the exception of iron ore, all sales volumes were significantly lower due to the world economic turmoil that started in the second fiscal quarter.

RESULTS FOR THE YEAR

Assore's net profit for the year was R3,27 billion, 2,8% up on the previous year, due mainly to Assmang's increased earnings, which was largely attributable to the strong markets in the first fiscal quarter, and the weaker SA rand in the second quarter. Turnover decreased marginally by 3,7% to R8,82 billion, and gross profit increased by 7,7%, to R4,83 billion. Headline earnings per share were 13 772 cents, up by 21,2%, mainly as a result of not including the impact of treasury shares held by a wholly owned subsidiary company. The total dividend per share in relation to these earnings was 2 000 cents (2008: 1 250 cents), an increase of 60%.

CAPITAL EXPENDITURE

The bulk of the group's capital expenditure occurs in Assmang and is summarised by division for the year as follows:

	2009 Rm	2008 Rm
Iron ore division	**1 529**	2 231
Manganese division	**854**	511
Chrome division	**397**	158
Total – Assmang	**2 780**	2 900

The major capital expenditure for the year occurred in the iron ore and manganese divisions. A total of R924 million was spent on infrastructural items at the recently commissioned Khumani Iron Ore Mine; R161 million was spent on the ore treatment plant at the Nchwaning Manganese Mine and R63 million at the Dwarsrivier Chrome Ore Mine. Furnace rebuilding and emission reduction projects, totalling R296 million, were undertaken at Cato Ridge Works and at Machadodorp Works. Apart from the expenditure in Assmang, R48 million has been spent on the development of two underground shafts at the Rustenburg Chrome Ore Mine, which is 44% held by a black economic empowerment partner for the benefit of historically disadvantaged groups in the areas surrounding the mining operations. The estimated expenditure to complete this development is R60 million, which will be incurred in the following financial year.

MINING RIGHT CONVERSIONS

New order mining rights have already been obtained for the Khumani Iron Ore Mine and the chrome mine at Rustenburg. Applications were submitted during the previous year for the conversion of the group's existing mining rights to 'new order' mining rights, as envisaged by the Minerals and Petroleum Resources Development Act.

DIVIDENDS

An increased interim dividend of 1 000 cents (2008: 250 cents) per share was declared on 17 February 2009 and paid to shareholders on 16 March 2009.

In line with the results for the year, the board declared an unchanged final dividend of 1 000 cents (2008: 1 000 cents), making a total dividend for the year of 2 000 cents per share (2008: 1 250 cents). The final dividend was paid to shareholders on 21 September 2009 and is not included in the income statement as it was declared after year-end.

OUTLOOK

Assore's results remain linked to conditions in the global economy. As was cautioned in the results announcement in August, it is still not possible at this stage to predict the extent of a possible recovery in the global economy with sufficient certainty. Trading conditions have shown some signs of improving, however, the current weakness of the US dollar, and the volatility of the SA rand are creating additional uncertainties in predicting earnings and cash flows.

Manganese ore sales are being seriously restricted by insufficient rail and shipping capacity through the terminal at Port Elizabeth. Discussions are being held with the relevant authorities to resolve this problem but there appears to be no short-term solution.

Recent reports of significant increases in the future cost of electricity will necessitate a review of the business models of our alloy production, however, we remain confident that these operations will retain their ability to increase shareholder value.

APPRECIATION

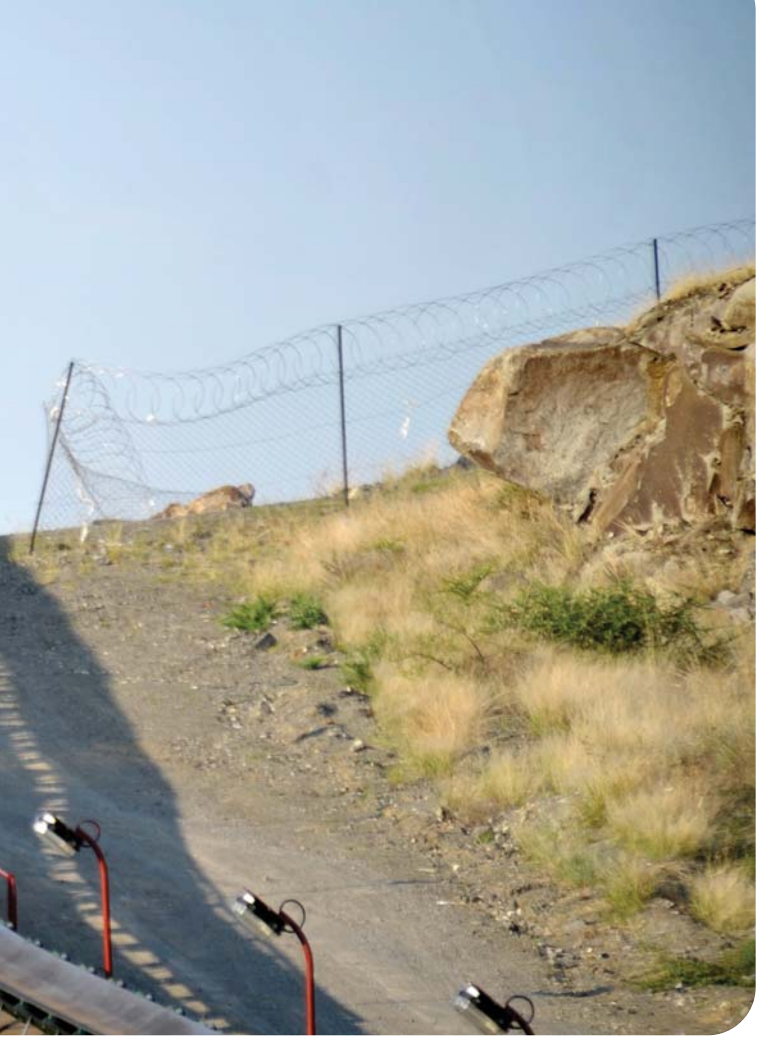
Another record year highlights the persistent dedication and commitment of management and staff, in particular in these challenging circumstances, for which I express my gratitude and thanks. Further, I wish to extend my thanks to the roles played by our customers, suppliers, shareholders and bankers which have again contributed greatly and receives our appreciation.

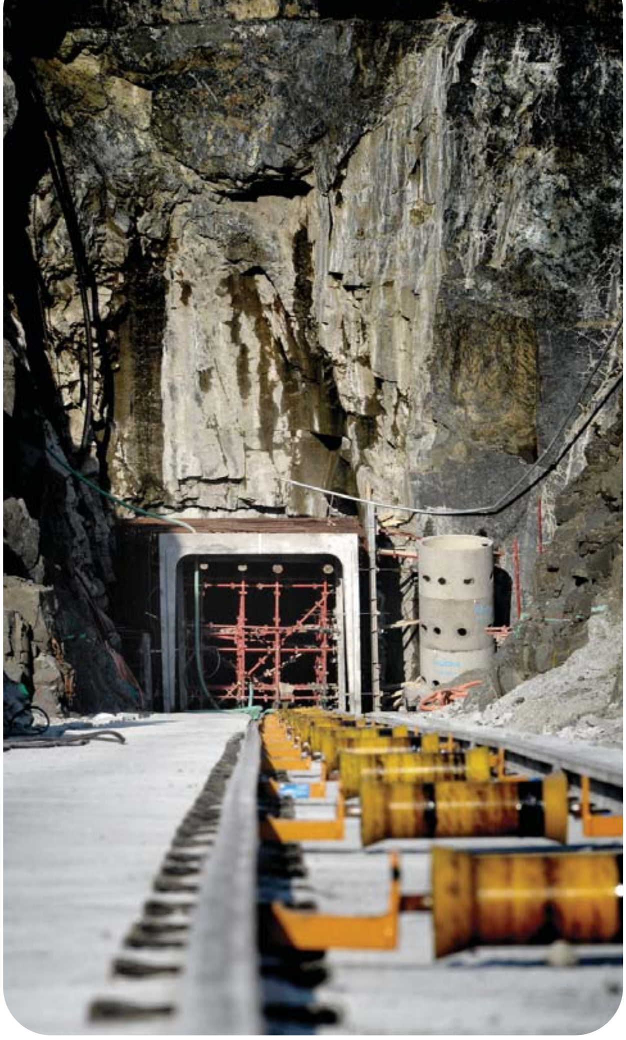
D. Sacco

Desmond Sacco
Chairman

28 October 2009

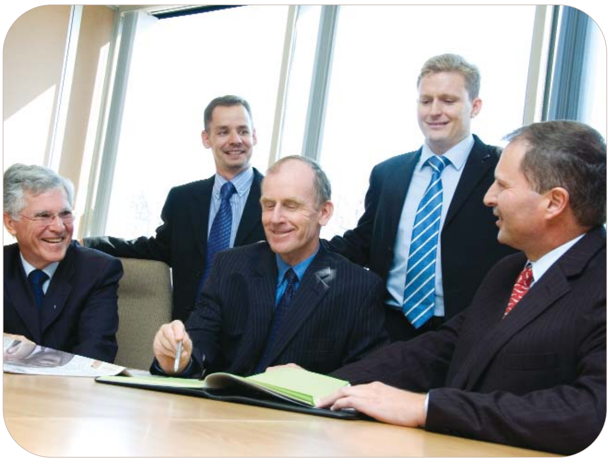
Mining operations at RMDC are still open-cast, however, these resources will be largely depleted within the next 18 months and two underground shafts are being developed on the existing deposits at an estimated cost of R158 million.






HITACHI
Benhaus Group
HD785

Iron ore sales reached a record level of 7,4 million tons, due mainly to the ongoing demand for iron ore from China.



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 (the Works). Cato Ridge Alloys, a joint venture between Assmang, Mizushima Ferroalloys Company Limited and Sumitomo Corporation Limited (both of Japan), produces refined ferromanganese by introducing oxygen through a lance into a converter which contains molten metal supplied by the Works, reducing the carbon content of the alloy. Feed for the 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 '000 2009	Metric tons '000 2008
Manganese ore*	2 152	3 711
Manganese alloys*	117	247

* *Excludes intragroup sales*

Manganese ores and alloys are used in the production of crude steel. Demand for both ore and alloy virtually disappeared as a result of the world economic turmoil which set in during October 2008, following which our customers reduced their production levels as demand evaporated. This was followed by a period of destocking when apparent demand was even lower than actual demand and our customers tried to reduce their stocks of high cost raw materials. Manganese ore demand started to pick up first in the last quarter of the financial year with substantial exports into China and the rest of Asia. Purchasers in the rest of the world are now also indicating the need to replenish stocks. During this period, ore prices plunged to less than 25% of the record levels which exceeded US$16 CIF per manganese unit reached in mid 2008, to lows of US$3,50 CIF per manganese unit. There are recent signs of a price recovery as some high cost marginal producers have exited the market.

Manganese alloys were also severely affected and both volumes and prices fell dramatically. By the last quarter of the year, the high-carbon ferromanganese prices were down from a peak of US$3 000 per ton to below US$1 000 per ton. Likewise, medium-carbon ferromanganese prices fell to below US$1 600 per ton from over US$4 000 per ton since July 2008. Fortunately, response from the alloy industry was fast and decisive as producers closed or cut production with the result that towards the end of the final quarter we saw increased demand and some limited price recovery. Production and sales volumes for the year were both reduced markedly. The outlook for sales of manganese alloys in the coming year is dependent on both recovery of steel production outside China and continued production restraint from major western alloy producers.

Sales of high-carbon ferromanganese were significantly lower at 79 000 tons for the year (2008: 174 000 tons), whilst inventories are being managed to levels appropriate to expected sales.

The lower prices for fiscal 2009, combined with the lower sales volumes, resulted in the contribution to the headline earnings of Assore from this division decreasing to R1 963 million (2008: R2 044 million). Capex for the year for the manganese division was R854 million (2008: R511 million) of which R161 million was spent on the new ore treatment plant at Nchwaning Manganese Mine.

CHROME AND CHROME ALLOYS

Chrome ore is mined at Assmang's Dwarsrivier Mine near Lydenburg in Mpumalanga province and production is used mainly to supply Assmang's Ferrochrome Works at Machadodorp. The group also mines chrome ore near Rustenburg (Rustenburg Minerals Development Company (Proprietary) Limited) (RMDC) mainly in open-cast operations and production is supplied mainly to the local market (refer to black economic empowerment).

The bulk of chrome ore mined worldwide is converted to ferrochrome and utilised in the production of stainless steel. Like manganese, the chrome division was significantly affected by the economic turmoil. Stainless steel production for the first fiscal half was down over 26% at 11,45 million tons, and deteriorated further in the second half. Global production for calendar 2009 is unlikely to exceed 24 million tons (2008: 26,5 million tons). This is higher than previously expected due to strong Chinese production and demand which also benefited other producers, particularly in Asia. However, production in Asia appears to be moderating.

This significant reduction in stainless production had a catastrophic effect on the ferrochrome market, with virtually no demand by the end of calendar 2008 and early 2009, and prices falling by well over 60%. As a result, ferrochrome production, particularly in South Africa, was slashed in order to balance the market. The earlier than expected upturn in the stainless market, particularly in China coincided with the higher South African winter electricity tariff, with a significant number of furnaces being switched out for maintenance during this period. Therefore, the ferrochrome market tightened due to the resultant lower inventory levels. There are, however, concerns that the rapid ramp-up of production after the winter period will coincide with Chinese stainless production being moderated to reflect real consumption.

Assmang's charge chrome sales decreased by 62,5% to 103 000 tons for the financial year (2008: 275 000 tons), while chrome ore sales dropped by 15,8% to 256 000 tons (2008: 304 000 tons) as surplus chrome ore was sold in order to minimise the effect of the market downturn on the division.

Approximately 338 000 tons (2008: 342 000 tons) of run of mine, lumpy and concentrate were produced by RMDC during the year which, as a result of higher prices, resulted in a net profit after tax of R84 million (2008: R54 million) of which R37 million (2008: R24 million) was attributable to minorities, being BEE partners, Mampa Investment Holdings (Proprietary) Limited.

Mining operations at RMDC are still open-cast, however, these resources will be largely depleted within the next 18 months and two underground shafts are being developed on the existing deposits at an estimated cost of R158 million. Development of these shafts commenced in the 2008 fiscal year, with R48 million being spent in the year (2008: R50 million). The remainder of the capital expenditure required on the new shafts will be funded from the cash resources of RMDC and, if required, loan facilities made available by Assore.

IRON ORE

Iron ore is mined in the Northern Cape by Assmang in open-cast operations at the Khumani Iron Ore Mine near Kathu (Khumani) and at the Beeshoek Mine, which is located outside Postmasburg. Khumani has the installed capacity of approximately 10 million tons of saleable iron ore per annum.

Iron ore sales reached a record level of 7,4 million tons (2008: 6,6 million tons), due mainly to the ongoing demand for iron ore from China. Spot prices for iron ore in China fell dramatically after the world economic turmoil, which resulted in the mothballing of high cost domestic capacity. Ironically, this pushed up demand for imported ore. Production from the new Khumani mine ramped up as planned and was available to meet this demand. Pricing in the iron ore market is in a state of transition. The traditional annual benchmark pricing system is under threat, particularly in China. Settlements over the last two years have included sales at spot. Major iron ore producers are split on their views as to whether an indexing pricing method should replace the benchmark. Having said that, provisional prices were agreed on for the last quarter of the year under review at 45% and 33% down for lump and fines respectively and although negotiations are still ongoing, we expect that, especially in China, these levels will prevail in the new financial year. Sales volume for the new financial year is expected to reach 9,8 million tons with all export volumes coming from Khumani and local sales being sourced from Beeshoek.

The increased sales volumes resulted in the contribution to Assore's headline earnings by Assmang's iron ore division amounting to R1 080 million (2008: R390 million). Capital expenditure for the year in the iron ore division was R1 529 million (2008: R2 231 million) of which R924 million was spent on the development of infrastructural items at Khumani Iron Ore Mine, with the most significant part of the balance being spent on mining equipment.

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 beneficiated and reworked into finished components for export to the United States of America and the United Kingdom. The components are utilised in various hi-tech industrial applications, including the manufacture of synthetic diamonds and consumable products for the welding and electronics industries.

US dollar prices for natural pyrophyllite continued to increase during the year, particularly in the first fiscal quarter. Sales volumes of 181 tons (2008: 482 tons) were significantly impacted, due mainly to the world economic downturn. 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. During the year, 835 000 (2008: 1 383 000) components were produced and sold on this basis.

Wear-resistant tiles and other engineered products (eg pump plungers, laboratory crucibles) are produced by the company's technical ceramics division, Ceramox. Turnover has increased by 13,6% in the past year following the completion of the first phase of the capital expansion project scheduled for completion by the end of calendar 2009. In addition, Wonderstone is 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 product's performance 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 remained constant at R40 million (2008: R40 million) with increased sales prices being negated by the lower sales volumes. Favourable exchange rates resulted in an increased profit for the year of R7 million (2008: R5 million).

Capital expenditure for the year amounted to R14 million (2008: R16 million), most of which was spent on the expansion of plant for 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. Two additional 14 000 ton presses were commissioned during the year, which places the facility in a position to maintain stock levels in line with anticipated sales volumes. The quality of the product is pleasing, and the presses have been commissioned to operate successfully at specified capacity. However, global trading conditions, and excessive supply in the market of inferior products have resulted in Xertech incurring a trading loss of R30 million (2008: R27 million loss) for the year, increasing to a net loss of R89 million by an impairment charge of R59 million against its assets. Production has been curtailed to take into account the current lower level of demand, and will be increased based on customer demand which is expected to increase in line with world economic recovery.

Capital expenditure for the year was R5 million (2008: R14 million) and related mainly to ancillary equipment required for the new presses.

MARKETING AND SHIPPING

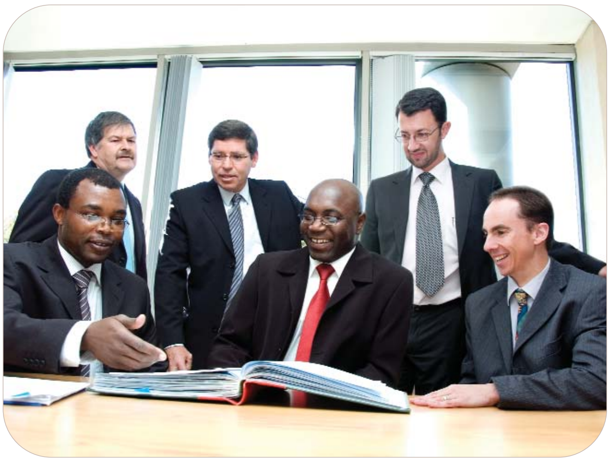
Wholly owned subsidiary, Ore and Metal Company Limited, is responsible for the marketing and shipping of all the group's products, including those produced by the three divisions of Assmang. Strong relationships have been established with customers in Europe, North America, South America, India and the Far East, and products with a market value of approximately R14,2 billion (2008: R14,6 billion) were marketed and distributed in these regions during the year. The company is an established supplier to the steel and allied industries worldwide and has operated effectively in these markets for over 70 years. Commission income is based on the value of sales negotiated during the year and, based largely on the strong performance of Assmang in the first half of the financial year, profit after taxation increased to R247 million (2008: R205 million) for the year under review.

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 contribution by the company to the group's net profit decreased to R13 million (2008: R50 million), due to the significant impact of the economic turmoil, more prevalent in the USA.

TECHNICAL AND OPERATIONAL MANAGEMENT

As technical adviser to Assmang and other group companies, African Mining and Trust Company Limited provides operational management services to the group's mines and plants. For these services it receives fee income based on turnover and commodity prices, with trading net profit after taxation for the year increasing to R174 million (2008: R114 million).



INVESTMENTS

The group maintains a portfolio of listed shares which are selected and held in accordance with long-term investment criteria. Additions were made to the portfolio during the year at a cost of R118 million (2008: R149 million) and disposals generated a profit after capital gains tax of R16 million (2008: R19 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 R415 million (2008: R590 million) based on a cost of R296 million (2008: R181 million). Dividends received on the portfolio for the year were R20 million (2008: R9 million).

Other income includes interest received of R367 million (2008: R68 million) generated from cash in excess of current requirements which was invested on a short-term basis in the money market.

ORE RESERVES AND MINERAL RESOURCES

RESERVES AND RESOURCES OVERVIEW

Assmang (jointly held)

MANGANESE	Measured and indicated			Proved and probable		
	Mineral resources			Mineral reserves		
	Mt	Mn %	Fe %	Mt	Mn %	Fe %
BLACK ROCK						
No 1 Seam	130,6	45,1	9,04	109,4	45,1	9,04
No 2 Seam	180,5	42,4	15,5	–	–	–
GLORIA						
No 1 Seam	53,3	38,2	5,5	41,0	38,2	5,5
No 2 Seam	29,4	29,9	10,1	–	–	–

IRON ORE	Measured and indicated		Proved and probable	
	Mineral resources		Mineral reserves	
	Mt	Fe %	Mt	Fe %
BEESHOEK	109,7	63,71	45,2	64,95
KHUMANI				
Bruce	253,2	64,64	235,4	64,64
King	379,7	64,51	330,4	64,39

CHROMITE	Measured and indicated		Proved and probable	
	Mineral resources		Mineral reserves	
	Mt	Cr_2O_3 %	Mt	Cr_2O_3 %
DWARSRIVIER	53,2	39,56	39,6	39,5

Subsidiary companies

	In situ resources (millions)				Reserve (million)		
Mine	Measured tons	Indicated tons	Inferred tons	Total resource	Proved tons	Probable tons	Total reserve
Rustenburg Minerals	3,8	1,4	8,1	13,3	1,4	0,8	2,2
Wonderstone	4,9	–	104,8	109,7	4,6		4,6
Zeerust Chrome	0,9	–	10,6	11,5	0,8		0,8
Total	9,6	1,4	123,5	134,5	6,8	0,8	7,6

SALIENT HIGHLIGHTS 2008/2009

Khumani	Production started mid-2008, ramp-up to full production in progress. Reserves increased due to re-design of open pits at higher iron ore prices. The project to increase annual production from 10 Mt to 16 Mt approved.
Beeshoek	Reserves increased due to the inclusion of the Village pit. Feasibility study on Village pit in progress.
Nchwaning	Development into the Graben area expedited and this will increase knowledge of the geological structure.
Dwarsrivier	Geological model re-build using Datamine process SURFIP resulting in an increase in resources and reserves.

COMPETENT PERSONS' REPORT ON ORE RESERVES AND MINERAL RESOURCES 2009

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 2009.

Underground resources are in-situ tonnages at the postulated mining width, after deductions for geological losses. Underground mineral reserves reflect milled tonnages while surface mineral reserves (dumps) are in-situ tonnages without dilution. Both are quoted at the grade fed to the plant. Open-cast mineral resources are quoted as in-situ tonnages and mineral reserves are tonnages falling within an economic pit-shell.

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

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.

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.

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.

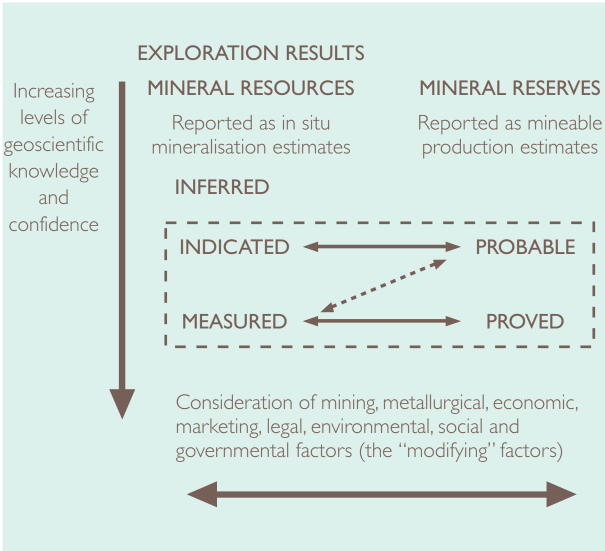
An **'indicated mineral resource'** is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate 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 sub-divided 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.



MANGANESE

Locality – The manganese mines are situated in the Northern Cape province in South Africa, approximately 80 kilometres northwest 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.

History – In 1940, Assmang acquired a manganese ore outcrop on a small hillock known as Black Rock. Several large properties underlain by ore were subsequently found and acquired. Today the Black Rock area is considered to be the largest and richest manganese deposit in the world. Manganese ore operations were extended and today include the Gloria and Nchwaning underground mines. Manganese ore is supplied locally to Assmang-owned smelters, but is mainly exported through Port Elizabeth to Japanese and German customers.

Mining authorisation – The Nchwaning mining lease (ML10/76) 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 was submitted during the 2008 financial year.

The Gloria mining lease (ML11/83) 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 was 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.

Two manganese seams are present. The No 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. Studies are being undertaken to evaluate the effect of increasing the mining height to 5 metres.

Mineral reserves and ore reserves – Measured resources at Nchwaning are based on the two-thirds of the semivariogram sill range. Areas where the borehole spacing is greater than this distance and up to the sill range are classified as indicated. There are no Inferred resources at Nchwaning. Measured/indicated resources were converted to proved/probable reserves by an LOM scheduling exercise done by Snowden Mining Consultancy. Geological losses are built into the grade models. Measured resources at Gloria are classified as material available up to 50 metres in front of the mining faces. Material situated further than 50 metres from the face and up to a boundary string around the dense drilled area on Gloria is classified as indicated resources. The rest of the property with limited drill information is classified as Inferred. In the coming year an increase in the measured resources by in-fill drilling is anticipated. At Gloria a 23 percent pillar loss is accounted for in moving measured/indicated resources into proved/probable reserve.

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 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 are compared with other laboratories on a regular basis.

At Nchwaning a total of 341 boreholes for the No 1 orebody and 372 holes for the No 2 orebody, as well as a total of 26 087 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 (SiO_2), 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. Sub-cell 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/m^3.

Trackless mechanised equipment is used in the board 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 No 2 mine is crushed underground before being hoisted to a surface stockpile via a vertical shaft. Similarly, ore from the Nchwaning No 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. 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.

Year-on-year change – The 2009 mineral reserves for the Nchwaning No 1 orebody changed from 115,3 million tonnes in 2008 to 109,4 million tonnes. The mineral resources at Nchwaning No 1 orebody decreased by 7,1 million tonnes to 130,6 million tonnes (137,7 million tonnes). The decrease in resources/reserves is mainly due to depletion. The mineral resources at Nchwaning No 2 orebody decreased slightly to 180,8 million tonnes from 185,2 million tonnes. There is still no market for this ore type.

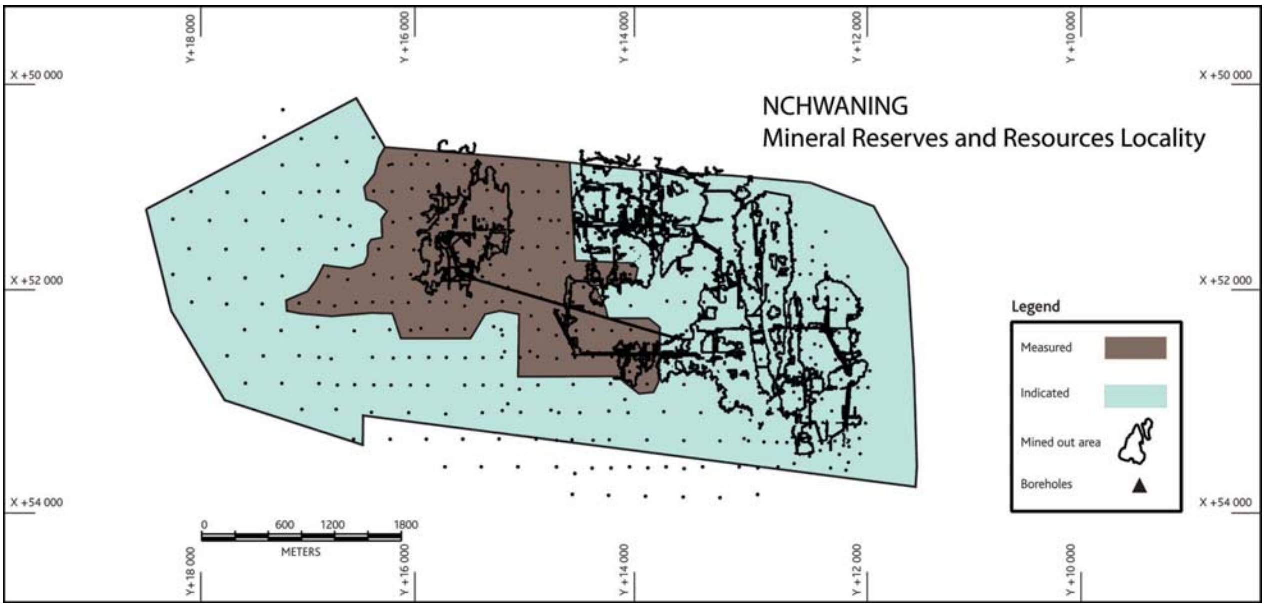
NCHWANING MINE: 2 BODY MANGANESE RESOURCES

Nchwaning 2 body resources	Tonnes Mt	Mn %	Fe %
Measured	53,4	42,0	16,3
Indicated	127,4	42,6	15,2
Total resources 2 body 2009	**180,8**	**42,4**	**15,5**
Total resources 2 body 2008	185,2	42,5	15,4
Inferred	none		

Measured resources are based on two-thirds of the semivariogram sill range rule. Areas outside this distance are classified as Indicated. Proved reserves = measured resources used in LOM scheduling by Snowden. Probable reserves = indicated resources used in LOM scheduled by Snowden.

NCHWANING MINE: 1 BODY MANGANESE RESOURCES/RESERVES

Nchwaning 1 body resources	Tonnes Mt	Nchwaning 1 body reserves	Mt	Mn %	Tonnes Fe %
Measured	42,7	Proved	36,7	46,0	9,9
Indicated	87,9	Probable	72,7	44,6	8,6
Total resources 1 body 2009	**130,6**	**Total reserves 1 body**	**109,4**	**45,1**	**9,04**
Total resources 1 body 2008	137,7	Total reserves 1 body	115,3	44,7	8,83
Inferred	none				



Nchwaning borehole locality map showing the mineral resource classification

Procedures for drilling and assaying at Gloria Mine are the same as at Nchwaning. A total of 107 boreholes were considered in the evaluation of the Gloria 1 Body mine. The wide-spaced borehole interval puts some limitation on the evaluation in areas away from current mining faces. A total of 6 439 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/m^3. The seams were evaluated by means of statistical and geostatistical methods to determine the average grades of Mn, Fe, SiO_2, CaO and 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. Sub-cell splitting of the 50 x 50-metre blocks was allowed to follow the geological boundaries.

Year-on-year change – The 2009 proved reserves at Gloria No 1 body increased to 9,1 million tonnes (6,8 million tonnes) due to re-evaluation and movement of reserves from the probable to the proved category. The probable reserves decreased from 33,6 million tonnes to 31,9 million tonnes. The mineral resources at Gloria No 2 body stayed the same. No markets exist for Gloria 2 body ore at this point in time.

GLORIA MINE: 2 BODY MANGANESE RESOURCES

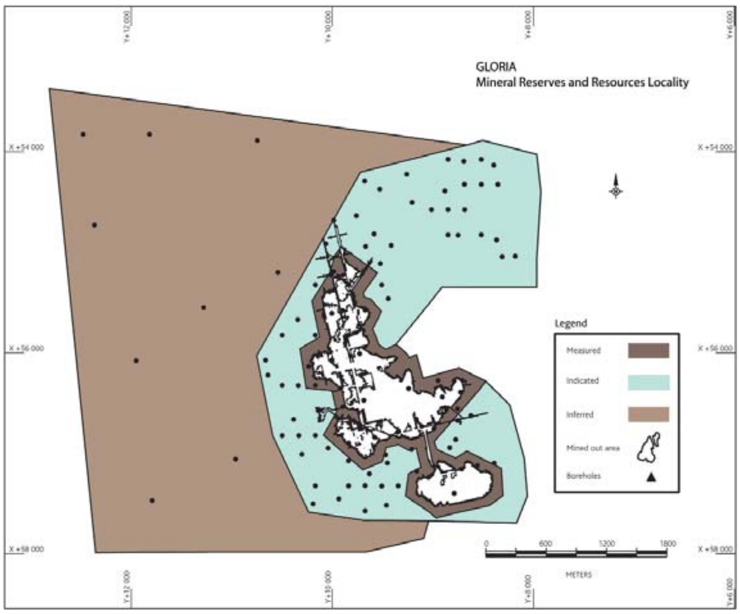
Gloria 2 body resources	Tonnes Mt	Mn %	Fe %
Measured	–	–	–
Indicated	29,4	29,9	10,1
Resources 2 body 2009	**29,4**	**29,9**	**10,1**
Resources 2 body 2008	29,4	29,9	10,1
Inferred 2009	132,3	–	–
Inferred 2008	132,3		

Measured resources = immediately available tonnes up to 50-metre in front of mining faces. Indicated resources are as per dense drilling area (see map). Proved reserves = measured resources less 23 percent pillar loss. Probable reserves = indicated resources less 23 percent pillar loss.

GLORIA MINE: 1 BODY MANGANESE RESOURCES/RESERVES

Gloria 1 body resources	Tonnes Mt	Gloria 1 body reserves	Tonnes Mt	Mn %	Fe %
Measured	11,8	Proved	9,1	38,0	4,9
Indicated	41,5	Probable	31,9	38,3	5,6
Total resources 1 body 2009	**53,3**	**Total reserves 1 body**	**41,0**	**38,2**	**5,5**
Total resources 1 body 2008	52,5	Total reserves 1 body	40,4	38,3	5,54
Inferred 2009	128,2		–	–	–
Inferred 2008	128,3				

Gloria borehole locality map showing the mineral resource classification



HISTORICAL MANGANESE PRODUCTION AT NCHWANING AND GLORIA MINES

Year	Nchwaning Mt	Gloria Mt
2004/2005	1,97	0,15
2005/2006	2,83	0,13
2006/2007	2,49	0,43
2007/2008	2,73	0,41
2008/2009	2,63	0,51

IRON ORE

Locality – 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 is 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 southeast 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.

History – 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 was submitted during the 2009 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 crosscut 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 sub-rounded 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 hangingwall 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.

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 consists primarily of tertiary crushing, washing, screening, conveying and stacking equipment. The beneficiation plant consists of tertiary crushers; scrubbers; coarse and fine jigs or Larcodems; fine crushing; elutriators and upward flow classifiers; lumpy, fines and scaw product stockpiles; and a rapid load-out facility. No chemical is being used in any of the treatment plants.

Mineral resources and ore 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:

	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 percent 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/m^3 (60 percent Fe) to 5,01 t/m^3 (68 percent Fe). A default density of 3,2 is used for waste.

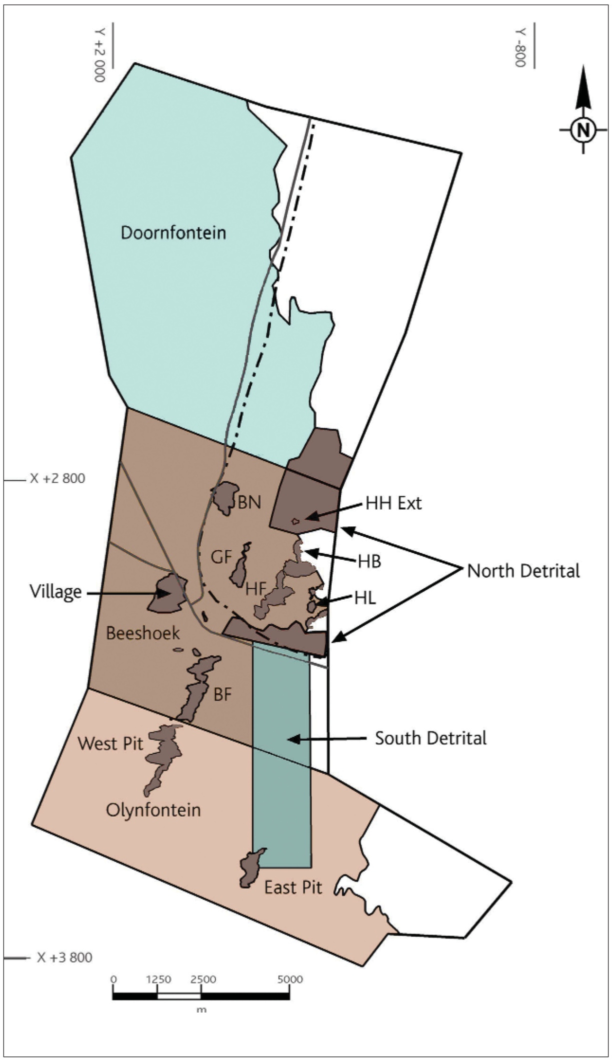
At Beeshoek all blast holes are sampled per metre, but composited per hole. All holes are analysed for density and blast holes in ore are sampled and analysed for Fe, potassium oxide (K_2O), sodium oxide (Na_2O), silica (SiO_2), aluminium oxide (Al_2O_3), phosphorus (P), sulphur (S), CaO, MgO, Mn and 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 verification method for the determination of total iron in the ore. International standards (eg SARM11) 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

	Measured		Indicated		Inferred		Total resource no inferred		Proved reserve		Probable reserve		Total reserve	
Pit/Area	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %
BN	19,89	63,47	0,01	62,67	–	–	19,90	63,46	13,10	64,02	–	–	13,10	64,02
HF/HB	16,64	64,3	0,30	63,85	–	–	16,94	64,30	2,55	65,24	0,03	66,45	2,58	65,25
BF	6,95	63,3	0,22	63,58	–	–	7,17	63,30	1,93	63,81	–	–	1,93	63,81
East Pit	9,14	64,61	0,03	64,19	–	–	9,17	64,61	1,89	65,66	–	–	1,89	65,66
Village	40,80	63,56	0,09	64,64	–	–	40,89	63,57	24,23	65,53	–	–	24,23	65,53
GF	3,13	63,81	0,09	61,80	–	–	3,22	63,76	–	–	–	–	–	–
HH Ext	0,28	62,63	–	–	–	–	0,28	62,63	–	–	–	–	–	–
HL	3,05	65,17	–	–	–	–	3,05	65,17	0,93	65,70	–	–	0,93	65,70
West Pit	9,06	62,74	–	–	0,05	61,87	9,06	62,74	0,58	64,45	–	–	0,58	64,45
Detrital	–	–	–	–	3,70	60,0	–	–	–	–	–	–	–	–
Total 2009	**108,94**	**63,71**	**0,74**	**63,61**	**3,75**	**60,0**	**109,68**	**63,71**	**45,21**	**64,95**	**0,03**	**66,45**	**45,24**	**64,95**
Total 2008	113,67	63,74	6,65	60,44	3,75	61,87	120,38	63,55	28,0	64,16	0,62	64,03	28,62	64,16

Year-on-year change – The 2009 mineral resources at Beeshoek Mine decreased from 113,7 to 108,9 million tonnes, due to the annual production drawdown. The mineral reserves at Beeshoek increased from 28,0 million tonnes to 45,2 million tons. The higher iron ore prices were taken into account in the re-design of the village pit and reserves were declared for this deposit. A feasibility study is to be finalised. Ore reserves at the BN, West and the BF pits were depleted to meet sales requirements. The Khumani Mine took over the Beeshoek export production in mid-2008.

Beeshoek resources



KHUMANI IRON ORE MINE: RESOURCES/RESERVES

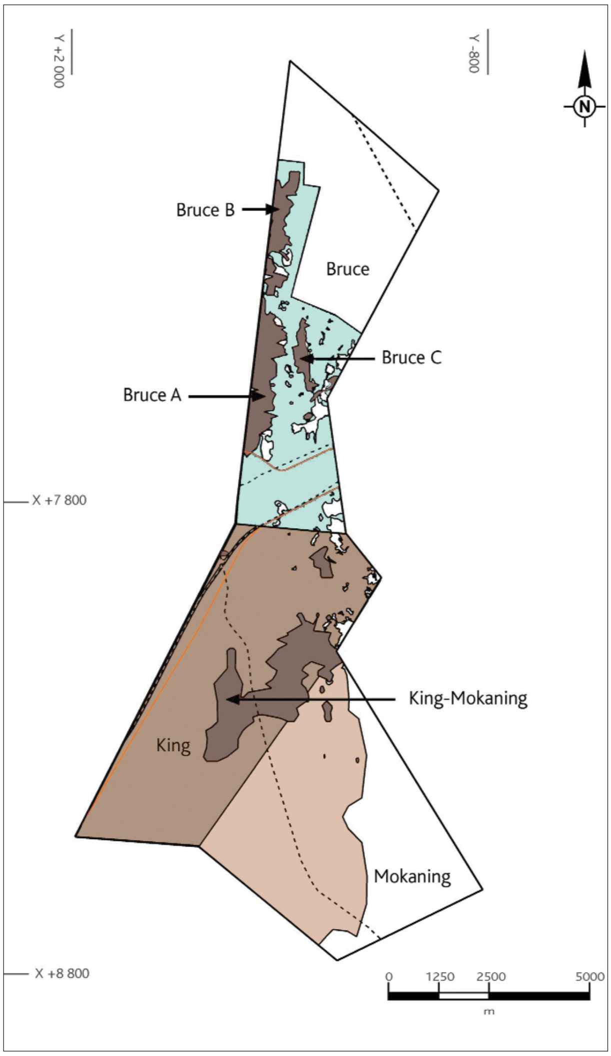
	Measured		Indicated		Inferred		Total measured and indicated		Proved reserve		Probable reserve		Total reserve	
Area	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %
Bruce A	23,5	64,91	99,0	64,54	0,8	63,37	122,5	64,61	111,06	64,61	0,09	64,38	111,15	64,61
Bruce B	21,1	65,71	77,0	64,06	8,7	64,64	98,1	64,41	88,01	64,41	4,20	63,92	92,21	64,39
Bruce C	24,95	65,34	7,66	65,66	1,6	64,80	32,61	65,41	23,85	65,37	8,15	65,68	32,0	65,45
King/ Mokaning	255,8	64,53	123,9	64,48	17,7	63,98	379,7	64,51	258,4	64,43	71,94	64,26	330,4	64,39
Khumani Detrital	–	–	–	–	12,0	60,00	12,0	60,00	–	–	–	–	–	–
Total 2009	**325,4**	**64,70**	**307,6**	**64,42**	**40,8**	**62,97**	**632,9**	**64,56**	**481,4**	**64,51**	**84,4**	**64,26**	**565,7**	**64,49**
Total 2008	337,9	64,73	306,8	64,43	40,8	62,97	644,7	64,59	274,3	64,64	236,6	64,36	510,9	64,51

Year-on-year change – At Khumani Mine the 2009 Ore reserves at Bruce C decreased to 23,85 million tonnes (30,4 million tonnes) due to the production start-up at this open pit. The mineral resources at the other three orebodies stayed the same, and it is being prepared for production.
A re-look at the open pit designs at higher iron prizes caused an increase in total reserve from 510,9 Mt to 565,7 Mt. A feasibility study to increase annual production from 10 Mt to 16 Mt at Khumani is in progress.

HISTORICAL PRODUCTION AT BEESHOEK AND KHUMANI MINES

	Beeshoek Year	Khumani Mt
2004/2005	6,0	
2005/2006	6,2	
2006/2007	6,7	
2007/2008	4,49	1,85
2008/2009	2,66	6,65

Khumani resources



CHROMITE

Locality – 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"E/latitude 24°59'00"S, Assmang purchased the farm from Gold Fields Limited, together with all surface and mineral rights in October 1998.

History – 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 opencast 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 opencast 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 was submitted during October 2007.

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, economically the most important 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.

Mineral resources and ore reserves – Information was obtained from boreholes with 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); and
- 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.

The Datamine process SURFIP is now employed to accurately follow the LG6 chrome seams' upper and lower contacts and generate wireframes of the ore zone. A cut-off value of 35 percent Cr_2O_3 was used to distinguish between ore and waste. Mineral resources have been calculated using ordinary kriging, where Cr_2O_3-, FeO-, Al_2O_3-, MnO and MgO-contents of the LG6 seam and densities were determined, using block sizes of 50 x 50 x 4 metres.

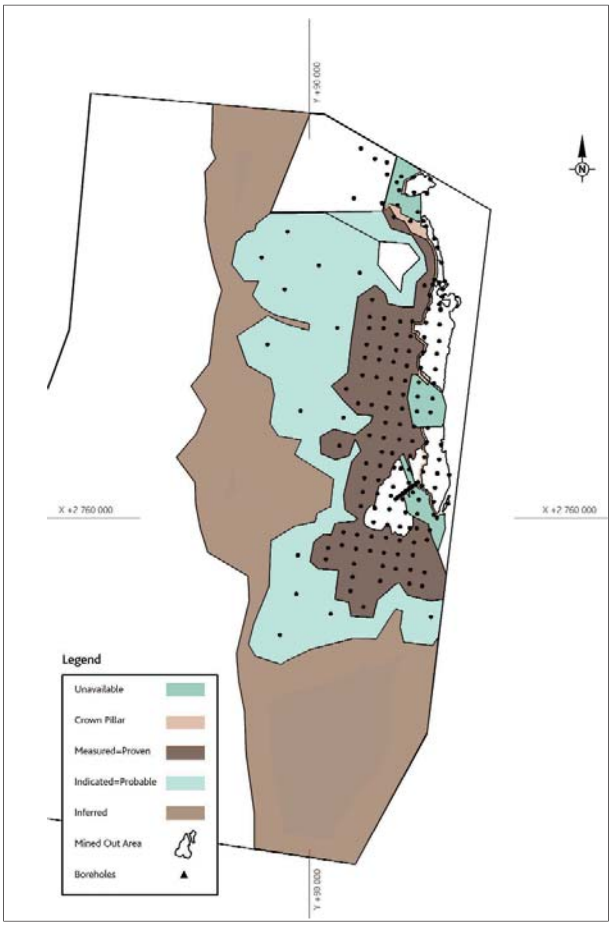
During mining, a slightly diluted run of mine ore is fed to the beneficiation plant. This decreases the average grade from approximately 40% Cr_2O_3 to 37% Cr_2O_3. An addition of approximately 9% of waste material results in this 3% Cr_2O_3 grade decrease. In the dense media separation part of the plant, the coarse fraction is upgraded to 40% Cr_2O_3, with a yield of 80%. In the spiral section of the plant the finer fraction is upgraded to 44% Cr_2O_3, and 46% Cr_2O_3 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.

Year-on-year change – When compared to 2008, the 2009 mineral reserves increased by 3,2 million tonnes to 39,6 million tonnes (36,4 million tonnes) and the mineral resources show an increase of 9,2 million tonnes to 53,2 million tonnes (44,02 million tonnes). The reason for the change is the more accurate delineation of the seam by means of the Datamine process SURFIP. Excluded from this plan are the inferred mineral resources and material situated deeper than 350 metres below ground level.

DWARSRIVIER MINE: CHROME RESOURCES/RESERVES PLAN

Resources	Tonnes Mt	Cr_2O_3 %	FeO %	Reserves	Tonnes Mt	Cr_2O_3 %	FeO %
Measured	21,30	39,80	23,27	Proved	13,9	39,78	23,23
Indicated	31,90	39,39	23,04	Probable	25,7	39,40	23,0
Total measured and indicated 2009	53,2	39,56	23,11	Total reserves	39,6	39,5	23,1
Total measured and indicated 2008	44,02	39,16	22,79	Total reserves	36,4	39,16	22,79
Inferred	53,11	39,00	22,71				

Dwarsrivier Mine mineral resources and reserves



HISTORICAL PRODUCTION AT DWARSRIVIER CHROME MINE

Year	Mt
2004/2005	0,92
2005/2006	0,82
2006/2007	1,01
2007/2008	1,24
2008/2009	1,03

COMPETENCE

The competent person with overall responsibility for the compilation of the mineral reserves and resources is Paul van der Merwe, PrSciNat, an ARM employee. He consents to the inclusion in this report of the matters based on the 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 with 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 competent persons are available from the company secretary at Assmang on written request.

The following competent persons were involved in the calculation of mineral resources and reserves.

Iron ore	M Burger PrSciNat/ S van Niekerk PrSciNat
Manganese ore	B Rusive PrSciNat
Chrome ore	A Pretorius PrSciNat (external consultant)

P J van der Merwe
31 August 2009

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 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.
- 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 Limited 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 company is in the process of assessing the impact of a revised King Code and Report on Governance for South Africa ("King III") on its governance structures. King III replaces King II on 1 March 2010.

The group's practices are compliant with all the material requirements of the King II Report and ongoing consideration is given to those peripheral practices recommended in this 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 Assore board has a unitary structure comprising eight directors, four of which are executive and four non-executive.

Of the four non-executive directors, Mr Cyril Ramaphosa represents the Shanduka Group which is one of Assore's black economic empowerment partners. The other three non-executive directors are regarded as independent and hold directorships in other listed and unlisted companies registered 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 director representing Shanduka, are paid over to his employer.

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 53 and 54 respectively, and none of the executive directors has signed a contract 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 pages 8 and 9 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	3
R J Carpenter	4	4
C J Cory	4	4
P C Crous	4	4
B M Hawksworth	4	4
P N Boynton	2	2
M C Ramaphosa	4	1
E M Southey	2	1
Dr J C van der Horst	4	4

Audit Committee

B M Hawksworth (Chair)
Dr J C van der Horst
E M Southey

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

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.

All 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, and recommend same to the board;
- 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 internal 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 to Risk Management and Internal Audit and Internal Control below).

Remuneration Committee

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

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 first day of the month following the end of a financial reporting period and expires on the day on which the interim or final 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 everpresent 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 and can only be indirectly controlled by timeous response to market fluctuations and setting appropriate business strategies.

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 management;
- health and safety management; 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.

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 respective 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.

Assore is supportive of the broad-based economic imperatives contained in the Minerals and Petroleum Resources Development Act (the MRPD 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 MRPD 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 five 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, through the appropriate group companies, 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 (refer Preferential Procurement on page 36);
- 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 social and labour plans for each of its operations, as well as local economic development (LED) projects which support the integrated development plan of the relevant local authority. 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;
- succeeded in obtaining new order mining rights for the RMDC chrome operations on the farms Zandspruit and Groenfontein;
- applied for and obtained new order mining rights on the iron ore deposits mined at Khumani; and
- submitted applications for the conversion of all remaining old order rights to new order rights, in particular manganese ore (Nchwaning and Gloria mines), chrome ore (Dwarsrivier) and Wonderstone prior to 1 May 2009.

Following the introduction of the MRPD Act, Assore has entered into the following empowerment-related transactions:

- 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 chromite 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 in October 2005, RMDC was successful in its application to convert all of its mining rights to new order rights.

- In February 2006, the Assore group entered into empowerment transactions effecting the acquisition of 15,02% of the issued ordinary share capital at that date 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.

  These equity interests have increased marginally, due to Assore's repurchase and cancellation of 428 347 of the issued shares.

- On 15 September 2008, the company acquired 2 931 653 Assore shares (being 10,47% of issued share capital at that date) with the intention of negotiating a second empowerment transaction, which, once implemented, will result in 26% of the Assore share capital being owned by HDSAs being the required percentage of 26% by the year 2014 in terms of the Socio-economic Empowerment Charter for the South African mining industry. During September 2008, Assore repurchased and cancelled 428 347 of these shares, resulting in the dilution of this stake to 9,88%.

SHANDUKA RESOURCES

Shanduka Resources is a subsidiary of Shanduka Group, 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 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 in addition to Assore, has investments in the coal, gold, diamond, paper and mining services industries. Shanduka Resources provides leadership for Assore's BEE partners and strategic support to Assore in achieving its BEE objectives.

THE BOKAMOSO TRUST

The Trust was 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 Trust in accordance with the trust deed.

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

PREFERENTIAL PROCUREMENT

Assore is committed to bringing previously disadvantaged South Africans into the mainstream of the economy by identifying, developing and availing business opportunities to BBBEE suppliers at all its operations. A summary of the percentage BBBEE procurement measured against total discretionary procurement is presented in the table below.

	2009		2008	
	Total discretionary procurement (R'million)	Aggregate % BBBEE	Total discretionary procurement (R'million)	Aggregate % BBBEE
Assmang	**5 315,7**	**40,3**	5 134,1	22,0
African Mining and Trust	**29,3**	**29,2**	22,2	20,3
Rustenburg Minerals	**183,2**	**26,8**	137,3	47,7
Wonderstone	**22,7**	**38,4**	24,3	17,7
Xertech	**15,6**	**10,6**	26,8	35,8

Total discretionary procurement is defined as total procurement less procurement through public sector vendors, eg rates and taxes and utility service providers.

The increase of the proportion of BBBEE expenditure in Assmang has been achieved following significant focus on certification of suppliers by ARM management. The major increase in preferential procurement for Rustenburg Minerals in the year reflects the cost of developing declines at Groenfontein and Zandspruit. Although the absolute discretionary procurement spend by Rustenburg Minerals to BBBEE companies has increased significantly in comparison to the previous financial year, it has decreased in percentage terms, reflecting the shortage of BBBEE suppliers with the specialist technical skills required to undertake underground development.

COMMUNITY

Social and Labour Plans (SLPs) have been developed for the Rustenburg Minerals and Wonderstone operations and submitted to the Department of Mineral Resources in support of applications for the conversion of 'old order' to 'new order' mineral rights. These SLPs detail a range of Local Economic Development (LED) and corporate social responsibility (CSR) initiatives to which Assore has committed in order to facilitate economic diversification and social upliftment in host communities.

Renovation and upgrading of the Makgophe Primary School which is located on Rustenburg Minerals mine property was completed in May 2009. The construction of additional classrooms has allowed the school to accommodate a greater number of learners and to extend the level of education provided up to and including grade 8.

A vegetable garden has been established to provide fresh produce to surrounding communities. A brick making project has also been initiated to manufacture bricks and paving stones for the local market which suffers from a shortage of affordable construction materials.

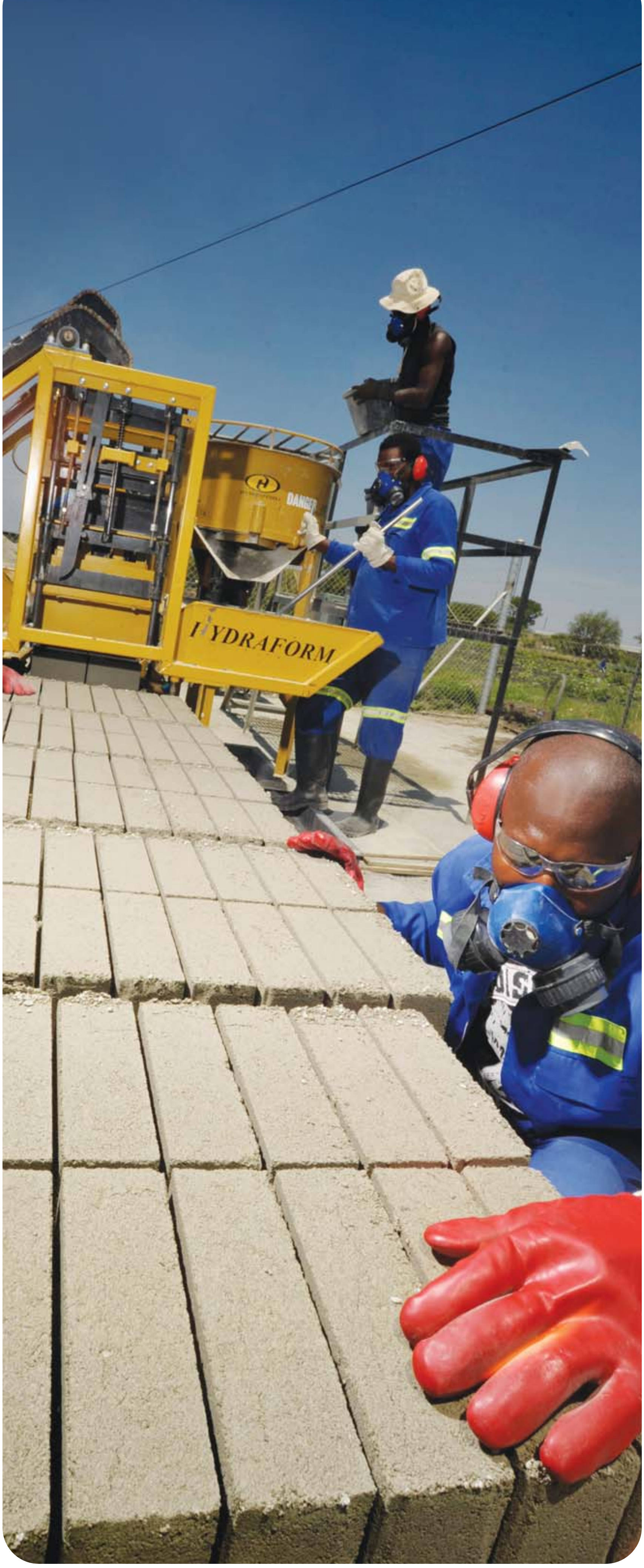
A number of potential LED projects have been identified at Wonderstone, and mine management is currently engaging with the local municipality to select the projects which are most suitable for implementation.

In terms of current legislation, Xertech has no obligation to develop an SLP or to undertake LED/CSR initiatives.

Sustainability initiatives

(clockwise from top left):

Refurbished Makgophe School and learners at RMDC, LED brickmaking project at RMDC, new staff housing at Khumani, Community vegetable garden at RMDC. (Refer to page 37)


DANGER
YDRAFORM

This report provides a brief summary of health, safety and environmental performance across the operations of the Assore group. Assore also recognises that it has a responsibility to promote the sustainability of its business by taking an active role in shaping the development and performance of the sectors in which it operates.

This sustainability report covers all of the entities in which the Assore group has an interest and, for ease of reference, has been split into the following two sections:

– Assmang, jointly controlled by Assore 50% and ARM (African Rainbow Minerals Limited) 50%.
– Subsidiary companies of Assore.

ASSMANG (JOINTLY HELD)

This section provides a brief summary of health, safety and environmental performance across the Assmang group (comprising Khumani, Beeshoek, Black Rock (Nchwaning and Gloria mines), Dwarsrivier mines and the Cato Ridge and Machadodorp Works).

CORPORATE GOVERNANCE

Prosecutions, convictions and fines

None of the Assmang operations were subject to any prosecutions or fines during the 2009 financial year.

Six section 54 notices in terms of the Mine Health and Safety Act were served on Assmang operations during the year: four at Black Rock and one each at Khumani and Dwarsrivier. A section 55 notice was also served on Dwarsrivier during the year in respect of machinery guarding.

A Department of Labour prohibition notice was served on Cato Ridge in February 2009.

Corrective action has been taken with regard to the abovementioned notices and no legal action is anticipated.

International Standards Organisation (ISO) certification

All Assmang operations, with the exception of the recently commissioned Khumani Mine, have achieved certification to the ISO 9001, ISO 14001 and OHSAS 18001 management standards.

Health and safety

Assmang operations reported 51 Lost Time Injuries (LTIs) during the year, and recorded 2 029 lost days. This resulted in a Lost Time Injury Frequency rate of 3,29 for the year (as compared to 4,90 in the previous year). Beeshoek Mine and the Machadodorp Works have each achieved in excess of one million fatality-free shifts to date.

Regretfully, there were four fatalities in the year under review. The first fatality was at Khumani Mine, where a contracted security guard, Mr Simon Nvelele, made a fire in a drum in the guardroom and subsequently died of carbon monoxide poisoning. In January 2009, a contractor rock drill operator, Mr Mawanda Ntobovi, was killed by a fall of ground (FOG) at Dwarsrivier Mine. In February Mr Modisaotsile Elliot Morwe was killed when two dump trucks collided on the road near Khumani mine and in April a miner, Mr Ruan Feast, was killed by a FOG at Nchwaning Mine.

Occupational health and hygiene monitoring

All operations conduct medical surveillance of employees in accordance with the requirements of relevant legislation. An inquiry into possible cases of manganism at the Cato Ridge Works has been completed and a report from the chairman of the inquiry is expected in the near future.

During the year, 5 281 periodic medicals were conducted on Assmang personnel. In total, 16 133 audiometric tests were conducted over the period, with 47 cases referred for further testing.

Financial provision for closure and rehabilitation

Closure plans and rehabilitation assessments are reviewed annually at all Assmang operations. Financial provision for closure is funded via a combination of bank guarantees and provisions raised in various trust funds and is summarised in the table on the next page.

Operation	Estimated closure cost (R'000)	Estimated fund balance (R'000)	Guarantees (R'000)
Beeshoek	80 937	42 616	–
Khumani	93 967	6 628	38 000
Gloria	10 813	3 409	–
Nchwaning	22 742	4 616	–
Black Rock	40 305	10 259	20 065
Dwarsrivier	24 808	6 750	9 267
Total	273 572	74 278	67 332

All figures as of 30 July 2009

There is currently no legal requirement to make financial provision for closure or rehabilitation at the Cato Ridge and Machadodorp Works

EMPLOYMENT

Employee numbers at Assmang operations increased during the year as a result of organic growth driven by recently completed projects and capital projects being constructed. The bulk of growth in employee numbers took place at Khumani and Dwarsrivier.

During the year, the number of employees at Dwarsrivier increased due to several contract employees becoming full-time employees.

Employment equity

Employment equity statistics for Assmang mining operations are used to track progress against targets established in the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (the 'Mining Charter') for the advancement of historically disadvantaged South Africans (HDSAs). These statistics also assist in monitoring progress towards meeting commitments made by Assmang operations in their Social and Labour Plans (SLPs).

The Cato Ridge and Machadodorp Works are classified as industrial facilities and thus have no obligation to comply with the requirements of the Mining Charter. Nonetheless, statistics for these operations have also been included for consistency and comparative purposes.

Operation	HDSAs in management %	Target for HDSAs in management %
Beeshoek	48,4	40
Black Rock	38,5	40
Cato Ridge	73,5	Not applicable
Dwarsrivier	49,4	40
Khumani	57,5	40
Machadodorp	57,9	Not applicable

As of 30 June 2009

Operation	Women in mining %	Target for women in mining %
Beeshoek	12,0	10
Black Rock	7,7	10
Cato Ridge	13,9	Not applicable
Dwarsrivier	9,2	10
Khumani	15,8	10
Machadodorp	15,6	Not applicable

As of 30 June 2009

Overall, the Assmang operations (including the Cato Ridge and Machadodorp Works) have 53,5% HDSA representation in management, and 12,5% women in production-related activities.

Contractor workforce

Contractor numbers on Assmang operations are driven by two large capital projects – construction of the new plant at Black Rock and the second phase of the Khumani project.

	Contractors as % of total workforce
Beeshoek	75,2
Black Rock	47,0
Cato Ridge	0,0
Dwarsrivier	9,5
Khumani	73,5
Machadodorp	25,1

SUBSIDIARY COMPANIES

This section of this report summarises the sustainability performance of the Assore subsidiary operations, namely Rustenburg Minerals Development Corporation (Rustenburg Minerals), Zeerust Chrome Mine (Zeerust), Wonderstone and Xertech.

CORPORATE GOVERNANCE

Regulatory environment

Health, safety and environmental management on Assore operations is subject to two different sets of legislation, depending on whether the facility is classified as a mine (including associated mineral processing facilities) or an industrial facility.

Health and safety management at the mining operations (Rustenburg Minerals, Zeerust Chrome and Wonderstone) is regulated by the Mine Health and Safety Act (No 29 of 1996). Environmental authorisations for mines are currently granted in terms of the Minerals and Petroleum Resources Development Act (No 28 of 2002), although government has confirmed that once this Act is amended, future mining environmental authorisations will be granted in terms of the National Environmental Management Act (No 107 of 1998).

Xertech is classified as an industrial facility, and is therefore regulated in terms of the Occupational Health and Safety Act (No 85 of 1993), with environmental authorisations being granted in terms of the National Environmental Management Act.

Prosecutions, convictions and fines

Neither Assore nor any of its subsidiary companies have been subject to any prosecutions, convictions or fines during the 2009 financial year.

A section 54 notice in terms of the Mine Health and Safety Act was served on Rustenburg Minerals as a result of an uncontrolled blast which took place on 12 March 2009 during the construction of the Zandspruit decline. Corrective action was taken with respect to revising blasting procedures and staff retraining, and no legal action is anticipated in this regard.

New appointments

In order to more effectively manage sustainability-related risks across the Assore operations, two new positions were created during the financial year 2009.

A Senior Manager: Safety, Health, Environment, Risk and Quality (SHERQ) was appointed in January 2009 to provide greater capacity to manage these areas of risk at a corporate level. The Senior Manager: SHERQ is directly responsible for coordinating SHERQ risk management, monitoring and reporting on the mines and facilities under Assore's direct management control, and also provides targeted technical input to SHERQ management on the Assmang operations.

A Local Economic Development (LED) Project Manager was appointed in November 2008 to coordinate small business development and Corporate Social Investment initiatives for the Rustenburg Minerals and Wonderstone operations. This role is integral to the execution of commitments made in the Social and Labour Plans (SLPs) submitted to support applications for the conversion of 'old order' to 'new order' mineral rights.

Internal review and control

Inspection and review of safety, health, environmental and quality performance is conducted by site and corporate personnel on an ongoing basis to evaluate and report on progress towards targets and objectives, and where required, to identify required corrective action. Internal review and checking of performance is a requirement of the company's ISO-certified management systems and is also used to demonstrate adherence to the quality specifications stipulated in contracts with customers.

Legal registers for all Assore operations were updated during the current financial year. Legal appointments in terms of the Mine Health and Safety Act were also reviewed and revised where necessary, to reflect changes in personnel and new activities associated with the development of underground operations at Rustenburg Minerals. Quarterly reports on compliance with safety, health and environmental legislation for all Assore operations are submitted to the Audit Committee.

International Standards Organisation (ISO) certification

In order to establish robust quality and environmental management systems for the systematic management of risk across the group operations, Assore has developed its quality and environmental management systems in accordance with the International Standards Organisation (ISO) model. All operations managed by Assore are certified to the ISO 9001:2000 quality management standard, with Wonderstone and Xertech also being certified to the ISO 14001:2004 environmental management standard.

Operation	Date of initial ISO 9001 certification	Date of initial ISO 14001 certification
Wonderstone	15 April 1998#	7 March 2002†
Rustenburg Minerals	27 October 2007	Yet to be certified
Xertech	29 August 2005	28 August 2009

Originally certified to ISO 9001:1994 and later recertified to ISO 9001:2000
† *Originally certified to ISO 14001:1996 and later recertified to ISO 14001:2004*

All ISO audits are conducted by an accredited external service provider, TUV Rheinland. Recertification audits are conducted on a three-yearly interval, and surveillance audits are carried out in the intervening years by the same company. No non-conformances or major adverse findings were identified during the ISO audits on Assore operations during the current financial year.

Stakeholder engagement

Assore interacts with a wide range of internal and external stakeholder groups in the pursuit of its business. Each group of stakeholders has different needs in terms of the type of information required as well as mode and frequency of interaction, and the company's stakeholder engagement has been tailored accordingly, as summarised in the table below.

Stakeholder group	Responsibility	How we engage
Investors	Dealing properly with all stakeholders in order to serve the best interests of shareholders on a sustainable basis. Commitment to full compliance with all relevant laws and rules, good corporate governance, transparency and fair dealing	Annual and quarterly reports, SENS announcements, press statements
Employees and their representatives	Employing the most appropriately skilled individuals and investing in their development in a non-discriminatory environment	'Toolbox talks', inductions, health and safety meetings, internal publications, notice boards, union negotiations, career path planning
Business partners	Seeking mutually beneficial long-term relationships with joint-venture partners and industry peers	Representation on the Assmang board and Executive Committee, board meetings for individual Assore operations, active participation in industry associations
Contractors and suppliers	Seeking mutually beneficial long-term relationships with contractors and suppliers based on fair and ethical practices	Contract negotiations, tender processes, safety inductions, health and safety meetings, site inspections and audits, performance reviews
Customers	Establishing and maintaining mutually beneficial long-term relationships with customers based on fair and ethical practices	Customer site visits, contract negotiations, quality management system, conference attendance
Government	Observing the laws of the countries in which the group operates	Statutory reporting, inspections by government representatives, permit applications, public participation process for environmental impact assessments, engagement on targeted issues
Host communities	Promoting strong relationships with, and raising the capacity of the communities in which the group's activities are located	Public meetings, public participation process for environmental impact assessments, participation in local economic development initiatives, funding of corporate social responsibility initiatives
Non-governmental organisations	Development and maintenance of constructive relationships with relevant non-governmental organisations	Engagement on targeted issues

Involvement with industry associations

Assore recognises that it has a responsibility to promote the sustainability of its business by taking an active role in shaping the development and performance of the sectors in which it operates. Assore has therefore encouraged its employees to assume leadership roles in industry associations which aim to promote the use and development of commodities which it produces and to encourage cooperation between companies in these industry sectors to address issues of common concern.

During the previous financial year, Mr Alastair Stalker of Ore & Metal Company Limited was elected as chair of the Executive Committee of the International Manganese Institute (IMnI) that represents manganese ore and alloy producers, manufacturers of manganese-based products, traders, industry service providers and companies using manganese to manufacture their products.

In May 2009, Mr Alistair McAdam (also of Ore & Metal Company Limited) was elected to the Executive Council of the International Chrome Development Association, which performs a similar function for the international chrome industry.

Health and safety

There were no fatalities on any of the Assore operations during the current year.

LTIs statistics and LTIFRs for each of the operations for the financial year are summarised in the table below.

Operation	Hours worked	Lost time injuries	LTIFR %
Rustenburg Minerals	670 725	4	5,96
Zeerust	60 984	–	–
Wonderstone	233 046	4	17,16
Xertech	65 340	–	Not applicable

LTI is a work related injury that results in the employee being unable to attend work at his/her place of work, performing his/her assigned duties on the next calender day (whether a scheduled work day or not) after the day of the injury. LTIFR is the rate of LTIs per million man hours.

Occupational health and hygiene monitoring

Workforce occupational health surveillance is carried out annually to fulfil the occupational health monitoring requirements of the Mine Health and Safety Act (for mining operations) and the Occupational Health and Safety Act (for Xertech). Health surveillance is conducted on both employees and contractors, with suspected cases of occupational disease identified during routine surveillance being referred for specialist follow-up. Where further investigation confirms that an employee has developed an occupational disease, the case is referred for compensation to the relevant authority (either Rand Mutual for mining operations or the Compensation Commissioner for industrial facilities). The following table sets out the extent of hygiene monitoring conducted during the year.

	Employees screened during 2009	Contractors screened during 2009	Cases referred for medical follow-up	Cases reported for compensation
Rustenburg Minerals and Zeerust	161	141	20	1
Wonderstone	105	7	1	1*
Xertech	32	–	–	–

* *One case of suspected Noise Induced Hearing Loss (NIHL) was identified at Wonderstone during 2008 and referred to Rand Mutual for review but the claim was rejected*

Occupational hygiene monitoring is undertaken on all operations to demonstrate compliance with applicable legislation: this takes place quarterly for mining operations and bi-annually at Xertech.

Environmental performance

During 2008, environmental authorisation in terms of section 24(g) of the National Environmental Management Act was obtained for four diesel storage tanks at Rustenburg Minerals. No reportable environmental incidents occurred on the Assore operations during the year.

In June 2009, a water supply review was undertaken for the Rustenburg Minerals operation in preparation for the commencement of underground mining, which will require more water than the existing surface operations. As part of this process, the mine water balance was reviewed and existing water supply boreholes on the property were pump tested to confirm their long-term reliable yield. Based on this evaluation, budget provision has been made to drill additional boreholes and establish additional water storage capacity on site in the ensuing financial year.

Data on aspects of environmental performance, including waste generation and consumption of resources such as water, electricity and fuel have been collected and reported on by the operations in a variety of formats. A review of environmental monitoring and reporting procedures is currently under way to ensure that a consistent approach to environmental monitoring is adopted across the operations, and that the indicators reported on comply with the Global Reporting Initiative guidelines.

During the year, Xertech worked with the National Cleaner Production Centre (NCPC) as part of a project funded by the Department of Trade and Industry to promote production efficiency, optimisation of resource consumption and waste reduction. A baseline assessment of the Xertech operation has been completed, and opportunities for process optimisation which have been identified will be investigated in greater detail during the ensuing financial year.

Financial provision for closure and rehabilitation

Financial provision for mine closure and rehabilitation of the Rustenburg Minerals, Zeerust Chrome and Wonderstone mining operations is required in terms of the Minerals and Petroleum Resources Development Act, and the current status of closure provisioning is summarised in the table below. The closure liability for Assore operations is reviewed annually and is funded via a combination of bank guarantees and contributions to the AMT Environmental Fund.

Operation	Total liability (R'000)	Environmental Fund (R'000)	Current guarantees in place (R'000)	Years to realise liability provision	LOM in terms of current mining right
Rustenburg Minerals	12 306	5 474	6 866	12,8	29
Zeerust Chrome	1 028	277	40	27,3	29
Wonderstone	3 464	3 915	5 659	–	29
Total	16 798	9 666	12 565		

All figures in Rand as of January 2009, being the most recent submission to the Department of Mineral Resources

Xertech is classified as an industrial (rather than mining) facility, and there is therefore no legal requirement to make financial provision for closure or rehabilitation of this operation.

Rehabilitation of the mine sites is conducted on an ongoing basis and comprises reshaping of land forms and revegetation of mined out areas, completed waste rock dumps and tailings facilities. Rehabilitation planning places particular emphasis on erosion control and the use of indigenous species to maximise the sustainability of revegetation. Completed areas are audited annually by an external consultant to determine the success of rehabilitation, and where necessary, recommendations on improved land management and rehabilitation practices are incorporated into the rehabilitation methodology.

EMPLOYMENT

Employment equity

Employment equity statistics for mining operations are collated on a monthly basis and reported to the Department of Mineral Resources (formerly the Department of Minerals and Energy). These data are used to track progress against targets established for the mining sector in the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (the 'Mining Charter') for the advancement of historically disadvantaged South Africans (HDSAs). These statistics also assist in monitoring progress towards meeting commitments made by Rustenburg Minerals and Wonderstone in their Social and Labour Plans (SLPs).

Xertech is classified as an industrial facility and thus has no obligation to comply with the requirements of the Mining Charter. Nonetheless, statistics for Xertech have also been included for consistency and comparative purposes.

Operation	% HDSAs in management	Target % for HDSAs in management	Women in mining	Target % for women in mining*
RMDC	40,0	40	20,1	10
Wonderstone	25,0	40	16,8	10
Xertech#	50,0	Not applicable	6,3	Not applicable

* *As at 30 June 2009*

\# *At Xertech, 'women in mining' is interpreted as women engaged in production activities*

One of the major challenges in achieving workforce transformation is the industry-wide shortage of suitably qualified HDSA candidates. As a step towards developing greater HDSA capacity and offering career opportunities to members of local communities, Rustenburg Minerals has extended two bursaries to fund the undergraduate university studies in Mining Engineering and Mechanical Engineering.

Contractor workforce

Assore outsources certain functions to contractors, particularly with respect to security, cleaning and waste disposal, and the proportion of contractors as a percentage of the total workforce is presented in the table below.

	Contractors as % of total workforce
Rustenburg Minerals	58,8
Wonderstone	0,0
Xertech	22,0

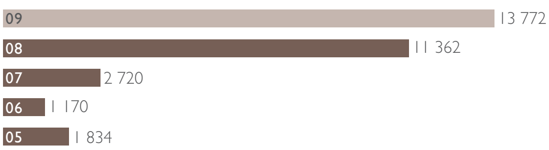
As at 30 June 2009

Rustenburg Minerals currently uses a contract mining company for the open-cast operations at Rustenburg, and the operation of chrome processing plants at Rustenburg Minerals and Zeerust Chrome is also outsourced.

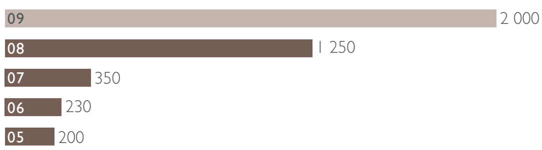
The Rustenburg Minerals workforce is currently being restructured to reflect the changing nature of the mining operation, which will result in contract mining being phased out as surface mining activity downscales and is replaced by owner-operated underground operations.

Income statements	2005* R'000	2006 R'000	2007 R'000	2008 R'000	2009 R'000
Turnover	3 093 944	3 382 587	4 293 036	9 158 937	**8 818 655**
Profit before profit on disposal of available-for-sale investments	793 607	561 614	1 129 414	4 665 106	**5 229 794**
Profit on disposal of available-for-sale investments	–	145 777	43 025	22 350	**19 086**
Taxation and State's share of profits	(252 545)	(227 569)	(369 084)	(1 509 091)	**(1 981 493)**
Profit for the year	541 062	479 822	803 355	3 178 365	**3 267 387**
Attributable to:					
– Shareholders of the holding company	509 445	457 384	774 704	3 069 522	**3 241 452**
– Minority shareholders	31 617	22 438	28 651	108 843	**25 935**
As above	541 062	479 822	803 355	3 178 365	**3 267 387**
Other information					
Attributable earnings as above (R'000)	509 445	457 384	774 704	3 069 522	**3 241 452**
Headline earnings (R'000)	513 445	323 933	736 021	3 057 708	**3 265 793**
Earnings per share (cents)	1 819	1 652	2 863	11 406	**13 669**
Headline earnings per share (cents)	1 834	1 170	2 720	11 362	**13 772**
Dividends declared during the year	26 600	64 400	84 000	126 000	**555 717**
Less: dividends attributable to treasury shares	–	–	(2 928)	(4 392)	**(76 311)**
	26 600	64 400	81 072	121 608	**479 406**
Dividends relating to the activities of the group for the year under review (cents)					
– Interim declared and paid	50	80	150	250	**1 000**
– Final (declared subsequent to year-end)	150	150	200	1 000	**1 000**
	200	230	350	1 250	**2 000**
Weighted average number of shares for purposes of calculating earnings per share					
Ordinary shares in issue	28 000	28 000	28 000	28 000	**27 658**
Treasury shares	–	(305)	(942)	(1 088)	**(3 944)**
Weighted average	28 000	27 695	27 058	26 912	**23 714**
Average exchange rates for the year					
SA rand to US dollar	6,18	6,41	7,20	7,27	**8,80**
SA rand to euro	7,84	7,80	9,67	10,72	**12,08**

* *Restated due to the adoption of IFRS*



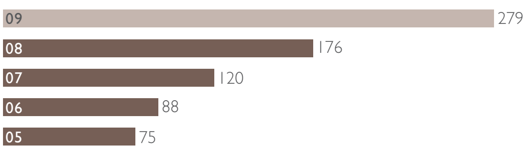
Headline earnings per share (cents)



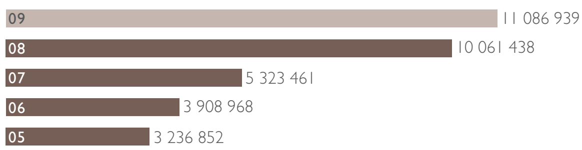
Total dividends relating to the activities of the group for the year under review (cents)

Balance sheets	2005* R'000	2006 R'000	2007 R'000	2008 R'000	2009 R'000
ASSETS					
Non-current assets					
Property, plant and equipment, investment properties and intangible assets	1 391 931	2 023 210	3 003 319	4 196 018	**5 183 450**
Investments – available-for-sale investments	232 093	169 750	236 119	590 066	**415 066**
– other investments	–	–	–	125	**42 259**
	1 624 024	2 192 960	3 239 438	4 786 209	**5 640 775**
Current assets					
Other current assets	1 319 769	1 544 173	1 774 566	3 286 272	**2 397 097**
Cash resources and deposits	293 059	171 835	309 457	1 988 957	**3 049 067**
Total assets	3 236 852	3 908 968	5 323 461	10 061 438	**11 086 939**
EQUITY AND LIABILITIES					
Share capital and reserves	2 092 721	2 475 316	3 230 707	4 110 872	**6 603 229**
Minority shareholders' interest	39 363	51 114	48 673	111 528	**71 819**
Total equity	2 132 084	2 526 430	3 279 380	4 222 400	**6 675 048**
Non-current liabilities					
Deferred taxation	345 181	544 844	620 597	899 701	**1 341 836**
Long-term borrowings and provisions	65 333	122 312	156 955	223 320	**257 513**
	2 542 598	3 193 586	4 056 932	5 345 421	**8 274 397**
Current liabilities					
Other non-interest-bearing	467 514	461 928	721 759	2 094 528	**1 188 699**
Short-term borrowing and overdrafts	226 740	253 454	544 770	2 621 489	**1 623 843**
Total equity and liabilities	3 236 852	3 908 968	5 323 461	10 061 438	**11 086 939**
Net asset value per share (rand)	75	88	120	176	**279**
Exchange rates at year-end					
SA rand to US dollar	6,65	7,11	7,02	7,84	**7,72**
SA rand to euro	8,06	9,10	9,50	12,37	**10,79**

* *Restated due to the adoption of IFRS*



Net asset value per share (Rands)



Total assets (R'000)

The financial statements of
the group and company
have been prepared to
comply with the South
African Companies Act
and the JSE Limited
Listings Requirements.

CONSOLIDATED FINANCIAL STATEMENTS CONTENTS

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

The annual financial statements of Assore Limited and group annual financial statements for the year ended 30 June 2009 as set out on pages 51 to 107 were approved by the board of directors on 28 October 2009 and are signed on its behalf by:

Desmond Sacco
Chairman

C J Cory
Chief Executive Officer

CERTIFICATE BY COMPANY SECRETARY
for the year ended 30 June 2009

We certify that the requirements as stated in section 268G(d) of the Companies Act have been met and that all returns, as are required of a public company in terms of the aforementioned Act, have been submitted to the Registrar of Companies and that such returns are true, correct and up to date.

African Mining and Trust Company Limited
Secretaries
per: **C D Stemmett**

28 October 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSORE LIMITED
for the year ended 30 June 2009

REPORT ON THE ANNUAL FINANCIAL STATEMENTS

We have audited the annual financial statements of Assore Limited and the group annual financial statements, which comprise the directors' report, the balance sheets as at 30 June 2009, the income statements, the statements of changes in equity and cash flow statements for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 51 to 107.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the group and company as of 30 June 2009, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc.
Registered Auditor

Johannesburg
28 October 2009

DIRECTORS' REPORT
for the year ended 30 June 2009

NATURE OF BUSINESS

Assore Limited, which was incorporated in 1950, is a mining holding company principally engaged in ventures involving base minerals and metals. The company's shares are listed on the JSE Limited (the JSE) under "Assore" in the general mining sector and its ultimate holding company is Oresteel Investments (Proprietary) Limited.

The group's principal investment is a 50% (2008: 50%) interest in Assmang Limited (Assmang) which it controls jointly with African Rainbow Minerals Limited (ARM). Assmang mines manganese, iron and chrome ores and produces manganese and chrome alloys. In addition, the group mines chrome ore and Wonderstone (a type of pyrophyllite) a portion of which is beneficiated to produce high-precision components and wear, and acid resistant tiles.

The group, through its wholly owned subsidiary, Ore & Metal Company Limited, is responsible for marketing all products produced by its joint venture entities and subsidiary companies, the bulk of which is exported and the remainder either used in the group's beneficiation processes or sold locally. Details of the group's activities are set out, by activity, in the review of operations.

FINANCIAL RESULTS

The financial position of the group and company and their results for the year ended 30 June 2009 are set out in the annual financial statements of the group (refer to page 49) and company (refer to page 95) included in this report. The results of the group for the year are summarised below:

	Year ended 30 June	
	2009 R'000	2008 R'000
Turnover	8 818 655	9 158 937
Profit for the year	3 267 387	3 178 365
Attributable to:		
Shareholders of the holding company	3 241 452	3 069 522
Minority shareholders	25 935	108 843
	3 267 387	3 178 365
Profit attributable to the shareholders of the holding company as above	3 241 452	3 069 522
Dividends relating to the group's activities for the year under review (refer to dividends below)	478 687	307 408
Interim dividend No 104 of 1 000 cents (2008: 250 cents) per share – declared on 19 February 2009	275 717	70 000
Final dividend No 105 of 1 000 cents (2008: 1 000 cents) per share – declared on 26 August 2009	275 717	280 000
Less: dividends attributable to treasury shares	(72 747)	(42 592)
Profit for the year after dividends	2 762 765	2 762 114
The attributable interest of the company in the aggregate net profit and losses after taxation of group companies was as follows:		
Jointly controlled entity – 50% (2008: 50%) share		
– Profit for the year	995 740	2 515 968
Subsidiary companies		
– Profit	1 040 116	347 918
– Losses	115 504	28 190

CONTROL OVER FINANCIAL REPORTING

The directors of the company are responsible for the preparation and fair presentation of the financial statements and related financial information included in this report. The external auditors, Ernst & Young Inc. whose report appears within this report, are responsible for expressing an opinion on the financial statements based on their audit.

The financial statements included in this report are based on judgements and estimates which are intended to be both reasonable and prudent and have been prepared by management in accordance with International Financial Reporting Standards (IFRS) based on appropriate accounting policies which, unless otherwise indicated, have been applied consistently with the previous year.

The financial statements have been prepared on a going-concern basis and the directors have no reason to believe that any of the businesses in the group will not be a going concern in the year ahead. With regard to the valuation of assets, the directors are of the opinion that the carrying amount of all assets included on the balance sheet is reasonably stated.

In order to discharge their responsibilities with regard to the financial statements, the directors ensure, through the group's duly appointed Audit Committee, that management maintains adequate accounting records and systems of internal control which are developed and reviewed for effectiveness on an ongoing basis. The systems of internal control are based on established organisational structures, policies and procedures, including budgeting and forecasting disciplines and are managed and controlled by suitably trained personnel who are organised in structures with appropriate segregation of authorities and duties. While internal controls are intended to adequately safeguard the group's assets and prevent and detect material misstatement and loss, these systems can only be expected to provide reasonable, and not absolute, assurance as to the reliability of the financial information included in this report.

JOINTLY CONTROLLED ENTITY

The group owns 50% (2008: 50%) of the ordinary share capital of Assmang. In accordance with IFRS, the results of Assmang are accounted for by Assore using the proportionate consolidation method and the financial information set out below has been extracted from the audited financial statements of Assmang and its subsidiary companies for the year ended 30 June 2009.

The calculation of profit for consolidation purposes was based on the profit of Assmang for the year ended 30 June 2009 and dividends declared during that period.

	Year ended 30 June	
	2009 R'000	2008 R'000
Abridged consolidated income statement of Assmang		
Turnover	15 263 603	14 835 456
Profit before taxation and State's share of profit	9 923 181	8 227 883
Taxation and State's share of profit	3 604 023	2 691 992
Earnings	6 319 158	5 535 891
Dividends declared during the year	4 302 732	479 008
Profit for the year after dividends paid	2 016 426	5 056 883
Earnings per share (rands)		
– attributable	1 780,94	1 560,19
– headline	1 775,59	1 564,13
Dividends paid per share (rands)		
– final	563,65	35,00
– interim	649,00	100,00
	1 212,65	135,00

	At 30 June	
	2009 R'000	2008 R'000
Abridged consolidated balance sheet of Assmang		
Assets		
Non-current assets	9 265 451	7 196 333
Current assets	7 627 763	8 561 439
Total assets	16 893 214	15 757 772
Equity and liabilities		
Total equity	11 988 594	9 972 168
Non-current liabilities	2 816 757	1 782 717
Current liabilities		
– interest-bearing	14 807	511 829
– non-interest-bearing	2 073 056	3 491 058
Total equity and liabilities	16 893 214	15 757 772
Capital expenditure (Rm)	2 780	2 900
Capital commitments (Rm)	7 175	1 473

DIRECTORS' EMOLUMENTS

Emoluments paid to the directors for the year under review are as follows:

	Directors' fees (refer note 1) R'000	Salary R'000	Bonuses (refer note 2) R'000	Contributions to pension scheme R'000	Other fringe benefits (refer note 3) R'000	Total R'000
2009						
Executive						
Desmond Sacco (Chairman)	110	3 806	317	–	463	4 696
R J Carpenter (Deputy Chairman)	96	3 619	11 636	822	233	16 406
C J Cory (Chief Executive Officer)	96	3 305	11 494	750	251	15 896
P C Crous (Technical and Operations)	96	2 904	11 313	659	211	15 183
Non-executive						
P N Boynton* (resigned 2 January 2009)	60					60
B M Hawksworth	150					150
M C Ramaphosa*	120					120
E M Southey (appointed 2 January 2009)	60					60
J C van der Horst	120					120
Alternate						
J W Lewis (resigned 31 August 2009)	–	1 321	5 597	300	223	7 441
N G Sacco	–	1 338	72	84	34	1 528
P E Sacco	36	432	72	88	118	746
R Smith	–	–	–	–	–	–
	944	16 725	40 501	2 703	1 533	62 406
2008						
Executive						
Desmond Sacco (Chairman)	110	3 398	283	–	419	4 210
R J Carpenter (Deputy Chairman)	96	3 232	11 843	734	243	16 148
C J Cory (Chief Executive Officer)	96	2 950	11 682	671	249	15 648
P C Crous (Technical and Operations)	96	2 592	11 478	600	211	14 977
Non-executive						
P N Boynton*	120					120
B M Hawksworth	150					150
M C Ramaphosa*	120					120
J C van der Horst	120					120
Alternate						
J W Lewis	–	1 180	5 673	272	218	7 343
N G Sacco	–	439	28	24	13	504
P E Sacco	15	360	114	72	127	688
R Smith	–	–	–	–	–	–
	923	14 151	41 101	2 373	1 480	60 028

* *Fees paid to employer*

Notes

1. Directors' fees for executives include fees received from Assmang Limited.
2. Due to the shareholding structure the company is unable to offer directors' remuneration by way of share incentive or option arrangements and bonuses are determined based on results for the year. Directors owning shares in the group do so in their own right and disclosure thereof is made in this report (refer to page 54).
3. Other fringe benefits include medical aid contributions, car scheme allowances, life insurance contributions, leave paid out, study loan benefits, use of assets and unemployment insurance fund contributions.
4. None of the directors or their immediate families hold any options to acquire shares in the company nor are they entitled to any gains by way of commissions, profit-sharing arrangements or contracts entered into with group companies.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

Interests of the directors in the ordinary shares of the company at 30 June 2009 were as follows, and the company is unaware of any material change in these interests between year-end and the date of this report.

	Direct beneficial Number of shares		Indirect beneficial Number of shares	
	2009	2008	**2009**	2008
Executive directors				
Desmond Sacco	**167 500**	65 000	**6 486 098**	6 486 098
R J Carpenter	**22 400**	22 400	**–**	–
C J Cory	**10 000**	10 000	**–**	–
P C Crous	**3 000**	3 000	**–**	–
Non-executive directors				
P N Boynton (resigned 2 January 2009)	**–**	–	**–**	–
B M Hawksworth	**1 000**	–	**–**	–
M C Ramaphosa	**–**	–	**1 106 000**	1 106 000
E M Southey (appointed 2 January 2009)	**–**	–	**–**	–
Dr J C van der Horst	**–**	–	**–**	–
Alternate directors				
J W Lewis (resigned 31 August 2009)	**2 500**	2 500	**–**	–
N G Sacco	**34 050**	34 050	**–**	–
P E Sacco	**35 350**	35 050	**–**	–
R Smith	**–**	–	**–**	–
	275 800	172 000	**7 592 098**	7 592 098

ANALYSIS OF SHAREHOLDING

The following analysis of shareholders, in accordance with the JSE Listings Requirements, has been established, based on an examination of the company's share register at 30 June 2009. The directors are not aware of any material changes to this analysis between the year-end and the date of this report.

	2009 %	2008 %
Shareholder spread		
Shares held by the public/non-public		
Non-public*		
– Holders in excess of 10% of the share capital	**74,91**	74,51
– Directors of the company	**1,00**	0,61
	75,91	75,12
Public (677 shareholders 2008: 637)	**24,09**	24,88
	100,00	100,00

* *As defined by Rule 4.25 of the JSE Listings Requirements*

	2009 %	2008 %
Major shareholders		
Oresteel Investments (Proprietary) Limited	**53,09**	52,28
Main Street 343 (Proprietary) Limited (a wholly owned subsidiary of Shanduka Resources (Proprietary) Limited)	**11,94**	11,76
Main Street 460 (Proprietary) Limited (a wholly owned subsidiary of Assore Limited)	**9,88**	–
The Standard Bank of South Africa Limited	**–**	10,47
Old Mutual Life Assurance Company (South Africa) Limited	**–**	4,57
	74,91	79,08
Others – less than 5%	**25,09**	20,92
	100,00	100,00

SPECIAL RESOLUTION

On 26 February 2009, amendments were made to the rights and privileges attached to the 220 variable rate cumulative redeemable preference shares (shares) pursuant to the voluntary redemption of 75 shares redeemed prior to the original specified redemption date.

DIVIDENDS

In accordance with the group's accounting policy for dividends, only dividends which are declared during the financial year are recorded in the financial statements and are summarised as follows:

	2009 R'000	2008 R'000
Final dividend No 103 of 1 000 cents (2008: 200 cents) per share		
– declared on 27 August 2008	**280 000**	56 000
Interim dividend No 104 of 1 000 cents (2008: 250 cents) per share		
– declared on 19 February 2009	**275 717**	70 000
Less: dividends attributable to treasury shares	**(76 311)**	(4 392)
	479 406	121 608
Dividends which relate to the group's activities for the year under review are summarised as follows:		
Interim dividend No 104 of 1 000 cents (2008: 250 cents) per share		
– declared on 19 February 2009	**275 717**	70 000
Final dividend No 105 of 1 000 cents (2008: 1 000 cents) per share		
– declared on 26 August 2009	**275 717**	280 000
Less: dividends attributable to treasury shares	**(72 747)**	(42 592)
	478 687	307 408

POST-BALANCE SHEET EVENT

Besides the declaration of the final dividend on 26 August 2009 referred to above, no other events have occurred that would have had a material impact on the results and financial position of the group and company for the financial year.

HOLDING COMPANY

The company's holding company is Oresteel Investments (Proprietary) Limited.

DIRECTORATE AND SECRETARY

The names of the directors at the date of this report and the name of the company secretary, including its business and postal addresses, are set out on page 4 of this report.

On 2 January 2009, Mr P N Boynton resigned as director, and Mr E M Southey was appointed as an independent non-executive director on the same date. On 31 August 2009, Mr J W Lewis resigned as alternate director to Mr R J Carpenter. In terms of the company's Articles of Association, Messrs B M Hawksworth, M C Ramaphosa, E M Southey and Dr J C van der Horst are required to retire by rotation at the forthcoming Annual General Meeting. All of the abovementioned directors, being eligible, offer themselves for re-election. (Refer to pages 8 and 9 for a short *curriculum vitae* for these and the other directors of the company.)

Johannesburg
28 October 2009

CONSOLIDATED BALANCE SHEET

as at 30 June 2009

	Note	2009 R'000	2008 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	2	**5 118 685**	4 131 072
Investment properties	3	**61 838**	61 838
Intangible assets	4	**2 927**	3 108
Investments – available-for-sale	5	**415 066**	590 066
– other	5	**42 259**	125
Deferred taxation	13	**74 309**	61 977
		5 715 084	4 848 186
Current assets			
Inventories	6	**1 804 010**	1 287 730
Trade and other receivables	7	**593 087**	1 998 542
Cash deposits held by environmental trusts		**47 739**	36 942
Cash resources	24.6	**3 001 328**	1 952 015
		5 446 164	5 275 229
Total assets		**11 161 248**	10 123 415
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	8	**689**	700
Share premium	9	**30 358**	30 358
Treasury shares	10	**(2 125 285)**	(2 341 725)
Retained earnings		**8 576 752**	6 063 424
Other reserves	11	**120 715**	358 115
		6 603 229	4 110 872
Minority shareholders' interest		**71 819**	111 528
Total equity		**6 675 048**	4 222 400
Non-current liabilities			
Long-term borrowings	12	**51 556**	72 792
Deferred taxation	13	**1 416 145**	961 678
Long-term provisions	14	**205 957**	150 528
		1 673 658	1 184 998
Current liabilities			
Trade and other payables	15	**648 490**	1 043 517
Taxation		**429 293**	966 127
Short-term provisions	16	**110 916**	84 884
Short-term borrowings and overdrafts	17	**1 623 843**	2 621 489
		2 812 542	4 716 017
Total equity and liabilities		**11 161 248**	10 123 415

CONSOLIDATED INCOME STATEMENT
for the year ended 30 June 2009

	Note	2009 R'000	2008 R'000
Revenue	18	**9 527 669**	9 545 809
Turnover		**8 818 655**	9 158 937
Cost of sales		**3 983 720**	4 668 547
Gross profit		**4 834 935**	4 490 390
Profit on disposal of available-for-sale investments		**19 086**	22 350
Investment income		**392 659**	76 747
Foreign exchange gains		**566 220**	225 128
Net technical fees and commissions on sales		**278 832**	277 992
Other income		**173 117**	31 870
Foreign exchange losses		**(101 614)**	(19 101)
Other expenses		**(616 207)**	(379 904)
Finance costs	19	**(298 148)**	(38 016)
Profit before taxation and State's share of profits	20	**5 248 880**	4 687 456
Taxation and State's share of profits	21	**1 981 493**	1 509 091
Profit for the year		**3 267 387**	3 178 365
Attributable to:			
Shareholders of the holding company		**3 241 452**	3 069 522
Minority shareholders		**25 935**	108 843
As above		**3 267 387**	3 178 365
Earnings per share (cents) (basic and diluted)	22	**13 669**	11 406
Headline earnings per share (cents) (basic and diluted)	22	**13 772**	11 362
Dividends per share declared during the year (cents)	23	**2 022**	450

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 2009

	Note	2009 R'000	2008 R'000
Cash retained from operating activities		**3 670 885**	5 691 607
Net cash generated by operations		**6 193 235**	6 215 471
Cash generated by operations	24.1	**5 835 346**	5 032 284
Dividend income	24.2	**20 030**	9 002
Movements in working capital	24.3	**337 859**	1 174 185
Interest income	18	**366 720**	67 745
Finance costs	19	**(298 148)**	(38 016)
Taxation paid	24.4	**(2 035 700)**	(380 611)
Dividends paid to shareholders of the holding company	24.5	**(479 379)**	(121 647)
Dividends paid to minority shareholders		**(75 843)**	(51 335)
Cash utilised in investing activities		**(1 620 690)**	(3 865 170)
Acquisition of shares in the holding company by a subsidiary company		**(32 279)**	(2 255 463)
Acquisition of available-for-sale investments		**(117 813)**	(149 084)
Acquisition of other investments		**(42 134)**	–
Additions to property, plant and equipment			
– to maintain operations		**(686 342)**	(1 007 840)
– to expand operations		**(789 626)**	(499 976)
Additions to investment properties		**–**	(413)
Payments against long-term provisions		**(411)**	–
Net movement in environmental rehabilitation trust funds		**(10 797)**	(7 845)
Proceeds on disposal of			
– property, plant and equipment		**36 042**	28 419
– available-for-sale investments		**22 670**	27 032
Cash utilised in financing activities		**(1 000 882)**	(154 782)
(Decrease)/increase in long-term borrowings		**(13 833)**	1 885
Decrease in short-term borrowings and overdrafts		**(987 049)**	(156 667)
Cash resources			
– increase for the year		**1 049 313**	1 671 655
– at beginning of year		**1 952 015**	280 360
– at end of year	24.6	**3 001 328**	1 952 015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2009

	Note	2009 R'000	2008 R'000
Share capital			
Balance at beginning of year		700	700
Shares repurchased and cancelled during the year at par value		(11)	–
Balance at end of year	8	689	700
Share premium			
Balance at beginning and end of year	9	30 358	30 358
Treasury shares			
Balance at beginning of year		(2 341 725)	(86 262)
Treasury shares repurchased during the year		(26 465)	(27 407)
Treasury shares warehoused		–	(2 228 056)
Warehouse transaction costs		(5 038)	–
Cancellation of treasury shares		248 718	–
Costs of cancellation of treasury shares		(775)	–
Balance at end of year	10	(2 125 285)	(2 341 725)
Retained earnings			
Balance at beginning of year		6 063 424	3 115 510
Profit for the year		3 241 452	3 069 522
Ordinary dividends declared during the year		(479 406)	(121 608)
Final dividend No 103 of 1 000 cents (2008: 200 cents) per share – declared on 27 August 2008		(280 000)	(56 000)
Interim dividend No 104 of 1 000 cents (2008: 250 cents) per share – declared on 19 February 2009		(275 717)	(70 000)
Less: dividends attributable to treasury shares		76 311	4 392
Treasury shares repurchased and cancelled during the year		(248 718)	–
Balance at end of year		8 576 752	6 063 424
Other reserves			
Balance at beginning of year		358 115	170 401
		(237 400)	187 714
Net (decrease)/increase in the market value of available-for-sale investments		(270 143)	232 019
Profit on disposal of available-for-sale investments recognised in profit for the year		(19 086)	(22 350)
Deferred capital gains taxation provided on revaluation of available-for-sale investments to market value		40 492	(27 675)
Foreign currency translation reserve arising on consolidation		11 337	5 720
Balance at end of year	11	120 715	358 115
Equity attributable to shareholders of the parent		6 603 229	4 110 872
Minority shareholders' interest		71 819	111 528
Balance at beginning of year		111 528	48 673
Share of profit for the year		25 935	108 843
Foreign currency translation reserve arising on consolidation		10 199	5 347
Dividends paid to minorities		(75 843)	(51 335)
Total equity		6 675 048	4 222 400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2009

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements of the group and company are prepared on the historical cost basis, except for financial instruments that are measured at fair value. Details of the accounting policies used in the preparation of the financial statements are set out below which are consistent with those applied in the previous year except as stated under the heading "Changes in accounting policies" below.

1.1.1 Statement of compliance

The consolidated financial statements of the group and company have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and interpretations of those standards, as adopted by the International Accounting Standards Board (IASB) and applicable legislation.

1.1.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that the group has adopted the following standards or changes to standards in response to changes in IFRS:

Standard	Effective for financial periods commencing	Description	Impact
IAS 23	1 January 2009	IAS 23 (Amendment) – Borrowing Costs	IAS 23 (revised) supersedes the previous IAS 23. The main change from the previous version is the removal of the option to immediately recognise, as an expense, borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale.
IFRIC 13	1 July 2008	Customer Loyalty Programmes	IFRIC 13 addresses accounting by entities that grant loyalty award credits to customers who buy goods and services. This interpretation did not have any impact on the group's financial statements.
IAS 39, IFRS 7 and IFRIC 9	1 July 2008	IAS 39 (Amendment) – Financial Instruments: Recognition and Measurement, IFRS 7 (Amendment) – Financial Instruments: Disclosures and IFRIC 9 (Amendment) – Reassessment of Embedded Derivatives	The amendments to the standards and the interpretation allow entities to reclassify certain financial instruments from held-for-trading and available-for-sale categories. These amendments necessitated a review of the implications on the requirement of IFRIC 9 to reassess embedded derivatives. The amendments to IAS 39, IFRS 7 and IFRIC 9 were published subsequent to the required effective date, and entities were permitted to effect retrospective adjustments to 1 July 2008. Since the group does not have any financial instruments classified as held-for-trading, or derivatives, the amendments did not have any impact on the group's financial statements.

1.1.3 IFRS and IFRIC interpretations not yet effective

The group has not applied the following IFRS and IFRIC interpretations which have been issued but are not yet effective:

Standard	Effective for financial periods commencing	Description	Impact
IAS 1	1 January 2009	IAS 1 (Amendment) – Presentation of Financial Statements	IAS 1 (Amendment) – The amendment requires that all non-owner changes in equity (comprehensive income) be presented in either one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not presented in the statement of changes in equity. It also requires that a balance sheet is presented at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement. The entity has to disclose income tax relating to each component of other comprehensive income, and disclose reclassification adjustments relating to components of other comprehensive income. The group still needs to determine which disclosure option it will follow for comprehensive income, but it is not expected that the impact on the financial statements will be significant.

Standard	Effective for financial periods commencing	Description	Impact
IAS 27	1 July 2009	IAS 27 (Amendment) – Consolidated and Separate Financial Statements	IAS 27 amendments deal with acquisitions of additional non-controlling equity interests that have to be accounted for as equity transactions. Disposals of equity interests while retaining control are also accounted for as equity transactions. When control of an investee is lost, the resulting gain or loss relating to the transaction will be recognised in profit and loss. These amendments will impact on the accounting treatment where additional minority interests are acquired.
IAS 32	1 January 2009	IAS 32 (Amendment) – Financial Instruments: Presentation IAS 1 (Amendment) – Presentation of Financial Statements	IAS 32 requires certain puttable instruments that meet the definition of a financial liability to be classified as equity if, and only if, they meet the required conditions. These amendments will not have any impact on the group's financial statements.
IFRS 2 and AC 503	1 January 2009	IFRS 2 (Amendment) – Share-based Payment: Vesting Conditions and Cancellations and AC 503 – Accounting for Black Economic Empowerment (BEE) Transactions	The amendments apply to equity-settled share-based payment transactions and clarify what are vesting and non-vesting conditions. Vesting conditions are now limited to service conditions as defined in the current IFRS 2 and performance conditions. Non-vesting conditions are conditions that do not determine whether the entity receives the services that entitle the counterparty to a share-based payment. Non-vesting conditions are taken into account in measuring the grant date fair value and thereafter there is no true-up for differences between expected and actual outcomes. Amendments to AC 503 as issued by the South African Institute of Chartered Accountants (SAICA) were made as a result of the changes of IFRS 2. These amendments will not have any impact on the group's financial statements.
IFRS 3	1 July 2009	Business Combinations (Revised)	IFRS 3 applies to all new business combinations that occur after 1 July 2010. The statement requires that all transaction costs be expensed and the contingent purchase consideration be recognised at fair value on acquisition date. For successive share purchases, any gain or loss for the difference between the fair value and the carrying amount of the previously held equity interest in the acquiree will have to be recognised in profit and loss. These amendments will have an impact on the disclosures regarding any future business combinations.
IFRS 8	1 January 2009	Operating Segments	IFRS 8 sets out requirements for disclosure of information about an entity's operating segments, the entity's products and services, the geographical areas in which it operates and its major customers. This standard may require additional disclosures regarding segmental information, and the group is still determining the impact of the standard on its financial statements.
IAS 39	1 July 2009	IAS 39 (Amendment) – Financial Instruments: Recognition and Measurement	The amendments to IAS 39 clarify the application of principles when associating the risks attributable to a portion of cash flows or fair value of a financial instrument designated as a hedged item. Since the group does not apply hedge accounting, these amendments will not have any impact on the group's financial statements.
IFRS 7	1 January 2009	IFRS 7 (Amendment) – Financial Instruments: Disclosures	The amendments are intended to enhance disclosures about fair value measurement and liquidity risk. Adoption of these amendments will not impact on the group's financial position, but may give rise to additional disclosures.

1. ACCOUNTING POLICIES (continued)
1.1.3 IFRS and IFRIC interpretations not yet effective (continued)

Standard	Effective for financial periods commencing	Description	Impact
IFRIC 15	1 January 2009	Agreements for the Construction of Real Estate	IFRIC 15 clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the interpretation provides guidance on how to determine whether an agreement is within the scope of IAS 11 – Construction Contracts within the scope of IAS 18 – Revenue. This interpretation will not have any impact on the group's financial statements.
IFRIC 16	1 October 2008	Hedges of a Net Investment in a Foreign Operation	IFRIC 16 provides guidance in respect of hedges of foreign exchange gains and losses on a net investment in a foreign operation. Since the group does not undertake hedging of foreign exchange impacts in its offshore subsidiary, the interpretation will not have any impact on the group's financial statements.
IFRIC 17	1 July 2009	Distribution of non-cash assets to owners	IFRIC 17 provides guidance on the recognition and measurement of liabilities and the associated assets in the event entities distribute non-cash assets to shareholders. Since the group does not effect distributions as described in the interpretation, the interpretation will not have any impact on the group's financial statements.
IFRIC 18	1 July 2009	Transfer of assets from customers	IFRIC 18 provides guidance on accounting for assets received from customers used for a specific purpose. Since the group does not receive assets as described in the interpretation, the interpretation will not have any impact on the group's financial statements.
AC 504	1 April 2009	IAS 19 – Employee Benefits: The limit on a defined benefit asset, minimum funding requirements and their interaction in a South African pension fund environment	AC 504 provides guidance on the application of IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction in a South African environment. The group adopted IFRIC 14 in the previous financial year, and has assessed that the interpretation will not have impact on the group's financial statements.

The IASB has published two sets of improvements to IFRIS, which are mostly effective for periods commencing on or after January 2009 and January 2010 respectively. These improvements represent generally minor changes, and material impacts on the financial position of the group as a result of their adoption are not expected, and are to be assessed in due course.

1.2 **Significant accounting judgements and estimates**

Judgements

In the process of applying the group's accounting policies, management has made the following judgements, apart from those involving estimations, which could have a significant effect on the amounts recognised in the financial statements:

Consolidation of special-purpose vehicles

Management is of the opinion that the Bokamoso Trust, a broad-based community trust, is still controlled by Assore, as suitable beneficiaries which comply with the broad-based requirement set out in the trust deed have yet to be identified. Accordingly, the trust has been consolidated in the group financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate a possible impairment. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The goodwill relates to the acquisition of a foreign subsidiary and, based on current circumstances, no impairment is necessary.

Post-retirement medical aid liability

Independent actuaries determine the quantum of the liability on a regular basis, and the related assumptions are disclosed in note 32.2.

Provisions for environmental rehabilitation

The group provides for the estimated costs of rehabilitation which include both restoration and associated decommissioning of assets. An independent environmental liability assessment is conducted on an annual basis to assess the adequacy of the environmental rehabilitation provisions. Significant risk of material adjustment exists due to the inherent uncertainty surrounding the future life of the mines, the forward-looking nature of the provisions and the uncertainty regarding the underlying assumptions.

1.3 **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the company and its joint-venture and subsidiary companies, which are prepared for the same reporting year as the holding company, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits and losses arising from intragroup transactions, have been eliminated.

Subsidiary companies

Investments in subsidiary companies are accounted for in the company at cost less impairments. Subsidiary companies are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases. All intragroup transactions and balances (including profits and losses that arise between group companies) are eliminated on consolidation.

Minority interests represent the portion of profit or loss and net assets and liabilities not held by the group which are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognised as goodwill.

Joint ventures

Investments in jointly controlled entities are accounted for using the proportionate consolidation method. Entities are regarded as joint ventures where the group, in terms of contractual agreements, has joint control over the financial and operating policy decisions of the enterprise. The group's attributable share of the assets, liabilities, income and expenses of such jointly controlled entities is incorporated on a line-by-line basis in the group financial statements and all intragroup transactions and balances are eliminated on consolidation. The joint venture is proportionately consolidated until the date on which the group ceases to have joint control over the joint venture.

1.4 **Property, plant and equipment and depreciation**

Plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met. The carrying amounts of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

1. ACCOUNTING POLICIES (continued)

1.4 Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment is derecognised upon disposal or when future economic benefits are no longer expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

The costs to add to, replace part of, or service an item following a major inspection is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Depreciation of the various types of assets is determined on the following bases:

Mineral and prospecting rights

Mineral rights, which are being depleted, are amortised over their estimated useful lives using the units-of-production method based on proven and probable ore reserves. Where the reserves are not determinable, due to their scattered nature, the straight-line method is applied. The maximum rate of depletion of any mineral right is 25 years. Mineral rights, which are not being depleted, are not amortised. Mineral rights, which have no commercial value, are written off in full.

Land, buildings and mine, township and industrial properties

Land is not depreciated. Owner-occupied properties, which are designed for a specific use are only depreciated if carrying value exceeds estimated residual value, in which case they are depreciated to estimated residual value on a straight-line basis over their estimated useful lives. The annual depreciation rates used vary up to a maximum of 25 years.

Mine, township and industrial properties, including houses, schools and administration blocks, are depreciated to estimated residual values at the lesser of life of mine and expected useful life of the asset on the straight-line basis.

Plant and equipment

Mining plant and equipment is depreciated over the lesser of its estimated useful life, estimated at between five and 19 years, and the units-of-production method based on estimated proven and probable ore reserves. Where ore reserves are not determinable, due to their scattered nature, the straight-line method of depreciation is applied.

Industrial plant and equipment is depreciated on the straight-line basis, over its useful life, up to a maximum of 25 years.

Prospecting, exploration, mine development and decommissioning assets

Costs related to property acquisitions and mineral and surface rights related to exploration are capitalised and depreciated over a maximum period of 30 years.

All exploration expenditures are expensed until they result in projects that are evaluated as being technically and commercially feasible and a future economic benefit is highly probable. In evaluating whether expenditures meet the criteria to be capitalised, the company utilises several different sources of information and also differentiates projects by levels of risks, including:

- the degree of certainty over the mineralisation of the orebody;
- commercial risks including but limited to country risks; and
- prior exploration knowledge available about the target orebody.

Exploration expenditure incurred on greenfields sites where the company does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a bankable feasibility study has been completed after, which the expenditure is capitalised.

Exploration expenditure incurred on brownfields sites, adjacent to any mineral deposits which are already being mined or developed is expensed as incurred until the company has obtained sufficient information from all available sources to ameliorate the project risk areas identified above and which indicates by means of a pre-feasibility study that the future economic benefits are highly probable.

Exploration expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits is capitalised and depreciated over a maximum period of 30 years.

Activities in relation to evaluating the technical feasibility and commercial viability of mineral resources are treated as forming part of exploration expenditures.

Vehicles, furniture and office equipment

Vehicles, furniture and office equipment are depreciated on the straight-line basis using the following useful lives:

Vehicles	– between five and nine years
Furniture	– between four and 18 years
Office equipment	– between two and 11 years

Capital work-in-progress
Capital work-in-progress is not depreciated and is transferred to the category to which it pertains when the asset is brought into use as intended.

1.5 Leased assets

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset.

Leases of assets where the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance leases are capitalised as property, plant and equipment at fair value of the leased assets at commencement of the lease, or, if lower, the present value of the minimum lease payments and the corresponding liability to the lessor is raised. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against operating profit, and the capital repayment, which reduces the liability to the lessor. These assets are depreciated on the same basis as the fixed assets owned by the group.

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

1.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are reflected at cost less accumulated depreciation and impairment losses. Investment properties are only depreciated if their carrying value exceeds estimated residual value, in which case they are depreciated to estimated residual value on a straight-line basis over their estimated useful lives.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

1.7 Intangible assets

Intangible assets represent proprietary technical information and goodwill. Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually, either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities fairly valued, at date of acquisition. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired based on future income streams of the cash-generating unit.

Internally generated intangible assets are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

1.8 Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset, which require a substantial period of time to be prepared for its intended use, are capitalised. Capitalisation of borrowing costs as part of the cost of a qualifying asset commences when:

- expenditures for the asset are being incurred;
- borrowing costs are being incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

1. ACCOUNTING POLICIES (continued)

1.8 Capitalisation of borrowing costs (continued)

Capitalisation is suspended when the active development is interrupted and ceases when the activities necessary to prepare the asset for its use are completed.

Other borrowing costs are charged to finance costs in the income statement as incurred.

1.9 Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, in which case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss, and the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

1.10 Environmental rehabilitation expenditure

The estimated cost of final rehabilitation, comprising the liability for decommissioning of assets and restoration, is based on current legal requirements and existing technology and is reassessed annually.

Decommissioning costs

The present value of estimated future decommissioning obligations at the end of the operating life of a mine is included in long-term provisions. The related decommissioning asset is recognised in property, plant and equipment when the decommissioning provision gives access to future economic benefits. The unwinding of the obligation is included in the income statement.

The estimated cost of decommissioning obligations is reviewed annually and adjusted for legal, technological and environmental circumstances that affect the present value of the obligation for decommissioning. Decommissioning costs capitalised are amortised using the lesser of its estimated useful life or units of production method based on estimated proven and probable ore reserves.

Restoration costs

The estimated cost of restoration at the end of the operating life of a mine is included in long-term provisions and is charged to the income statement based on the units-of-production mined during the current year, as a proportion of the estimated total units which will be produced over the life of the mine. Cost estimates are not reduced by the potential proceeds from the sale of assets.

Ongoing rehabilitation costs

Expenditure on ongoing rehabilitation is charged to the income statement as incurred.

Environmental rehabilitation trust funds

The group makes annual contributions to the environmental rehabilitation trust funds, which have been created to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the lives of the group's mines. Annual contributions are determined in accordance with statutory requirements, on the basis of the estimated environmental obligation divided by the remaining life of a mine. Income earned on monies paid to the trust is accounted for as net investment income. The environmental trust funds are consolidated.

1.11 Financial instruments

The group's financial instruments consist primarily of cash on hand, balances with banks, deposits on call, money market instruments, derivative instruments, trade and other receivables, trade payables, borrowings and investments other than those in subsidiary or joint-venture companies. The initial recognition of financial instruments is at fair value at the trade date and subsequent recognition is at fair value or amortised cost. Recognition methods adopted are disclosed in the policy statements for each item.

Available-for-sale investments

All investments are initially recognised at fair value, including acquisition charges associated with the investment. After initial recognition, investments, other than investments in jointly controlled entities and subsidiary companies, are classified as available-for-sale investments and are disclosed at fair value, which equates to market value.

Gains and losses on subsequent measurement are recognised in equity until the investment is disposed of, or its original cost is considered to be impaired, at which time the cumulative gain previously reported in equity and the impairment of the cost, where considered permanent, is taken to the income statement.

The fair value of available-for-sale investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques such as discounted cash flow analysis.

Trade and other receivables

Trade receivables, which generally have 60- to 120-day terms, are initially recognised at fair value and subsequently at amortised cost and are classified as loans and receivables. An impairment is recognised when there is evidence that an entity will not be able to collect all amounts due according to the original terms of the receivables. The impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rates. The amount of the impairment is charged to the income statement.

Preference shares, trade and other payables

Preference shares, trade and other payables are stated at amortised cost, being the initial recognised obligation less payments made and any other adjustments.

1.12 Derivative financial instruments and hedging

In the event that the group uses derivative financial instruments, such as forward currency contracts to hedge its risks associated with foreign currency fluctuations, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The group does not apply hedge accounting and any gains or losses arising from changes in fair value on derivatives are taken directly to profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

1.13 Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss. If a legally enforceable right exists to set-off recognised amounts of financial assets and liabilities and the group intends to settle on a net basis or to realise the asset and settle the liability simultaneously, all related financial effects are netted.

1.14 Impairment of financial assets

The group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired, which is determined on the following bases:

Assets carried at amortised cost

If there is objective evidence that an impairment loss on trade and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). The carrying amount of the asset is either reduced directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

1. ACCOUNTING POLICIES (continued)

1.14 Impairment of financial assets (continued)

The group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised, are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Assets carried at cost
If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Available-for-sale investments
If an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals in respect of equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses on debt instruments are reversed through profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

1.15 Foreign currency translation

The consolidated financial statements are presented in South African currency, which is the group's functional and presentation currency. Transactions in other currencies are dealt with as follows:

Foreign currency balances
Transactions in foreign currencies are converted to South African currency at the rate of exchange ruling at the date of these transactions. Monetary assets and liabilities denominated in a foreign currency at the end of the financial year are translated to South African currency at the approximate rates ruling at that date. Foreign exchange gains or losses arising from foreign exchange transactions, whether realised or unrealised, are included in the determination of profit.

Foreign entities
The assets and liabilities of overseas subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The income statements of overseas subsidiaries are translated at weighted average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to equity. On disposal of a foreign entity, accumulated exchange differences are recognised in the income statement as a component of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the acquiring company and are recorded at the exchange rate at the date of the transaction.

1.16 Inventories

Inventories are valued at the lower of cost and estimated net realisable value with due allowance being made for obsolescence and slow-moving items. The cost of inventories, which are determined on a weighted average cost basis, comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.17 Taxation

Current tax
Tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred taxation
Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- where the deferred tax liability arises from goodwill impairment or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and unused tax assets and unused tax losses carried forward to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the unused tax assets and unused tax losses carried forward can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except:

- where the VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- where receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Secondary taxation on companies (STC)

STC is calculated on the declaration date of all dividends net of dividends received and is included in the taxation expense in the income statement. To the extent that it is probable that the entity with the STC credits will declare dividends of its own against which unused STC credits can be utilised, a deferred tax asset is recognised for such STC credits.

1.18 Provisions

Provisions are recognised when:

- a present legal or constructive obligation exists as a result of past events where it is probable that a transfer of economic benefits will be required to settle the obligation; and
- a reasonable estimate of the obligation can be made.

A present obligation is considered to exist when the group has no realistic alternative but to make the transfer of economic benefits. The amount recognised as a provision is the best estimate at the balance sheet date of the expenditure required to settle the obligation. Only expenditure related to the purpose for which the provision was raised is charged to the provision. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

1.19 Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at their fair value, being the consideration received, net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, as well as through the amortisation process.

1.20 Treasury shares

Own equity instruments which are reacquired are regarded as treasury shares and are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of treasury shares.

1.21 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sale of mining and beneficiated products

Sale of mining and beneficiated products represents the F.O.B. or C.I.F. sales value of ores and alloys exported and the F.O.R. sales value of ores and alloys sold locally. Sales of mining and beneficiated products are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

1. ACCOUNTING POLICIES (continued)

1.21 Revenue (continued)

Technical fees and commissions on sales
Revenue from technical fees and commissions on sales is recognised on the date when the risk passes in the underlying transaction.

Interest received
Interest received is recognised using the effective interest rate method, ie the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net amount of the financial asset.

Dividends received
Dividends received are recognised when the shareholders' right to receive the payment is established.

Rental income
Rental income arising on investment properties is accounted for on a straight-line basis over the lease term of ongoing leases.

Cost of sales
All costs directly related to the production of products are included in cost of sales. Costs that cannot be directly linked are included separately or under other operating expenses. When inventories are sold, the carrying amount is recognised in cost of sales.

1.22 Post-employment benefits

Retirement benefit plans operated by the group are of both the defined benefit and defined contribution types. The cost of providing benefits under defined benefit plans is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised using the "corridor method", ie as income or an expense when the net cumulative unrecognised actuarial gains or losses for each individual plan at the end of the previous reporting year exceed 10% of the higher of the defined benefit obligation or the fair value of the plan assets at that date. These gains and losses are recognised over the expected average remaining working lives of the employees participating in the plans.

Past-service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past-service cost is recognised immediately.

The rate at which contributions are made to defined contribution funds are fixed and are recognised as an expense when employees have rendered services in exchange for those contributions. No liabilities are raised in respect of the defined contribution fund, as there is no legal or constructive obligation to pay further contributions should the fund not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

1.23 Definitions

Earnings and headline earnings per share
The calculation of earnings per share is based on net income after taxation and State's share of profits, after adjusting for outside shareholders' interests divided by the weighted number of shares outstanding during the period.

Headline earnings comprise earnings for the year, adjusted for profits and losses on items of a capital nature. Headline earnings have been calculated in accordance with circular 8/2007 issued by the South African Institute of Chartered Accountants. Adjustments against earnings are made after taking into account attributable taxation and minority interests. The adjusted earnings figure is divided by the weighted average number of shares in issue to arrive at headline earnings per share.

Cash resources
The cash resources disclosed in the cash flow statement comprise cash on hand, deposits held on call with banks and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value. Bank overdrafts have been separately disclosed with current liabilities on the balance sheet. The book value of cash deposits with banks and money-market instruments approximate their fair value.

Dividends per share
Dividends declared during the year divided by the weighted number of ordinary shares in issue.

Cash restricted for use
Cash which is subject to restrictions on its use is stated separately at the carrying value in the notes.

Fair value
Where an active market is available it is used to represent fair value. Where there is not an active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions with reference to the current market of another instrument which is substantially the same discounted cash flow analysis or other valuation models.

1.24 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and which existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group, or a present obligation that arises from past events but is not recognised because it is not probable that on outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

	Cost	Accumulated depreciation and impairment charges	Carrying amount	Cost	Accumulated depreciation and impairment charges	Carrying amount
	2009 R'000	2009 R'000	2009 R'000	2008 R'000	2008 R'000	2008 R'000
2. PROPERTY, PLANT AND EQUIPMENT						
At year-end						
Mining assets						
Mineral and prospecting rights	432 476	91 691	340 785	432 476	71 878	360 598
Land, buildings and mine properties	519 949	87 394	432 555	426 582	67 729	358 853
Plant and equipment	3 746 707	817 747	2 928 960	3 032 216	623 710	2 408 506
Prospecting, exploration, mine development and decommissioning assets	925 642	276 362	649 280	839 241	244 972	594 269
Vehicles, furniture and office equipment	777 391	234 952	542 439	329 424	141 541	187 883
Leased assets capitalised	27 503	16 363	11 140	27 543	9 457	18 086
Capital work-in-progress	107 238	–	107 238	54 409	–	54 409
	6 536 906	1 524 509	5 012 397	5 141 891	1 159 287	3 982 604
Other assets						
Land and buildings	11 426	451	10 975	6 962	316	6 646
Industrial property	24 846	13 000	11 846	24 813	2 913	21 900
Plant and equipment	136 262	79 721	56 541	127 855	25 545	102 310
Vehicles, furniture and office equipment	31 480	20 911	10 569	29 071	18 648	10 423
Capital work-in-progress	16 357	–	16 357	7 189	–	7 189
	220 371	114 083	106 288	195 890	47 422	148 468
	6 757 277	1 638 592	5 118 685	5 337 781	1 206 709	4 131 072

Exchange differences

Exchange differences arising on the translation at year-end of the property, plant and equipment of a foreign subsidiary amounted to R19 953 (2008: R70 940), and are included in other vehicles, furniture and office equipment.

Leased assets

Vehicles with a carrying amount of R11,1 million (2008: R18,1 million) are encumbered as security for the finance lease agreements referred to in note 12.

Borrowing costs

Acquisitions of mine development assets include borrowing costs amounting to R5,9 million (2008: R33,9 million) that were capitalised during the year. Borrowing costs are capitalised at effective rates applicable to group borrowings during the year.

Capital work-in-progress

Included in mine development, plant and machinery and capital work-in-progress above, are assets with a carrying amount of R843,3 million (2008: R197,6 million) which relate to projects in progress from which no revenue is currently derived.

Impairment of assets

The synthetic diamond operation, Xertech, has continued to incur losses, which have been exacerbated by excessive supply in the market of inferior competitive products and the global economic turmoil that set in during the year. Accordingly, the related assets have been impaired by R59,1 million, resulting in the assets being recognised at their fair values less costs to sell. The values have been determined based on reference to equivalent values attainable in the respective active markets for the assets concerned.

	Opening carrying amount R'000	Acquisitions R'000	Disposals R'000	Reclassi-fications R'000	Current depreciation and impairment charges R'000	Closing carrying amount R'000
2. PROPERTY, PLANT AND EQUIPMENT (continued)						
Movement for the year – 2009						
Mining assets						
Mineral and prospecting rights	360 598	–	–	–	(19 813)	340 785
Land, buildings and mine properties	358 853	54 881	(38)	40 107	(21 248)	432 555
Plant and equipment	2 408 506	888 138	(10 562)	(129 450)	(227 672)	2 928 960
Prospecting, exploration, mine development and decommissioning assets	594 269	82 933	(3 895)	7 518	(31 545)	649 280
Vehicles, furniture and office equipment	187 883	372 461	(902)	81 825	(98 828)	542 439
Leased assets capitalised	18 086	–	–	–	(6 946)	11 140
Capital work-in-progress	54 409	52 829	–	–	–	107 238
	3 982 604	1 451 242	(15 397)	–	(406 052)	5 012 397
Other assets						
Land and buildings	6 646	4 453	–	–	(124)	10 975
Industrial property	21 900	34	–	–	(10 088)	11 846
Plant and equipment	102 310	6 769	–	1 639	(54 177)	56 541
Vehicles, furniture and office equipment	10 423	3 671	(237)	6	(3 294)	10 569
Capital work-in-progress	7 189	10 813	–	(1 645)	–	16 357
	148 468	25 740	(237)	–	(67 683)	106 288
	4 131 072	1 476 982	(15 634)	–	(473 735)	5 118 685
Movement for the year – 2008						
Mining assets						
Mineral and prospecting rights	380 940	–	–	–	(20 342)	360 598
Land, buildings and mine properties	175 647	199 904	(2 480)	2 596	(16 814)	358 853
Plant and equipment	1 482 994	1 075 661	(4 841)	(4)	(145 304)	2 408 506
Prospecting, exploration mine development and decommissioning assets	593 239	73 528	(21 128)	120	(51 490)	594 269
Vehicles, furniture and office equipment	153 354	113 977	(29 705)	(1 084)	(48 659)	187 883
Leased assets capitalised	22 113	1 025	–	–	(5 052)	18 086
Capital work-in-progress	3 596	50 813	–	–	–	54 409
	2 811 883	1 514 908	(58 154)	1 628	(287 661)	3 982 604
Other assets						
Land and buildings	6 363	122	–	168	(7)	6 646
Township property	1 970	–	–	(1 970)	–	–
Industrial property	10 981	11 361	–	–	(442)	21 900
Plant and equipment	36 408	69 895	(1 230)	4	(2 767)	102 310
Vehicles, furniture and office equipment	8 031	5 352	(202)	170	(2 597)	10 754
Capital work-in-progress	62 970	(56 112)	–	–	–	6 858
	126 723	30 618	(1 432)	(1 628)	(5 813)	148 468
	2 938 606	1 545 526	(59 586)	–	(293 474)	4 131 072

		2009 R'000	2008 R'000
3.	**INVESTMENT PROPERTIES**		
	Land and buildings		
	Carrying amount at beginning of year	61 838	61 425
	Acquisitions	–	413
	Carrying amount at end of year	61 838	61 838
	Estimated fair value	152 025	152 025
	A register containing details of investment properties is available for inspection during business hours at the registered address of the company by shareholders or their duly authorised agents.		
	There is no depreciation charge for the year as the residual values are either equal to, or exceed the carrying amounts.		
4.	**INTANGIBLE ASSETS**		
	Licences		
	Carrying amount at beginning of year	1 690	1 870
	Disposals at carrying value	(1)	–
	Amortisation for the year	(180)	(180)
	Carrying amount at end of year	1 509	1 690
	Goodwill		
	Carrying amount at beginning and end of year	1 418	1 418
		2 927	3 108
	Goodwill represents the excess attributable on the acquisition of a majority stake in an offshore entity, which has been assessed for impairment at the balance sheet date. The directors are of the opinion that the goodwill recognised will be recovered given the financial position and profitability of the entity.		
5.	**INVESTMENTS**		
	Available-for-sale investments		
	Listed – at market value		
	Balance at beginning of year	590 066	235 994
	Purchases at cost	117 813	149 084
	Disposals at cost	(3 584)	(4 681)
	Net (decrease)/increase in fair value	(270 143)	232 019
	Profit recognised in income statement	(19 086)	(22 350)
	Balance at end of year (refer below)	415 066	590 066
	Other investments		
	Unlisted – at amortised cost	42 134	–
	Unlisted – at cost and directors' valuation	125	125
		42 259	125
	Listed investments – at cost	295 665	181 436
	Fair value adjustment transferred to other reserves (refer to note 11)	119 401	408 630
	As above	415 066	590 066
6.	**INVENTORIES**		
	Raw materials	835 319	529 230
	Consumable stores	150 723	110 077
	Work-in-progress	165 147	7 512
	Finished goods	653 172	641 985
	Less: provision for obsolete inventory	(351)	(1 074)
		1 804 010	1 287 730
	Cost of inventory recognised as an expense included in cost of sales	2 765 073	2 567 935
	Cost of inventory written down during the year recognised in other expenses (refer to note 20)	131 383	2 054

		2009 R'000	2008 R'000
7.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	585 129	1 980 966
	Other receivables	7 958	17 576
		593 087	1 998 542
	Trade and other receivables are non-interest-bearing, the terms of which are between 60 to 120 days (refer to note 25.1)		
8.	**SHARE CAPITAL**		
	Authorised		
	40 000 000 (2008: 40 000 000) ordinary shares of 2,5 cents each	1 000	1 000
	Issued		
	Balance at beginning of year (28 000 000 ordinary shares of 2,5 cents each)	700	700
	Shares repurchased and cancelled during the year (428 347 ordinary shares of 2,5 cents each) in terms of the authority granted at the Annual General Meeting held on 30 November 2007	(11)	–
	Balance at end of year (27 571 653 ordinary shares of 2,5 cents each)	689	700
9.	**SHARE PREMIUM**		
	Balance at beginning and end of year	30 358	30 358
10.	**TREASURY SHARES**		
	Balance at beginning of year	(2 341 725)	(86 262)
	A total of 72 000 (2008: 86 086) Assore shares, being 0,26% (2008: 0,31%) of issued share capital acquired by Main Street 460 (Proprietary) Limited, a wholly owned subsidiary of Assore at R367,57 per share (2008: R318,37) in terms of the authority granted by shareholders at the Annual General Meeting held on 4 September 2008	(26 465)	(27 407)
	Cancellation of 428 347 treasury shares acquired at an average cost of R580,65 per share in terms of the authority granted by shareholders at the Annual General Meeting held on 4 September 2008	248 718	–
	Costs of cancellation of treasury shares	(775)	–
	A total of 2 931 653 shares (10,47%) of the issued share capital acquired at R760 per share and held in terms of a warehousing agreement concluded with the Standard Bank of South Africa Limited (SBSA). During 2009, these shares were acquired from SBSA by a wholly owned subsidiary, Main Street 460 (Proprietary) Limited (refer to note 17)	–	(2 228 056)
	Warehouse transaction costs	(5 038)	–
	Balance at end of year	(2 125 285)	(2 341 725)
11.	**OTHER RESERVES**		
	Foreign currency translation reserve arising on consolidation	17 814	6 477
	After tax fair value adjustment arising on the revaluation of available-for-sale investments	102 901	351 638
	Gross fair value adjustment at year-end (refer to note 5)	119 401	408 630
	Less: deferred capital gains taxation	(16 500)	(56 992)
		120 715	358 115

	2009 R'000	2008 R'000
12. LONG-TERM BORROWINGS		
Preference shares		
Balance at beginning of year: 536 (2008: 536) "A" redeemable cumulative variable rate preference shares of 1 cent each issued by Main Street 350 (Proprietary) Limited to SBSA to finance the acquisition of Assore shares by the Bokamoso Trust, issued at a premium of R99,999.99 per share	58 987	53 600
Accumulated dividends	–	5 387
84 shares redeemed (R8,4 million) and payment of accrued dividends (R5,4 million)	(13 787)	–
Balance at end of year (452 (2008: 536) shares)	45 200	58 987
Long-term portion of finance lease liabilities		
Finance lease liabilities over vehicles with a carrying amount of R11,1 million (2008: R18,1 million) repayable in varying monthly instalments over 36 months (2008: 48 months) which bear interest at 1,40% (2008: 1,40%) below the prime overdraft rate	13 759	19 135
Less: repayable within one year included in short-term borrowings (refer to note 17)	(7 403)	(5 330)
	6 356	13 805
	51 556	72 792

The finance leases relate to mining vehicles and have no terms of renewal or purchase options included in the agreements concerned.

	Balance at year-end Total borrowings	Repayable during the years ending 30 June			
	2009 R'000	2010 R'000	2011 R'000	2012 R'000	2013 R'000
2009					
Secured					
– finance lease liabilities	13 759	7 403	3 989	2 367	–
	2008 R'000	2009 R'000	2010 R'000	2011 R'000	2012 R'000
2008					
Secured					
– finance lease liabilities	19 135	5 330	4 829	5 447	3 529

Interest payable and repayment terms

	2009		2008	
	Minimum payments R'000	Present value of payments R'000	Minimum payments R'000	Present value of payments R'000
Repayable – within one year	7 403	7 403	5 330	5 330
– after one year but not more than five years	7 894	6 356	18 421	13 805
Total minimum lease payments	15 297	13 759	23 751	19 135
Less: finance charges	1 538	–	4 616	–
Present value of minimum lease payments (as above)	13 759	13 759	19 135	19 135

		2009 R'000	2008 R'000
13.	**DEFERRED TAXATION**		
	At year-end		
	Raised on the following:		
	Accelerated capital allowances	1 412 877	898 915
	Provisions raised	(73 883)	(52 317)
	Valuation of inventories	(16 091)	(4 514)
	Revaluation of available-for-sale investments	16 500	56 992
	Other	2 433	625
		1 341 836	899 701
	Movements		
	Balance at beginning of year	899 701	620 597
	– deferred tax assets	61 977	6 808
	– deferred tax liabilities	961 678	627 405
		442 135	279 104
	Reduction due to change in tax rate	–	(15 495)
	Accelerated capital allowances	513 962	292 245
	Provisions reversed	(21 566)	(23 486)
	Valuation of inventories	(11 577)	(2 286)
	Revaluation of available-for-sale investments	(40 492)	27 675
	Other	1 808	451
	Balance at end of year	1 341 836	899 701
	– deferred tax assets	74 309	61 977
	– deferred tax liabilities	1 416 145	961 678
14.	**LONG-TERM PROVISIONS**		
	Environmental obligations		
	Provision against cost of decommissioning assets	119 366	101 895
	Balance at beginning of year	101 895	50 170
	Provisions raised during the year	12 934	50 004
	Provision discount adjustment	4 537	1 721
	Provision for cost of environmental rehabilitation	61 161	39 373
	Balance at beginning of year	39 373	23 489
	Provisions raised during the year	21 327	15 120
	Payments made for restoration	(411)	–
	Provision discount adjustment	872	764
	Balance at end of year	180 527	141 268
	Post-retirement healthcare benefits (refer to note 32.2)		
	Balance at beginning of year	9 260	8 084
	Increase in benefits payable	1 388	1 176
	Balance at end of year	10 648	9 260
	Deferred bonus scheme		
	Provision raised during the year and balance at end of year	14 782	–
		205 957	150 528
	Environmental obligations before funding (as above)	180 527	141 268
	Less: cash deposits held by environmental trusts (per balance sheet)	47 739	36 942
	Obligation provided for on the balance sheet, but not yet funded	132 788	104 326

The inflation rates applied to estimated costs used in the discounted cash flow calculation to determine the provision for environmental rehabilitation vary between 6% and 10,5%, (2008: 11,0%) and the nominal discount applied is 8,5% (2008: 9,0%).

		2009 R'000	2008 R'000
15.	**TRADE AND OTHER PAYABLES**		
	Trade payables	573 709	1 012 285
	Other payables	74 781	31 232
		648 490	1 043 517
	Trade and other payables are non-interest-bearing, the terms of which are between 30 and 60 days.		
16.	**SHORT-TERM PROVISIONS**		
	Bonuses		
	Balance at beginning of year	2 401	2 064
	Provisions raised	2 810	2 401
	Payments made during the year	(2 401)	(2 064)
	Balance at end of year	2 810	2 401
	Leave pay		
	Balance at beginning of year	25 534	19 744
	Provisions raised	4 469	5 790
	Payments made during the year	(64)	–
	Balance at end of year	29 939	25 534
	Environmental compliance		
	Balance at beginning of year	54 870	–
	Provisions raised	21 221	54 870
	Balance at end of year	76 091	54 870
	Other		
	Balance at beginning of year	2 079	2 769
	Payments made during the year	(3)	(690)
	Short-term portion of long-term provision (refer to note 14)	–	–
	Balance at end of year	2 076	2 079
		110 916	84 884
17.	**SHORT-TERM BORROWINGS AND OVERDRAFTS**		
	Preference shares Altogether 220 redeemable cumulative variable rate preference shares issued to SBSA on 15 September 2008, which are required to be redeemed in tranches of at least R500 million annually, commencing on the last day of February in 2010. At 30 June 2009,77 shares have been redeemed in the amount of R752 million, in terms of the authority granted by shareholders in a general meeting on 3 February 2009. The shares have a par value of 1 cent each, and include a premium of R9 999 999,99 each. The preference dividends accrue at a rate linked to the prime lending rate applied by SBSA	1 430 000	–
	Share warehousing facility In 2008, SBSA entered into an agreement with Old Mutual to purchase 2 931 653 Assore shares ("the warehoused shares") from Old Mutual at R760 per Assore share for an aggregate consideration of approximately R2 228,1 million. SBSA further entered into an agreement with Assore in terms of which SBSA would warehouse the warehoused shares on Assore's behalf until such time as that Assore was able to obtain the requisite shareholder approval to repurchase the warehoused shares from SBSA at R760 per Assore share for an aggregate consideration of R2 228,1 million, being equal to the amount paid by SBSA to Old Mutual for the warehoused shares	–	2 228 056
	Current portion of long-term borrowings (refer to note 12)	7 403	5 330
	Overdrafts (unsecured)	186 440	388 103
		1 623 843	2 621 489

Overdrafts and short-term borrowings are repayable on demand and interest rates are linked to the prime overdraft rate.

			2009 R'000	2008 R'000
18.	**REVENUE**			
	Revenue comprises:			
	Sales of mining and beneficiated products		8 818 655	9 158 937
	Interest received		366 720	67 745
	Commissions on sales and net technical fees		278 832	277 992
	Gross receipts		531 742	520 104
	Eliminated on proportionate consolidation of Assmang		(252 910)	(242 112)
	Dividends received from available-for-sale investments		20 030	9 002
	Other		43 432	32 133
			9 527 669	9 545 809
19.	**FINANCE COSTS**			
	Paid on:			
	Preference shares (refer to notes 12 and 17)		175 615	6 169
	Share warehousing facility (refer to note 17)		80 810	3 600
	Finance leases, general banking facilities and restoration provisions		47 638	62 166
			304 063	71 935
	Less: amounts capitalised (refer to note 2)	2	(5 915)	(33 919)
			298 148	38 016
20.	**PROFIT BEFORE TAXATION AND STATE'S SHARE OF PROFITS**			
	Profit before taxation and State's share of profits is stated after taking into account the following items of income and expenditure:			
	Income			
	Profit on disposal of property, plant and equipment		38 450	125
	Foreign exchange gains			
	– realised		556 709	195 962
	– unrealised		9 511	29 166
	Increase in decommissioning assets		–	1 316

	2009 R'000	2008 R'000
Expenditure		
Amortisation of intangible assets	180	180
Auditors' remuneration	5 148	4 364
– audit fees	5 148	4 173
– underprovision in prior year	–	191
Cost of inventories written down (refer to note 6)	131 383	2 054
Depreciation of mining assets (refer to note 2)	406 052	287 661
– Mineral and prospecting rights	19 813	20 342
– Land, buildings and mining properties	21 248	16 814
– Plant and equipment	227 672	145 304
– Prospecting, exploration, mine development and decommissioning	31 545	51 490
– Vehicles, furniture and office equipment	98 828	48 659
– Leased assets capitalised	6 946	5 052
Depreciation of other assets (refer to note 2)	8 569	5 813
– Land and buildings	124	7
– Township and industrial property	1 068	442
– Plant and equipment	4 452	2 767
– Vehicles, furniture and office equipment	2 925	2 597
Impairment of non-financial assets (refer to note 2)	59 114	–
Exploration expenditure	660	97
Loss on disposal and scrapping of property, plant and equipment	14 251	10 040
Foreign exchange losses		
– realised	69 817	17 137
– unrealised	31 797	1 964
Operating lease expenses	694	648
Professional fees	2 486	26 390
Provision for impairment of receivables and bad debts written off	126	9
Transfer secretaries' fees	242	99
Staff costs (refer to note 32)		
– salaries and wages (including executive directors' emoluments)	743 300	600 606
– healthcare costs	23 455	17 827
– pension fund contributions	39 821	30 234

21. TAXATION AND STATE'S SHARE OF PROFITS

	2009 R'000	2008 R'000
South African normal taxation		
– current year	1 045 703	985 872
– (over-)/underprovisions relating to prior years	(193)	3 551
Capital gains tax	2 672	3 130
State's share of profits	234 352	237 848
Deferred taxation		
– temporary differences (current year)	482 627	267 630
– temporary differences (prior years)	–	(708)
– rate adjustment	–	(15 495)
Secondary tax on companies	216 332	27 263
	1 981 493	1 509 091

The current tax charge is affected by non-taxable investment income, capital redemption allowances and assessed tax losses in certain subsidiary companies and trading losses in other subsidiary companies for which there was no tax relief in the current year.

		2009 R'000	2008 R'000
21.	**TAXATION AND STATE'S SHARE OF PROFITS** (continued)		
	Estimated losses available for the reduction of future taxable income arising in certain subsidiary companies at year-end	**236 789**	129 619
	Estimated unredeemed capital expenditure available for reduction of future taxable income on mining operations in certain joint-venture and subsidiary companies	**26 036**	754 528
	The group has unused credits in respect of secondary tax on companies of R689,6 million (2008: R271,7 million). A deferred tax asset has not been raised on these amounts as there is no certainty that the credits will be utilised in the foreseeable future.		
	Reconciliation of tax charge as a percentage of net income before taxation		
	Statutory tax rate	**28,00**	28,00
	Adjusted for:		
	State's share of profits	**4,46**	5,07
	Secondary tax on companies	**4,12**	0,58
	Disallowable expenditure	**1,52**	0,19
	Impact of calculated tax losses	**0,49**	0,17
	Foreign tax rate differential	**0,43**	(0,40)
	Capital gains tax	**0,05**	0,07
	Dividend income	**(0,11)**	(0,05)
	Exempt income	**(0,04)**	(0,37)
	Underprovisions relating to prior years	**–**	0,08
	Impact of change in tax rate	**–**	(0,33)
	Other	**(1,14)**	(0,82)
	Effective tax rate	**37,78**	32,19
22.	**EARNINGS AND HEADLINE EARNINGS PER SHARE**		
	Earnings per share (cents) (basic and diluted)	**13 669**	11 406
	Headline earnings per share (cents) (basic and diluted)	**13 772**	11 362
	The above calculations were determined using the following information:		
	Earnings		
	Profit attributable to shareholders of the holding company	**3 241 452**	3 069 522
	Headline earnings		
	Earnings as above	**3 241 452**	3 069 522
	Adjusted for:		
	Profit (before tax) on disposal of:		
	– property, plant and equipment	**(38 450)**	(125)
	– available-for-sale investments	**(19 086)**	(22 350)
	Loss on disposal and scrapping of property, plant and equipment	**14 251**	10 040
	Impairment of non-financial assets	**59 114**	–
	Net tax effect of the above items	**8 512**	371
	Headline earnings	**3 265 793**	3 057 708
	Weighted number of ordinary shares in issue (000)		
	Ordinary shares in issue	**27 658**	28 000
	Treasury shares (refer to note 10)	**(3 944)**	(1 088)
	Weighted average number of shares in issue for the year	**23 714**	26 912

	2009 R'000	2008 R'000
23. DIVIDENDS		
Dividends declared during the year		
Final dividend No 103 of 1 000 cents (2008: 200 cents) per share		
– declared on 27 August 2008	280 000	56 000
Interim dividend No 104 of 1 000 cents (2008: 250 cents) per share		
– declared on 19 February 2009	275 717	70 000
Less: dividends attributable to treasury shares	(76 311)	(4 392)
	479 406	121 608
Per share (cents)	2 022	450
Dividends relating to the activities of the group for the year under review		
Interim dividend No 104 of 1 000 cents (2008: 250 cents) per share		
– declared on 19 February 2009	275 717	70 000
Final dividend No 105 of 1 000 cents (2008: 1 000 cents) per share		
– declared on 26 August 2009	275 717	280 000
Less: dividends attributable to treasury shares	(72 747)	(42 592)
	478 687	307 408
Per share (cents)	2 019	1 142
24. NOTES TO THE CASH FLOW STATEMENT		
24.1 Cash generated by operations		
Profit before taxation and State's share of profits	5 248 880	4 687 456
Adjusted for:	586 466	344 828
– Dividends received	(20 030)	(9 002)
– Interest received	(366 720)	(67 745)
– Profit on disposal of property, plant and equipment	(38 450)	(125)
– Profit on disposal of available-for-sale investments	(19 086)	(22 350)
– Discount on redemption of preference shares	(18 000)	–
– Net unrealised foreign exchange losses/(gains)	22 286	(27 202)
– Amortisation of intangibles	180	180
– Cost of inventories written down	131 383	2 054
– Depreciation and impairment of property, plant and equipment	473 735	293 474
– Finance costs	304 063	71 935
– Environmental provision discount adjustment	5 409	2 485
– Borrowing costs capitalised	(5 915)	(33 919)
– Movement in foreign currency translation reserve	22 231	11 216
– Loss on disposal of property, plant and equipment	14 251	10 040
– Movements in long-term provisions	53 692	52 057
– Movements in short-term provisions	28 500	63 061
– Impairment of receivables and bad debts written off	126	9
– Other non-cash flow items	(1 189)	(1 340)
	5 835 346	5 032 284
24.2 Dividend income		
Credited to the income statement	20 030	9 002
24.3 Movements in working capital		
Increase in inventories	(647 663)	(313 737)
Decrease/(increase) in trade and other receivables	1 383 043	(1 172 830)
(Decrease)/increase in trade and other payables	(395 054)	435 450
Increase in short-term finance raised	–	2 228 056
Payments against short-term provisions	(2 467)	(2 754)
	337 859	1 174 185
24.4 Taxation paid		
Unpaid at beginning of year	(966 127)	(89 076)
Charged to the income statement	(1 981 493)	(1 509 091)
Movement in deferred taxation	482 627	251 429
Unpaid at end of year	429 293	966 127
	(2 035 700)	(380 611)

	2009 R'000	2008 R'000
24. NOTES TO THE CASH FLOW STATEMENT (continued)		
24.5 Dividends paid		
Unpaid at beginning of year	(68)	(107)
Paid during the year	(555 717)	(126 000)
Dividends attributable to treasury shares	76 311	4 392
Unpaid at end of year	95	68
	(479 379)	(121 647)

24.6 Cash resources

The cash resources disclosed in the cash flow statement comprise cash on hand, deposits held on call with banks and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value over time. Bank overdrafts have been separately disclosed as current liabilities in the balance sheet.

25. FINANCIAL RISK MANAGEMENT

The group is exposed to various financial risks due to the nature and diversity of its activities and the use of various financial instruments. These risks include:
- Credit risk
- Liquidity risk
- Market risk

Details of the group's exposure to each of the above risks and its objectives, policies and processes for measuring and managing these risks are included specifically in this note and more generally throughout the consolidated financial statements together with information regarding management of capital.

The boards of directors (boards) of all group companies have the overall responsibility for the establishment and oversight of the group's risk management framework. These boards have delegated these responsibilities to Executive Committees, which are responsible for the development and monitoring of risk management policies within the group. These committees meet on an ad-hoc basis and regularly report to the respective boards on their activities. The risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the activities of the group.

The roles and responsibilities of the committees include:
- approval of all counterparties;
- approval of new instruments;
- approval of the group's foreign exchange transaction policy;
- approval of the investment policy;
- approval of treasury policy; and
- approval of long-term funding requirements.

The internal auditors undertake regular and ad-hoc reviews of risk management, controls and procedures, the results of which are monitored by the Assore Audit Committee.

25.1 Credit risk

Credit risk arises from possible defaults on payments by customers or, where letters of credit have been issued, by bank counterparties. The group minimises credit risk by the careful evaluation of the ongoing creditworthiness of customers and bank counterparties before transactions are concluded. Customers are generally required to raise letters of credit with banking institutions that have acceptable credit ratings, however, certain customers who have well established credit accounts are allowed to transact on open accounts.

Overdue amounts are individually assessed and if it is evident that an amount will not be recovered, it is impaired and legal action is instituted to recover the amounts involved.

Credit exposure and concentrations of credit risk

The carrying amount of financial assets represents the maximum credit exposure at the reporting date and the following table indicates various concentrations of credit risk for all non-derivative financial assets held:

	2009 R'000	2008 R'000
Trade receivables (refer to note 7)	585 129	1 980 966
Local	32 808	242 258
Foreign	552 321	1 738 708
Sundry receivables – local (refer to note 7)	7 958	17 576
Cash resources (refer to note 24.6)	3 001 328	1 952 015
Total carrying amount per balance sheet	3 594 415	3 950 557

Ageing

Aged as follows:

	2009				2008			
	Receivables not impaired R'000	Receivables impaired R'000	Impairment amount R'000	Carrying value R'000	Receivables not impaired R'000	Receivables impaired R'000	Impairment amount R'000	Carrying value R'000
Trade receivables	585 129	–	–	585 129	1 980 966	–	–	1 980 966
Not past due, not impaired	582 252	–	–	582 252	1 980 966	–	–	1 980 966
Past due	2 877	–	–	2 877	–	–	–	–
Other receivables	7 958	–	–	7 958	17 576	–	–	17 576
Not past due, not impaired	7 958	–	–	7 958	17 576	–	–	17 576
Past due	–	–	–	–	–	–	–	–
As above	593 087	–	–	593 087	1 998 542	–	–	1 998 542

	2009 R'000	2008 R'000
Security held over non-derivative financial assets		
Irrevocable letters of credit		
– issued by foreign banks	214 126	394 739

25.2 Liquidity risk

The Executive Committees manage the liquidity structure of the group's assets, liabilities and commitments so as to ensure that cash flows are sufficiently balanced within the group as a whole. Updated cash flow information and projections of future cash flows are received by the Executive Committees from the group companies on a regular basis (depending on the type of funding required). Measures have been introduced to ensure that the cash flow information received is accurate and complete.

Surplus funds are deposited in liquid assets (eg liquid money market accounts) (refer to note 24.6).

25. FINANCIAL RISK MANAGEMENT (continued)

25.2 Liquidity risk (continued)

Undrawn credit facilities

The borrowing capacity of the holding company, certain of its subsidiary companies and joint-venture entities is limited by their respective Articles of Association and is based on their aggregate issued and paid up share capital, share premium and retained earnings as set out below:

	2009 R'000	2008 R'000
Assore Limited		
Authorised in terms of the Articles of Association	unlimited	200 000
Less: external borrowings at year-end	1 623 843	–
Unutilised borrowing capacity	unlimited	200 000
Assmang Limited		
Authorised in terms of the Articles of Association	5 994 297	4 986 084
Less: external borrowings at year-end		
– long-term borrowings	–	(13 805)
– overdrafts and short-term borrowings	(7 404)	(255 915)
Unutilised borrowing capacity	5 986 893	4 716 364
Minerais U.S. LLC		
Authorised in terms of the Articles of Association	386 000	392 015
External borrowings at year-end	(186 438)	(137 519)
Unutilised borrowing capacity	199 562	254 496

With the exception of the preference share debt referred to in note 17, the group is cash positive and does not rely on banking facilities for its day-to-day activities.

The general banking facilities made available to group companies are unsecured, bear interest at rates linked to prime, have no specific maturity date and are subject to annual review by the banks concerned. The facilities are in place to issue letters of credit, bank guarantees and ensure liquidity.

Exposure to liquidity risk

The following are the cash flows of the group's financial assets and liabilities at year-end as determined by contractual maturity date, including interest receipts and payments but excluding the impact of any netting agreements with the third parties concerned.

	Carrying amount R'000	Total cash flows R'000	Less than 4 months R'000	Between 4 and 12 months R'000	Between 1 and 5 years R'000	More than 5 years R'000
2009						
Financial assets						
Available-for-sale investments	415 066	415 066	–	–	–	415 066
Other investments	42 259	42 259	–	–	42 134	125
Trade and other receivables	593 087	593 087	593 087	–	–	–
Cash deposits held by environmental trusts	47 739	47 739	47 739	–	–	–
Cash resources	3 001 328	3 001 328	3 001 328	–	–	–
	4 099 479	4 099 479	3 642 154	–	42 134	415 191
Financial liabilities						
Interest-bearing borrowings	13 759	13 759	–	7 403	6 356	–
Preference shares issued	45 200	45 200	45 200	–	–	–
Trade and other payables	648 490	648 490	648 490	–	–	–
Short-term borrowings and overdrafts	1 616 440	1 616 440	1 616 440	–	–	–
	2 323 889	2 323 889	2 310 130	7 403	6 356	–

	Carrying amount R'000	Total cash flows R'000	Less than 4 months R'000	Between 4 and 12 months R'000	Between 1 and 5 years R'000	More than 5 years R'000
2008						
Financial assets						
Available-for-sale investments	590 066	590 066	–	–	–	590 066
Other investments	125	125	–	–	–	125
Trade and other receivables	1 998 542	1 998 542	1 998 542	–	–	–
Cash deposits held by environmental trusts	36 942	36 942	36 942	–	–	–
Cash resources	1 952 015	1 952 015	1 952 015	–	–	–
	4 577 690	4 577 690	3 987 499	–	–	590 191
Financial liabilities						
Interest-bearing borrowings	19 135	19 135	–	5 330	13 805	–
Preference shares issued	58 987	58 987	58 987	–	–	–
Trade and other payables	1 043 517	1 043 517	1 043 517	–	–	–
Short-term borrowings and overdrafts	2 616 159	2 616 159	2 616 159	–	–	–
	3 737 798	3 737 798	3 718 663	5 330	13 805	–

25.3 Market risk

Market risk is defined as the risk that movements in market risk factors, in particular US dollar commodity prices and the US dollar/SA rand exchange rate will affect the group's revenue and operational costs as well as the value of its holdings of financial instruments. The objective of the group's market risk management policy is to manage and control market risk exposures to minimise the impact of adverse market movements with respect to revenue protection and to optimise the funding of the business operations.

The group companies are responsible for the preparation and presentation of market risk information as it affects the relevant entity. Information is submitted to the Executive Committees where it is monitored and further analysed to be used in the decision-making process. The information submitted includes information on currency, interest rate and commodities and is used by the committee to determine the market risk strategy going forward. In addition, key market risk information is reported to the Executive Committees on a weekly basis and forecasts against budget are prepared for the entire group on a monthly basis.

Interest rate risk

Interest rate risk arises due to adverse movements in domestic and foreign interest rates. The group is primarily exposed to downward interest rate movements on floating investments purchased and to upward movements on overdrafts and other banking facilities. There is no other exposure to fair value interest rate risk as all fixed rate financial instruments are measured at amortised cost.

The Board determines the interest rate risk strategy based on economic expectations and recommendations received from the Executive Committees. Interest rates are monitored on an ongoing basis and the policy is to maintain short-term cash surpluses adequate to meet the group's ongoing cash flow requirements at floating rates of interest.

25. FINANCIAL RISK MANAGEMENT (continued)

25.3 Market risk (continued)

At the reporting date the interest rate profile of the group's interest-bearing financial instruments was as follows:

	2009 R'000	2008 R'000
Variable rate instruments		
Liabilities		
Preference shares (included in long-term borrowings; refer to note 12)	45 200	58 987
Finance leases (refer to note 12)	13 759	19 135
Preference shares (included in short-term borrowings; refer to note 17)	1 430 000	–
Share warehousing facility (refer to note 17)	–	2 228 056
Overdrafts (refer to note 17)	186 440	388 103
Assets		
Cash resources	3 001 328	1 952 015
Fair value sensitivity analysis for fixed rate instruments		
The group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not affect profit or loss.		
Cash flow sensitivity analysis for variable rate instruments		
An increase of 50 basis points in interest rates at the reporting date would have decreased profit after tax by the amounts shown below. This assumes that all other variables remain constant.		
Variable rate instruments	10 275	5 630

Net effect on profit or loss is equal but opposite for a 50 basis point increase on the financial instruments listed above.

Commodity price and currency risk

Commodity price risk arises from the risk of an adverse effect on current or future earnings resulting from fluctuations in metal and mineral prices. The group also has transactional foreign exchange exposures, which arise from sales or purchases by the group in currencies other than the individual functional currencies of the group. The market is predominantly priced in US dollars and to a lesser extent in euros which exposes the group to the risk that fluctuations in the SA rand exchange rates may have an adverse effect on current or future earnings.

The group manages its commodity price risk where possible by entering into supply contracts with customers covering periods of between three months and a year, depending on the commodity traded. With respect to its exposure to foreign currency fluctuations, the group constantly reviews the extent to which its foreign currency receivables and payables are covered by forward exchange contracts taking into account changes in operational forecasts and market conditions and the group's hedging policy. No speculation in foreign currency is allowed within the group.

The group's exposure to currency risk at year-end was as follows:

	30 June 2009		30 June 2008	
	US dollar (USD) 000	Euro (EUR) 000	US dollar (USD) 000	Euro (EUR) 000
Assets	67 026	3 920	212 349	7 274
Trade receivables	67 026	3 920	212 349	7 274
Liabilities	–	(63)	(225)	(997)
Trade payables	–	(63)	(225)	(997)
Gross balance sheet exposure	67 026	3 857	212 124	6 277
Estimated forecast sales	192 627	173	187 371	3 277
Estimated forecast purchases	–	–	–	(342)
Gross exposure	259 653	4 030	399 495	9 212
Less: export sales covered by forward exchange contracts	(631)	–	–	–
Net exposure	259 022	4 030	399 495	9 212
A 5% strengthening of the rand against the following currencies at 30 June would have decreased profit before tax by the following amounts:	R'000	R'000	R'000	R'000
	25 872	2 081	83 156	3 881

A 5% weakening of the rand against the above currencies at 30 June would have had an equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Forward exchange contracts

At year-end, the group had open forward exchange contracts in the amount of R4,9 million (2008: Nil) and a foreign subsidiary had forward commitments with regard to its inventory of ores, alloys and metals, which for accounting purposes are regarded as executory contracts and are therefore not included on the balance sheet, but can be summarised as follows:

	2009			2008		
	Foreign currency notional amount USD'000	Legal currency notional amount R'000	Fair value R'000	Foreign currency notional amount USD'000	Legal currency notional amount R'000	Fair value R'000
Purchase contracts						
US dollar	1 500	11 580	11 580	37 700	280 047	280 047
Sales contracts						
US dollar	19 700	152 084	152 084	68 400	508 096	508 096

25.4 Fair value of financial assets and liabilities

The categorisation of each class of financial asset and liability, including their fair values are included below:

2009	Note	Available-for-sale investments R'000	Loans and receivables R'000	Liabilities at amortised cost R'000	Other assets and liabilities R'000	Total carrying value R'000	Fair value R'000
Financial assets							
Available-for-sale investments	5	415 066			–	415 066	415 066
Other investments	5		42 134		125	42 259	42 259
Trade and other receivables	7		593 087		–	593 087	593 087
Cash deposits held by environmental trusts			47 739		–	47 739	47 739
Cash resources	24.6		3 001 328		–	3 001 328	3 001 328
		415 066	3 684 288		125	4 099 479	4 099 479
Financial liabilities							
Interest-bearing borrowings	12			51 556	–	51 556	51 556
Trade and other payables	15			648 490	–	648 490	648 490
Short-term borrowings and overdrafts	17			1 623 843	–	1 623 843	1 623 843
				2 323 889	–	2 323 889	2 323 889
2008							
Financial assets							
Available-for-sale investments	5	590 066			–	590 066	590 066
Other investments	5				125	125	125
Trade and other receivables	7		1 998 542		–	1 998 542	1 998 542
Cash deposits held by environmental trusts			36 942		–	36 942	36 942
Cash resources	24.6		1 952 015		–	1 952 015	1 952 015
		590 066	3 987 499		125	4 577 690	4 577 690
Financial liabilities							
Interest-bearing borrowings	12			72 792	–	72 792	72 792
Trade and other payables	15			1 043 517	–	1 043 517	1 043 517
Short-term borrowings and overdrafts	17			2 621 489	–	2 621 489	2 621 489
				3 737 798	–	3 737 798	3 737 798

Determination of fair values

Quoted market prices at reporting date have been used to determine the fair value of available-for-sale investments. Where quoted market prices were not available, a valuation technique, most commonly discounted cash flows, was used. For trade receivables and payables, the fair value was determined using the discounted cash flow method at market-related interest rate. Carrying amounts approximate fair value for all other financial assets and liabilities.

26. CAPITAL MANAGEMENT

As the bulk of the group's sales are for export, the principal risks to which the group is exposed are movements in exchange rates and US dollar prices for the commodities in which it deals, mainly manganese, iron and chrome ores and to a lesser extent manganese and chrome alloys. All of these markets are prices principally in US dollars and these risks are to a large extent not controllable by the group other than by the use of hedging instruments.

The group holds mineral rights over resources with remaining lives which fluctuate in accordance with current commodity prices (refer to resources and reserves statement). Decisions to exploit resources would be made at board level and only following the completion of a bankable feasibility study based on the current life of mine and estimated capital cost, operating cost and cost of finance, where required, to ensure that as far as possible that the deposit can be mined on a sustainable basis to the end of its estimated life.

The board's policy is therefore to maintain a strong capital base so as to maintain stakeholder confidence and to sustain future development of the business. The group considers its capital to comprise of total equity. The group may adjust its capital structure by way of issuing new shares and is dependent on its shareholders for additional capital as required. The group manages its capital structure in light of changes in economic conditions and the board of directors monitors the capital adequacy, solvency and liquidity of the group on a continuous basis.

There were no changes in the group's approach to capital management during the year.

	2009 R'000	2008 R'000
27. COMMITMENTS		
Capital		
Expenditure authorised and contracted for	3 346 060	550 841
Expenditure authorised but not contracted for	310 841	306 453
	3 656 901	857 294
Commitments extend over a three-year period and will be financed from operating cash flows, undrawn committed borrowing facilities and project funding. The anticipated cash outflows with regard to the above commitments are as follows:		
2009		857 294
2010	1 586 695	–
2011	2 070 206	–
2012	–	–
	3 656 901	857 294
Operating lease commitments		
Future minimum rentals payable under non-cancellable operating leases over premises and equipment which are payable as follows:		
Within one year	669	683
After one year but not more than five years	1 561	2 265
	2 230	2 948
28. CONTINGENT LIABILITIES		
Holding company		
Holding company guarantees issued to bankers as security for banking facilities provided to subsidiary companies	386 000	392 015
Performance guarantees issued to customers by subsidiary companies and joint-venture entity	85 185	78 085
	471 185	470 100

Guarantee issued to bankers

The holding company has also issued guarantees to bankers to secure a short-term export finance agreement facility of R180 million (2008: R180 million). The facility is primarily utilised for and on behalf of Assmang in which the group holds a 50% interest and which in turn has provided a back-to-back guarantee against any claims made by bankers in terms of this facility. The facility was unused at year-end.

BEE transactions

Certain preference shares were issued as part of the BEE transaction entered into in 2006. If an event of default as defined in the contract is triggered in relation to the preference shares, the provisions of the relevant put option and call agreements entered into will become operative.

The group has also provided a guarantee to secure the banking facility extended to Mampa, which at year-end amounted to R5,6 million (2008: R6,6 million). The group in turn holds a back-to-back pledge over Mampa's interest in RMDC in the event that the guarantee is called up.

	2009 R'000	2008 R'000
29. INVESTMENT IN JOINT-VENTURE ENTITY		
A total of 50% (2008: 50%) interest in Assmang Limited (Assmang), which is controlled jointly in terms of shareholders' agreement with African Rainbow Minerals Limited (ARM).		
The group financial statements include the following amounts relating to Assmang, which were proportionately consolidated:		
Income statement		
Turnover	7 631 802	7 417 728
Cost of sales	(2 893 166)	(3 210 092)
Gross profit	4 738 636	4 207 636
Other operating income	441 098	(6 847)
Other operating expenses	(419 523)	(125 681)
Income from investments	219 999	35 957
Finance costs	(35 944)	(14 448)
Profit before taxation and State's share of profits	4 944 266	4 096 617
Balance sheet		
Property, plant, equipment and intangibles	4 866 388	3 891 288
Other investments	42 135	1
Current assets	3 774 192	4 176 085
Elimination of investment in joint-venture entity	(468 153)	(468 153)
Current liabilities – interest-bearing	7 404	255 915
– non-interest-bearing	996 839	1 640 895
Long-term borrowings – interest-bearing	6 356	13 806
Deferred taxation	1 299 498	829 536
Long-term provisions	182 853	133 196
Distributable reserves	5 721 612	4 725 873
Cash flows		
Cash retained from operating activities	1 882 817	2 765 449
Cash utilised in investing activities	(1 387 748)	(1 359 832)
Cash utilised in financing activities	(262 872)	(51 474)
Cash resources	1 654 398	1 422 200
Commitments		
Future capital expenditure:		
– contracted for	3 276 865	435 817
– not contracted for	310 841	300 893
	3 587 706	736 710

Contingent liabilities
Contingent liabilities relating to the group's interest in the joint venture are referred to in note 28.

30. SEGMENTAL INFORMATION

The group's primary segment reporting format is by business segment and its secondary reporting format by the geographical location of customers.This reflects the predominant risks and rates of return that affect the group.

Primary segments: (refer below)
The business of the group is principally mining of ore and benefication of alloys, details of which are set out in the table on page 90. In addition, the group earns revenue from other sources which have been aggregated under a separate heading, for one of the following reasons:
– The majority of its revenue is earned from internal sales.
– Its revenue from total sales is less than 10% of the total revenue, external and internal of all segments.
– Its segment result is less than 10% of the combined result of all segments in profit or loss whether on absolute amounts.
– Its assets are less than 10% of the total assets of all segments.

30. SEGMENTAL INFORMATION (continued)

R'000	Joint venture mining and beneficiation Iron ore division	Manganese division	Chrome division	Subtotal	Marketing and shipping	Other mining and beneficiation	Adjustments arising on consolidation	Total
Primary segmental information								
Year to 30 June 2009								
Income statement								
Turnover	2 508 846	4 218 242	904 714	7 631 802	1 781 382	741 214	(497 658)	9 656 740
Contribution to earnings	1 085 214	1 977 792	96 573	3 159 579	273 024	84 140	(249 356)	3 267 387
Contribution to headline earnings	1 079 939	1 963 463	106 672	3 150 074	256 064	143 124	(283 469)	3 265 793
Balance sheet								
Consolidated total assets	3 252 025	4 174 477	1 019 105	8 446 607	4 660 165	2 184 242	(4 204 075)	11 086 939
Consolidated total liabilities	872 973	1 252 770	327 567	2 452 310	1 092 557	2 439 126	(1 572 102)	4 411 891
Other information								
Capital expenditure	764 588	426 992	198 308	1 389 888	2 491	84 603	–	1 476 982
Depreciation, amortisation and impairment charges	204 439	117 801	63 657	385 897	1 996	68 697	17 325	473 915
Net cash inflow from operating activities	1 421 930	304 890	155 997	1 882 817	84 227	2 087 686	(383 845)	3 670 885
Cash (outflow)/ inflow from investing activities	(770 412)	(419 832)	(197 503)	(1 387 747)	(96 812)	(2 091 732)	1 955 602	(1 620 690)
Cash (outflow)/ inflow from financing activities	(238 908)	–	(17 054)	(255 962)	(797 006)	41 503	(10 583)	(1 000 882)
Year to 30 June 2008								
Income statement								
Turnover	1 387 825	4 776 100	1 253 803	7 417 728	2 212 570	275 345	(359 834)	9 545 809
Contribution to earnings	389 581	2 037 720	340 645	2 767 946	502 703	41 111	(133 395)	3 178 365
Contribution to headline earnings	389 850	2 043 557	341 514	2 774 921	486 375	42 035	(245 623)	3 057 708
Balance sheet								
Consolidated total assets	2 161 928	4 709 277	1 007 681	7 878 886	3 151 164	1 237 651	(2 206 263)	10 061 438
Consolidated total liabilities	867 088	1 612 995	412 719	2 892 802	1 352 626	486 857	1 106 753	5 839 038
Other information								
Capital expenditure	1 115 603	255 412	78 968	1 449 983	3 930	92 023	(410)	1 545 526
Depreciation, amortisation and impairment charges	120 587	91 990	54 996	267 573	2 285	6 362	17 434	293 654
Net cash inflow from operating activities	354 970	2 087 438	323 041	2 765 449	809 887	64 538	2 051 733	5 691 607
Cash outflow from investing activities	(1 040 005)	(244 231)	(75 596)	(1 359 832)	(125 965)	(110 161)	(2 269 212)	(3 865 170)
Cash inflow/ (outflow) from financing activities	140 528	–	(192 002)	(51 474)	(381 117)	56 801	221 008	(154 782)

Secondary segmental information

Geographical segment by location of customers

An analysis of the geographical locations to which the product is supplied is set out below:

	Group revenue by segment 2009 R'000	Group revenue by segment 2008 R'000	Group receivables by segment 2009 R'000	Group receivables by segment 2008 R'000
Customers by locations				
Far East	**4 411 259**	3 419 969	**315 080**	853 657
Europe	**1 803 855**	1 834 669	**89 064**	561 720
USA	**1 385 569**	2 240 576	**107 923**	282 350
South Africa	**1 143 493**	1 123 965	**32 808**	288 494
Other – foreign	**912 564**	926 630	**48 212**	12 321
Refer to notes 18 and 7	**9 656 740**	9 545 809	**593 087**	1 998 542

Segmental analysis has not been provided with regard to capital expenditure as all of the group's property, plant and equipment are located in the Republic of South Africa.

31. RELATED PARTY TRANSACTIONS

Transactions with related parties are concluded at arm's length and under terms and conditions that are no less favourable than those arranged with third parties.

The following significant related party transactions occurred during the year:

	2009 R'000	2008 R'000
Joint-venture company		
Assmang Limited (refer to note 29)		
– gross commissions received	**531 742**	520 103
– amounts payable to related parties at year-end	**33 277**	68 848
– amounts receivable from related parties at year-end	**6 412**	35 786
Refer to note 29 for details of the joint-venture entity		
Subsidiary companies		
Key management personnel of the group	**112 012**	109 595

Refer to note 28 for details of security and guarantees provided on behalf of related parties.

32. RETIREMENT BENEFIT INFORMATION

32.1 Pensions

Assmang pension and provident funds

Assmang has made provision for pension plans covering all employees which comprise a defined contribution pension fund and two defined contribution provident funds administered by employee organisations within the industries in which members are employed.

Reviews of the plans are carried out by independent actuaries at regular intervals. Contributions to the funds are 15,0% of payroll, split on an agreed basis between members and the employer.

The amount expensed in the current year was R28,2 million (2008: R20,2 million).

32. RETIREMENT BENEFIT INFORMATION (continued)

32.1 Pensions (continued)

Defined benefit fund – Assore Pension Fund

In terms of the Pension Funds Act, the Assore Pension Fund is actuarially valued every three years. The most recent statutory actuarial valuation of the fund was performed as at 1 July 2005 and revealed a 93,2% funding level. The actuarial valuation for 1 July 2008 is being finalised, and will be released upon the completion of the audit as required by the Pension Funds Act. An interim funding check was performed for funding purposes as at 30 June 2009 which revealed a 89,2% funding level (2008: 104,5%). Since 1 July 2009, the funded level of the fund has improved to over 95%. The financial positions at the various dates are set out below:

The valuation at year-end for financial reporting purposes revealed the following:

	2009 R'000	2008 R'000
Plan assets	**222 851**	234 495
Defined benefit obligation	**249 886**	224 319
(Shortfall)/surplus	**(27 035)**	10 176

The shortfall at year-end was offset by unrecognised actuarial losses. No asset has been recognised on the balance sheet (2008: No asset recognised).

Contributions to the fund by the group during the year amounted to R12,2 million (2008: R10,0 million)

The principal actuarial assumptions for the valuations include:

	2009 %	2008 %
– Pre-retirement discount rate	**9,40**	10,90
– Price inflation rate	**6,58**	8,70
– Salary inflation rate	**7,70**	9,60
– Pension increases	**4,94**	6,52
– Post-retirement interest rate	**4,40**	4,40

Other assumptions
- Active mortality – Nil.
- Pensioner mortality PA (90) – Ultimate table, adjusted for two years' additional longevity since the previous year-end.
- Merit salary increases as per sliding scale depending on age starting at 5% per annum below age 25, and reducing to zero above age 50.
- Spouse's benefits for active members – on average, husbands are assumed to be two years older than their wives, and married at date of retirement.
- For current pensioners, their actual marital status and, where applicable, the exact age of their spouse has been taken into account.

32.2 Medical aid

Subsidiary companies

Subsidiary companies within the group had obligations to fund the medical aid costs of certain employees and pensioners. Agreement has been reached with the pensioners and applicable members of staff in terms of which these obligations have been converted to either purchased annuities or a series of lump sum payments into the defined benefit pension fund on their behalf. The payments or premiums concerned were calculated by an independent actuary and have resulted in the liabilities arising from these obligations being settled.

Medical aid contributions paid on behalf of current members of staff and pensioners by subsidiary companies amounted to R3,4 million (2008: R3,0 million).

Joint-venture entity

The joint-venture entity, Assmang, has obligations to fund a portion of certain retiring employees' medical aid contributions based on the cost of benefits. The anticipated liabilities arising from these obligations have been actuarially determined using the projected unit credit method and a corresponding liability has been raised.

The following table summarises the components of the net benefit expense recognised in the income statement of the joint-venture entity:

	2009 R'000	2008 R'000
Current service cost	737	651
Interest cost on benefit obligation	1 638	1 429
Benefits	(664)	(595)
Net actuarial loss recognised during the year	1 064	867
Net benefit movement for the year	2 775	2 352

The liability is assessed periodically by an independent actuarial survey based on the following principal actuarial assumptions:
– A net discount rate of 1,00% per annum (2008: 1,00%).
– An increase in healthcare costs at a rate of 7,90% per annum (2008: 7,90%).
– Assumed rate of return on assets at 9,00% per annum (2008: 9,00%).

The liabilities raised are based on the present values of the post-retirement benefits and have been recognised in full. The most recent actuarial valuation was conducted on 30 June 2007.

The provisions raised in respect of post-retirement healthcare benefits amounted to R21,3 million (2008: R18,5 million) at the end of the year. Of this amount R2,8 million (2008: R2,4 million) was charged against income in the current year.

Medical aid contributions paid on behalf of current members of staff and pensioners by the joint-venture entity during the year amounted to R40,1 million (2008: R29,7 million).

33. COMPARATIVE INFORMATION

The amount of R2 228,1 million referred to in note 17 as Share warehousing facility has been included under short-term borrowings in the balance sheet. In the previous year, this amount was separately included on the face of the balance sheet.

COMPANY FINANCIAL STATEMENTS CONTENTS

COMPANY BALANCE SHEET
as at 30 June 2009

	Note	2009 R'000	2008 R'000
ASSETS			
Non-current assets			
Investment in group companies	1	495 593	495 593
Available-for-sale investments	2	415 191	590 191
Loans to group companies	1	1 349 368	145 073
		2 260 152	1 230 857
Current assets			
Trade and other receivables		133	134
Amounts due from group companies		–	65
Cash resources		932 727	71
		932 860	270
Total assets		3 193 012	1 231 127
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	3	689	700
Share premium	4	30 358	30 358
Retained earnings		1 014 529	497 864
Other reserves	5	102 901	351 638
Total equity		1 148 477	880 560
Non-current liabilities			
Loans from group companies	1	558 041	262 080
Deferred taxation	6	16 500	56 992
		574 541	319 072
Current liabilities			
Trade and other payables		34 853	28 378
Taxation		4 952	3 117
Amounts due to group companies	1	189	–
Short-term borrowings	7	1 430 000	–
		1 469 994	31 495
Total equity and liabilities		3 193 012	1 231 127

COMPANY INCOME STATEMENT
for the year ended 30 June 2009

	Note	2009 R'000	2008 R'000
Revenue	8	2 244 469	249 813
Profit on disposal of available-for-sale investments		19 086	22 350
Income from investments		2 244 469	249 814
Discount on redemption of preference shares		18 000	–
Administrative expenses		(6 491)	(31 244)
Impairment of loan made to wholly owned subsidiary		(680 066)	–
Finance costs		(250 782)	(3 600)
Profit before taxation	9	1 344 216	237 320
Taxation	10	23 116	3 494
Profit for the year		1 321 100	233 826
Dividends declared per share (cents)	11	2 000	450

COMPANY CASH FLOW STATEMENT
for the year ended 30 June 2009

	Note	2009 R'000	2008 R'000
Cash retained from operating activities		1 416 928	144 688
Cash generated by operating activities		2 171 608	280 138
Cash utilised in operations	12.1	(6 491)	(31 243)
Investment income	12.2	2 171 396	248 506
Movements in working capital	12.3	6 703	62 875
Interest income		73 073	1 307
Finance costs		(250 782)	(3 600)
Taxation paid	12.4	(21 281)	(7 118)
Dividends paid	12.5	(555 690)	(126 039)
Cash utilised in investing activities		(95 143)	(122 052)
Acquisition of available-for-sale investments		(117 813)	(149 084)
Proceeds on disposal of available-for-sale investments		22 670	27 032
Cash utilised by financing activities		(389 129)	(77 433)
Acquisition of own shares		(248 729)	–
Short-term finance raised		2 200 000	–
Short-term finance repaid		(752 000)	–
Movement in group company balances		(1 588 400)	(77 433)
Cash resources			
– (decrease)/increase for the year		932 656	(54 797)
– at beginning of year		71	54 868
– at end of year		932 727	71

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2009

	2009 R'000	2008 R'000
Share capital		
Balance at beginning of year	700	700
Shares repurchased and cancelled during the year at par value	(11)	–
Balance at end of year	689	700
Share premium		
Balance at beginning and end of year	30 358	30 358
Other reserves		
Balance at beginning of year	351 638	169 644
Net (decrease)/increase in the market value of available-for-sale investments	(270 143)	232 019
Profit on disposal of available-for-sale investments recognised in profit for the year	(19 086)	(22 350)
Deferred capital gains taxation provided on revaluation of available-for-sale investments to market value	40 492	(27 675)
Balance at end of year	102 901	351 638
Retained earnings		
Balance at beginning of year	497 864	390 038
Profit for the year	1 321 100	233 826
Ordinary dividends declared during the year		
Final dividend No 103 of 1 000 cents (2008: 200 cents) per share – declared on 27 August 2008	(280 000)	(56 000)
Interim dividend No 104 of 1 000 cents (2008: 250 cents) per share – declared on 19 February 2009	(275 717)	(70 000)
Shares repurchased and cancelled during the year	(248 718)	–
Balance at end of year	1 014 529	497 864
Share capital and reserves at year-end per balance sheet	1 148 477	880 560

		2009 R'000	2008 R'000
1.	**INVESTMENT IN GROUP COMPANIES**		
	Joint-venture entity (refer to note below)	468 153	468 153
	Subsidiary companies (refer to note below)	27 440	27 440
		495 593	495 593
	Investment in joint-venture entity		
	Assmang Limited		
	1 774 103 (2008: 1 774 103) ordinary shares at cost	468 153	468 153
	Directors' valuation	13 238 529	22 400 000
	Investment in subsidiary companies (refer to note 13)		
	Shares at cost	27 440	27 440
	Amounts due by/(to) subsidiary companies		
	Loan accounts receivable	1 349 368	145 073
	Current accounts receivable	–	65
	Loan accounts payable	(558 041)	(262 080)
	Current accounts payable	(189)	–
	Refer to note 13	791 138	(116 942)
2.	**AVAILABLE-FOR-SALE INVESTMENTS**		
	Listed – at market value		
	Balance at beginning of year	590 066	235 994
	Purchases at cost	117 813	149 084
	Disposals at cost	(3 584)	(4 681)
	Net (decrease)/increase in fair value	(270 143)	232 019
	Profit recognised in income statement	(19 086)	(22 350)
	Balance at end of year (below)	415 066	590 066
	Unlisted – at cost and directors' valuation	125	125
		415 191	590 191
	Listed – at cost	295 665	181 436
	Fair value adjustment transferred to other reserves (refer to note 5)	119 401	408 630
	As above	415 066	590 066
3.	**SHARE CAPITAL**		
	Authorised		
	40 000 000 (2008: 40 000 000) ordinary shares of 2,5 cents each	1 000	1 000
	Issued		
	Balance at beginning of year (28 000 000 ordinary shares of 2,5 cents each)	700	700
	Shares repurchased and cancelled during the year (428 347 ordinary shares of 2,5 cents each) in terms of the authority granted by shareholders at the Annual General Meeting held on 4 September 2008	(11)	–
	Balance at end of year (27 571 653 ordinary shares of 2,5 cents each)	689	700
4.	**SHARE PREMIUM**		
	Balance at beginning and end of year	30 358	30 358
5.	**OTHER RESERVES**		
	Surplus on the revaluation to fair value (after tax) of available-for-sale investments	119 401	408 630
	Less: deferred capital gains taxation	(16 500)	(56 992)
		102 901	351 638

		2009 R'000	2008 R'000
6.	**DEFERRED TAXATION**		
	Balance at beginning of year	56 992	29 317
	Arising on the revaluation of available-for-sale investments at year-end (refer to note 5)	(40 492)	27 382
	Decrease in tax rate	–	293
	Balance at end of year	16 500	56 992
7.	**SHORT-TERM BORROWINGS**		
	Altogether 220 redeemable cumulative variable rate preference shares issued to SBSA on 15 September 2008, which are required to be redeemed in tranches of at least R500 million annually, commencing on the last day of February in 2010. At 30 June 2009, 77 shares have been redeemed in the amount of R752 million, in terms of authority granted by shareholders in a general meeting on 3 February 2009. The shares have a par value of one cent each, and include a premium of R9 999 999,99 each. The preference dividends accrue at a rate linked to the prime lending rate applied by SBSA	1 430 000	–
8.	**REVENUE**		
	Revenue comprises:		
	Dividends received	2 171 396	248 506
	Interest received	73 073	1 307
		2 244 469	249 813
9.	**PROFIT BEFORE TAXATION**		
	Profit before taxation is stated after taking into account the following items of income and expenditure:	–	–
	Income		
	Dividends received	2 171 396	248 506
	Joint-venture entity	2 151 366	239 504
	Available-for-sale investments	20 030	9 002
	Interest received	73 073	1 307
	Expenditure		
	Auditors' remuneration	92	94
	– Audit fees	92	83
	– Adjustment for previous year	–	11
	Directors' remuneration	62 406	60 028
	– directors' fees	944	923
	– other services	61 462	59 105
10.	**TAXATION**		
	South African normal tax		
	– current year	20 445	365
	– overprovision relating to prior years	(1)	–
	Capital gains tax	2 672	3 129
		23 116	3 494
	The company has unused credits in respect of secondary tax on companies of R689,6 million (2008: R271,7 million). A deferred tax asset has not been raised on these amounts as there is no certainty that the credits will be utilised in the foreseeable future.		
	Reconciliation of tax rate (%)		
	Statutory tax rate	28,00	28,00
	Adjusted for:		
	Dividend income	(45,23)	(29,32)
	Exempt income	(0,40)	(2,64)
	Capital gains tax on disposal of available-for-sale investments	0,20	1,32
	Disallowable expenditure	19,52	4,11
	Other	(0,37)	–
	Effective tax rate	1,72	1,47

		2009 R'000	2008 R'000
11.	**DIVIDENDS**		
	Dividends declared during the year		
	Final dividend No 103 of 1 000 cents (2008: 200 cents) per share – declared on 27 August 2008	280 000	56 000
	Interim dividend No 104 of 1 000 cents (2008: 250 cents) per share – declared on 19 February 2009	275 717	70 000
		555 717	126 000
	Per share (cents)	2 000	450
	Dividends relating to the activities of the group for the year under review		
	Interim dividend No 104 of 1 000 cents (2008: 250 cents) per share – declared on 19 February 2009	275 717	70 000
	Final dividend No 105 of 1 000 cents (2008: 1 000 cents) per share – declared on 26 August 2009	275 717	280 000
		551 434	350 000
	Per share (cents)	2 000	1 250
12.	**NOTES TO THE CASH FLOW STATEMENTS**		
12.1	**Cash utilised in operations**		
	Profit before taxation	1 344 216	237 320
	Adjusted for:	(1 350 707)	(268 563)
	– Dividends received	(2 171 396)	(248 506)
	– Interest received	(73 073)	(1 307)
	– Profit on disposal of available-for-sale investments	(19 086)	(22 350)
	– Discount on redemption of preference shares	(18 000)	–
	– Impairment of loan made to wholly owned subsidiary	680 066	–
	– Finance costs	250 782	3 600
		(6 491)	(31 243)
12.2	**Investment income**		
	Credited to the income statements	2 171 396	248 506
12.3	**Movements in working capital**		
	Decrease/(increase) in trade and other receivables	1	(134)
	Decrease in amounts owing by group companies	254	34 765
	Increase in trade and other payables	6 448	28 244
		6 703	62 875
12.4	**Taxation paid**		
	Unpaid at beginning of year	(3 117)	(6 741)
	Charged to the income statements	(23 116)	(3 494)
	Unpaid at end of year	4 952	3 117
		(21 281)	(7 118)
12.5	**Dividends paid**		
	Unpaid at beginning of year	(68)	(107)
	Paid during the year	(555 717)	(126 000)
	Unpaid at end of year	95	68
		(555 690)	(126 039)

	Issued share capital	Issued share	Direct interest in share capital	Direct interest in share	Shares at cost	Shares	Amounts due from/(to) subsidiary companies	
	2009/2008 R	2008 R	2009/2008 %	2008 %	2009/2008 R'000	2008 R'000	2009 R'000	2008 R'000
13. INTEREST OF COMPANY IN ITS SUBSIDIARY COMPANIES								
Incorporated in South Africa								
Ordinary shares								
African Mining and Trust Company Limited	1 000 000	1 000 000	100	100	1 200	1 200	41 411	110 465
Ceramox (Proprietary) Limited	100	100	100	100	1 124	1 124	–	–
Erven 40 and 41 Illovo (Proprietary) Limited	100	100	100	100	–	–	–	–
Erven 27 and 28 Illovo (Proprietary) Limited	100	100	100	100	–	–	–	–
Erf 1263 Parkview Extension 1 (Proprietary) Limited	1	1	100	100	–	–	–	–
General Nominees (Proprietary) Limited^	4	4	100	100	–	–	–	–
Main Street 460 (Proprietary) Limited	100	100	100	–	–	–	1 987 828	34 672
Ore & Metal Company Limited	100 000	100 000	100	100	105	105	(558 041)	(262 080)
Rustenburg Minerals Development Company (Proprietary) Limited	232 143	232 143	56	56	–	–	–	–
Wonderstone Limited	10 000	10 000	100	100	10	10	–	–
Wonderstone 1937 Limited^	45 940	45 940	100	100	35	35	–	–
Xertech (Proprietary) Limited	100	100	100	100	–	–	–	–
Zeerust Chrome Mines Limited	1 300 000	1 300 000	100	100	1 114	1 114	–	–
Preference shares								
Main Street 350 (Proprietary) Limited	5	5	–	–	25 000	25 000	6	1
Incorporated in Namibia								
Krantzberg Mines Limited^	500 000	500 000	100	100	–	–	–	–
Incorporated in Mozambique								
Amhold Limitada^	2	2	100	100	–	–	–	–
Incorporated in United States of America								
Minerais U.S. LLC	17 756 100	17 756 100	51	51	11 418	11 418	–	–
					40 006	40 006	1 471 204	(116 942)
Less – held indirectly					(11 452)	(11 452)		
– provided against					(1 114)	(1 114)	(680 066)	–
Per note 1					27 440	27 440	791 138	(116 942)

^ *Dormant companies*

14. FINANCIAL RISK MANAGEMENT

The company is exposed to various financial risks due to the nature and diversity of its activities and the use of various financial instruments. These risks include:

- credit risk;
- liquidity risk; and
- market risk.

Details of the company's exposure to each of the above risks and its objectives, policies and processes for measuring and managing these risks are included specifically in this note and more generally throughout the company's financial statements together with information regarding management of capital.

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has delegated its responsibility to the Executive Committee, which is responsible for the development and monitoring of risk management policies within the company. The committee meets on an ad-hoc basis and regularly reports to the board on its activities. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The roles and responsibilities of the committee include:

- approval of all counterparties;
- approval of new instruments;
- approval of the group's foreign exchange transaction policy;
- approval of the investment policy;
- approval of treasury policy; and
- approval of long-term funding requirements.

The company also has an internal audit function, which undertakes regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

14.1 Credit risk

The company minimises credit risk by the careful evaluation of the ongoing creditworthiness of customers and bank counterparties before transactions are concluded.

Overdue amounts are individually assessed and if it is evident that an amount will not be recovered, it is impaired and legal action is instituted to recover the amounts.

Credit exposure and concentrations of credit risk

The carrying amount of financial assets represents the maximum credit exposure at the reporting date and the following table indicates various concentrations of credit risk for all non-derivative financial assets held:

	2009 R'000	2008 R'000
Trade receivables – local	**133**	134
Cash resources	**932 729**	71
	932 860	205

Ageing

Aged as follows:

	Receivables not impaired	Receivables impaired	Impairment amount	Carrying value	Receivables not impaired	Receivables impaired	Impairment amount	Carrying value
	2009 R'000	**2009 R'000**	**2009 R'000**	**2009 R'000**	2008 R'000	2008 R'000	2008 R'000	2008 R'000
Not past due, not impaired	**133**	**–**	**–**	**133**	134	–	–	134
Past due	**–**	**–**	**–**	**–**	–	–	–	–
	133	**–**	**–**	**133**	134	–	–	134

Security held over non-derivative financial assets

Trade receivables are unsecured.

14. FINANCIAL RISK MANAGEMENT (continued)

14.2 Liquidity risk

The Executive Committee manages the liquidity structure of the company's assets, liabilities and commitments so as to ensure that cash flows are sufficiently balanced within the company as a whole.

Surplus funds are deposited in liquid assets (eg liquid money market accounts).

Undrawn credit facilities

The borrowing capacity of the company is limited by its Articles of Association and is based on its aggregate issued and paid up share capital, share premium and retained earnings. The extent of the facilities available to the company are set out below:

	2009 R'000	2008 R'000
Assore Limited		
Authorised in terms of the Articles of Association	unlimited	200 000
Less: external borrowings at year-end	1 430 000	–
Unutilised borrowing capacity	unlimited	200 000

The general banking facilities are unsecured, bear interest at a rate linked to prime, have no specific maturity date and are subject to annual review. The facilities are in place to issue letters of credit, bank guarantees and ensure liquidity.

Exposure to liquidity risk

The following are the cash flows of the group's financial assets and liabilities at year-end as determined by contractual maturity date, including interest receipts and payments but excluding the impact of any netting agreements with the third parties concerned.

	Carrying amount R'000	Total cash flows R'000	Less than 4 months R'000	Between 4 and 12 months R'000	Between 1 and 5 years R'000	More than 5 years R'000
2009						
Financial assets						
Investment in group companies	495 593	495 593	–	–	–	495 593
Available-for-sale investments	415 191	415 191	–	–	–	415 191
Loans to group companies	1 349 368	1 349 368	–	–	–	1 349 368
Trade and other receivables	133	133	133	–	–	–
Cash resources	932 727	932 727	932 727	–	–	–
	3 193 012	3 193 012	932 860	–	–	2 260 152
Financial liabilities						
Loans from group companies	558 041	558 041	–	–	558 041	–
Trade and other payables	34 853	34 853	34 853	–	–	–
Amounts due to group companies	189	189	189	–	–	–
Short-term borrowings	1 430 000	1 430 000	1 430 000	–	–	–
	2 023 083	2 023 083	1 465 042	–	558 041	–
2008						
Financial assets						
Investment in group companies	495 593	495 593	–	–	–	495 593
Available-for-sale investments	590 191	590 191	–	–	–	590 191
Loans to group companies	145 073	145 073	–	–	–	145 073
Trade and other receivables	134	134	134	–	–	–
Amounts due from group companies	65	65	65	–	–	–
Cash resources	71	71	71	–	–	–
	1 231 127	1 231 127	270	–	–	1 230 857
Financial liabilities						
Loans from group companies	262 080	262 080	–	–	262 080	–
Trade and other payables	28 378	28 378	28 378	–	–	–
	290 458	290 458	28 378	–	262 080	–

14.3 Market risk

Market risk is defined as the risk that movements in market risk factors will affect the company's revenue and operational costs as well as the value of its holdings of financial instruments. The objective of the company's market risk management policy is to manage and control market risk exposures to minimise the impact of adverse market movements with respect to revenue protection and to optimise the funding of the business operations.

Market risk information is prepared and submitted to the Executive Committee where it is monitored and further analysed to be used in the decision-making process. The information submitted includes information on currency and interest rates and is used by the committee to determine the market risk strategy going forward. In addition, key market risk information is reported to the Executive Committee on a weekly basis and forecasts against budget are prepared on a monthly basis.

Interest rate risk

Interest rate risk arises due to adverse movements in domestic interest rates. The company is primarily exposed to downward interest rate movements on floating investments purchased and to upward movements on overdrafts and other borrowings. There is no other exposure to fair value interest rate risk as all fixed rate financial instruments are measured at amortised cost.

The board determines the interest rate risk strategy based on economic expectations and recommendations received from the Executive Committee. Interest rates are monitored on a regular basis and the policy is to maintain short-term cash surpluses at floating rates of interest.

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was as follows:

	2009 R'000	2008 R'000
Variable rate instruments		
Liabilities		
Short-term borrowings	1 430 000	–
Assets		
Cash and cash equivalents	932 727	71
Fair value sensitivity analysis for fixed rate instruments		
The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not affect profit or loss.		
Cash flow sensitivity analysis for variable rate instruments		
An increase of 50 basis points in interest rates at the reporting date would have decreased profit after tax by the amounts shown below. This assumes that all other variables remain constant.		
Variable rate instruments	(2 291)	–

Net effect on profit or loss is equal but opposite for a 50 basis point increase on the financial instruments listed above.

14. FINANCIAL RISK MANAGEMENT (continued)

14.4 Fair value of financial assets and liabilities

The categorisation of each class of financial asset and liability, including their fair values, are included below:

	Note	Available-for-sale investments R'000	Loans and receivables R'000	Liabilities at amortised cost R'000	Total carrying value R'000	Fair value R'000
2009						
Financial assets						
Investment in group companies	1	495 593			495 593	495 593
Available-for-sale investments	2	415 191			415 191	415 191
Loans to group companies			1 349 368		1 349 368	1 349 368
Trade and other receivables			133		133	133
Cash resources			932 727		932 727	932 727
		910 784	2 282 228	–	3 193 012	3 193 012
Financial liabilities						
Loans from group companies				558 041	558 041	558 041
Trade and other payables				34 853	34 853	34 853
Amounts due to group companies				189	189	189
Short-term borrowings	7			1 430 000	1 430 000	1 430 000
		–	–	2 023 083	2 023 083	2 023 083
2008						
Financial assets						
Investment in group companies	1	495 593			495 593	495 593
Available-for-sale investments	2	590 191			590 191	590 191
Loans to group companies			145 073		145 073	145 073
Trade and other receivables			134		134	134
Amounts due from group companies			65		65	65
Cash resources			71		71	71
		1 085 784	145 343	–	1 231 127	1 231 127
Financial liabilities						
Loans from group companies				262 080	262 080	262 080
Trade and other payables				28 378	28 378	28 378
		–	–	290 458	290 458	290 458

Determination of fair values

Quoted market prices at reporting date have been used to determine the fair values of available-for-sale investments. Where quoted market prices are not available, a valuation technique, most commonly discounted cash flows, was used. For trade receivables and payables, the fair value was determined using the discounted cash flow method at market related interest rate. Carrying amounts approximate fair value for all other financial assets and liabilities.

15. CAPITAL MANAGEMENT

The company holds interests in companies that own mineral rights over resources with remaining lines which vary in accordance with current prices (refer to resources and reserves statement). Decisions to exploit resources would be made at board level and only following the completion of a bankable study based on the current life of mine and estimated capital cost, operating cost and cost of finance, where required, so that the deposit can be mined on a sustainable basis to the end of its estimated life.

The board's policy is therefore to maintain a strong capital base so as to maintain stakeholder confidence and to sustain future development of the business. The company considers its capital to comprise total equity. The company may adjust its capital structure by way of issuing new shares and is dependent on its shareholders for additional capital as required. The company manages its capital structure in light of changes in economic conditions and the board of directors monitors the capital adequacy, solvency and liquidity of the company on a continuous basis.

There were no changes in the company's approach to capital management during the year.

	2009 R'000	2008 R'000
16. CONTINGENT LIABILITIES		
Guarantees		
Guarantees issued to bankers as security for facilities provided to subsidiary companies	**386 000**	392 015

Joint-venture entity

The company has issued guarantees to bankers to secure a short-term export finance agreement facility of R180 million (2008: R180 million). The facility is primarily utilised for and on behalf of Assmang in which the company holds a 50% interest and which in turn has provided a back-to-back guarantee against any claims made by bankers in terms of this facility.

BEE transactions

Certain preference shares were issued as part of the BEE transaction entered into in 2006. If an event of default as defined in the contract is triggered in relation to the preference shares, the provisions of the relevant put option and call agreements entered into will apply.

The company has also provided a guarantee to secure the banking facility extended to Mampa, which at year-end amounted to R5,6 million (2008: R6,6 million). The company in turn holds a back-to-back pledge over Mampa's interest in RDMC in the event that the guarantee is called up.

NOTICE TO MEMBERS

Notice is hereby given that the fifty-ninth Annual General Meeting of the members of Assore will be held at 15 Fricker Road, Illovo Boulevard, Johannesburg on Friday, 27 November 2009 at 10:30 for the following purposes:

1. To receive and consider the annual financial statements of Assore and its group for the year ended 30 June 2009.
2. To elect directors pursuant to the retirement (in accordance with the provisions of Assore's Articles of Association) of Messrs B M Hawksworth, M C Ramaphosa, and E M Southey and Dr J C van der Horst, who offer themselves for re-election. (Refer to the footnote to this notice for a short *curriculum vitae* of the directors concerned.)
3. To consider, and if deemed fit, to pass with or without modification the ordinary and special resolutions set out below.
4. To transact any other business which may be transacted at an Annual General Meeting of Assore.

ORDINARY RESOLUTION

Whereas, in terms of the Articles of Association of Assore, the remuneration payable to directors of Assore for their services as directors shall be determined from time to time by the members of Assore in general meeting.

Resolved that the annual remuneration payable to the non-executive directors of Assore be increased to the following amounts with effect from 1 July 2009, until otherwise determined by the company in a general meeting:

B M Hawksworth	R175 000
M C Ramaphosa	R150 000
E M Southey	R150 000
J C van der Horst	R150 000

SPECIAL RESOLUTION

Resolved that, pursuant to and in terms of sections 85 to 89 of the Companies Act No 61 of 1973 ("the Companies Act") and the Listings Requirements of the JSE Limited ("the Listings Requirements"), Assore and its subsidiaries ("the Group") be and are hereby authorised, in accordance with article 42(j) of Assore's Articles of Association, by way of a general authority to purchase ordinary shares in the issued share capital of Assore from time to time, upon such terms and subject to such conditions as may be determined by its directors from time to time and further subject to the provisions of the Companies Act, and that any of the directors of Assore be and is hereby authorised to sign all documents and perform all acts on behalf of Assore that may be required to give effect to this special resolution.

The reason for and effect of the aforementioned special resolution

The reason for and effect of the aforementioned special resolution is to provide general authority to the group for implementing repurchases of Assore's issued share capital in accordance with the provisions of sections 85 to 89 of the Companies Act.

Undertakings required by the JSE Limited ("the JSE")

In terms of the Listings Requirements, Assore undertakes in respect of the aforementioned special resolution that:

- any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between Assore and the counterparty;
- any such acquisition of shares is authorised by Assore's Articles of Association;
- this general authority shall be valid until Assore's next Annual General Meeting, provided that it shall not extend beyond 15 months from the date of passing of the aforementioned special resolution;
- acquisitions of shares in the aggregate in any one financial year may not exceed 20% of Assore's issued share capital as at the date of passing of this special resolution;
- in determining the price at which shares are acquired by the group in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value at which such shares are traded on the JSE as determined over the five business days immediately preceding the date of repurchase of such shares by the group;
- at any point in time, Assore may only appoint one agent to effect any repurchase on its behalf;
- Assore, after any repurchase, shall endeavour to comply with the minimum shareholder spread requirements of the Listings Requirements of the JSE; and
- the group may not repurchase Assore shares during a prohibited period unless they have in place a repurchase programme where the dates and quantities of Assore shares to be traded during the relevant period is fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period.

Additional information

The following additional information is provided in terms of the Listings Requirements for purposes of the general authority contained in the aforementioned special resolution:

Details of directors, beneficial shareholders and share capital

Details of the above are set out as follows in the annual report, of which this notice forms part:

Directors	pages 8 and 9;
Directors' interests in ordinary shares	page 54;
Major beneficial shareholders	page 54; and
Share capital of the company	page 76.

Announcements

Upon cumulatively repurchasing 3% of the initial number of ordinary shares in issue and for each 3% of ordinary shares repurchased in aggregate thereafter, Assore will make an announcement to such extent by not later than 08:30 on the second business day following the day on which the relevant threshold is reached or exceeded.

Working capital

The directors of Assore are satisfied that for a period of 12 months after the date of the notice of Annual General Meeting at which the aforementioned special resolution will be considered:

- the company and the group will be able, in the ordinary course of business, to pay its debts;
- the assets of the company and the group will exceed the liabilities of the company and the group. For this purpose, the assets and liabilities of the company and the group will be measured in accordance with the accounting policies used in the audited group annual financial statements for the year ended 30 June 2009; and
- the share capital, reserves and working capital of the company and the group will be adequate for ordinary business purposes.

Directors' responsibility statement

The directors, whose names appear on pages 8 and 9 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the aforementioned special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice contains all information required by law and the Listings Requirements.

Material changes

Other than the facts and developments reported on in the annual report, which this notice accompanies, there have been no material changes in the affairs or financial position of the company and the group between the date of the annual financial statements for the year ended 30 June 2009 and the date of this notice of Annual General Meeting.

Share trusts

Any Assore shares held by any share trust will not have their votes at Annual General Meetings taken account of for Listings Requirements' resolution purposes.

Voting and proxies

Members holding certificated shares and members who have dematerialised their shares and have elected own name registration in the sub-register maintained by their Central Securities Depository Participant ("CSDP"), may attend, speak and vote at the Annual General Meeting or may appoint one or more proxies (who need not be members of the company) to attend, speak and vote at the Annual General Meeting on behalf of such shareholder. A proxy form is attached to this notice of Annual General Meeting. Duly completed proxy forms must be returned to the transfer secretaries of the company or the registered office of the company to be received by no later than 10:30 on Wednesday, 25 November 2009.

Members who have dematerialised their shares through a CSDP or broker and who have not elected own name registration in the sub-register maintained by a CSDP and who wish to attend the Annual General Meeting, should instruct their CSDP or broker to issue them with the necessary authority to attend, or if they do not wish to attend the Annual General Meeting, but wish to be represented thereat, they may provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

By order of the board
African Mining and Trust Company Limited
Secretaries

Johannesburg
28 October 2009

Footnote to item 2 of the agenda
Directors retiring by rotation and available for re-election:

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

M C Ramaphosa
Non-executive director
BProc
Cyril is the executive chairman of Shanduka Group (Proprietary) Limited. He is joint non-executive chairman of the Mondi Group and non-executive chairman of MTN Group Limited and Bidvest Group Limited. His non-executive directorships include SABMiller plc and Standard Bank Group Limited. He serves on The Coca Cola Company's International Public Policy Advisory Board (IPPAB) and is a member of the United Nations Global Leadership Group which advises the Secretary General's Special Representative on Business and Human Rights. Cyril has received several honorary doctorates. He joined the Assore board as a non-executive in July 2006.

E M Southey
Independent non-executive director
BA, LLB
Ed was admitted as an attorney, notary and conveyancer in 1968 and practised as a partner of Webber Wentzel until his retirement as senior partner of that firm in 2006. He remains an executive consultant to that firm. He is a former president of the Law Society of the Northern provinces and of the Law Society of South Africa. He is a director of a number of companies. He joined the Assore board as a non-executive director in January 2009 and serves on the group's Audit and Remuneration Committees.

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

FORM OF PROXY

Assore Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1950/037394/06)
Share code: ASR ISIN:ZAE 000017117
("Assore" or "the company")

For use only by members holding certificated shares and members who have dematerialised their share certificates and have elected own name registration in the sub-register maintained by the Central Securities Depository Participant (CSDP), at the Annual General Meeting to be held at 10:30 on Friday, 27 November 2009.

Shareholders who have dematerialised their share certificates through a CSDP or broker and who have not elected own name registration in the sub-register maintained by a CSDP who wish to attend the Annual General Meeting, should not complete this form of proxy, but should instruct their CSDP or broker to issue them with the necessary authority to attend the Annual General Meeting. If such shareholders do not wish to attend the Annual General Meeting, but wish to be represented thereat, they may provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

I/We ____
(Name in block letters)

of ____
(Address)

being the holder/s of ________________________________ ordinary shares
in the issued share capital of the company, hereby appoint (see note 1)

1. ____

of ________________________________ or failing him/her

2. ____

of ________________________________ or failing him/her

3. the chairman of the company, or failing him, the chairman of the Annual General Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the company to be held at 15 Fricker Road, Illovo Boulevard, Johannesburg on Friday, 27 November 2009 at 10:30 or at any adjournment thereof.

I/We desire to vote as follows (see note 2):

	For	Against	Abstain
Adoption of annual financial statements			
Election of retiring directors: – B M Hawksworth – M C Ramaphosa – E M Southey – J C van der Horst			
Ordinary resolution Determination of remuneration for non-executive directors			
Special resolution General authority to repurchase Assore shares			

Signed at ________________________ on ________________________ 2009

Signature ____

Assisted by me (where applicable) ________________________________

Please see notes overleaf

NOTES TO THE FORM OF PROXY

1. A member is entitled to appoint one or more proxies (none of whom need be a member of the company) to attend, speak and vote in the place of that member at the Annual General Meeting of the company. A member may therefore insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided, with or without deleting "the chairman of the company, or failing him, the chairman of the Annual General Meeting". The person whose name stands first on the proxy form and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. A member's instructions to the proxy must be indicated by the insertion of an 'X' in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the Annual General Meeting, if he is the authorised proxy, to vote in favour of the resolutions at the Annual General Meeting, or any other proxy to vote or abstain from voting at the Annual General Meeting as he deems fit, in respect of the member's total holding.

3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.

4. Every member present in person or by proxy and entitled to vote shall, on a show of hands, have only one vote and, upon a poll, every member shall have one vote for every ordinary share held by such member.

5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, for which purpose seniority will be determined by the order in which the names stand in the register of members in respect of such joint holding.

6. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the Annual General Meeting.

7. Forms of proxy must be lodged at, or posted to, the registered office of the company or the transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg (PO Box 61051, Marshalltown, 2107) to be received by not later than 10:30 on Wednesday, 25 November 2009.

GRAPHICOR 40739