



MATODZI RESOURCES LIMITED

ANNUAL REPORT 2003

PROFILE

Matodzi is a 75% black economic empowered resource company.

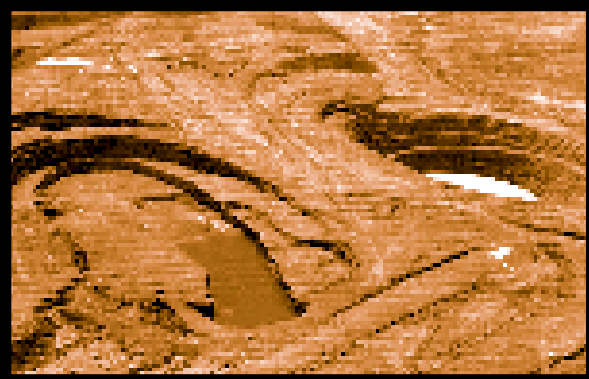
The Company's principal activities include

- sourcing and evaluating investment opportunities; and
- operational and executive involvement in selected mining ventures.

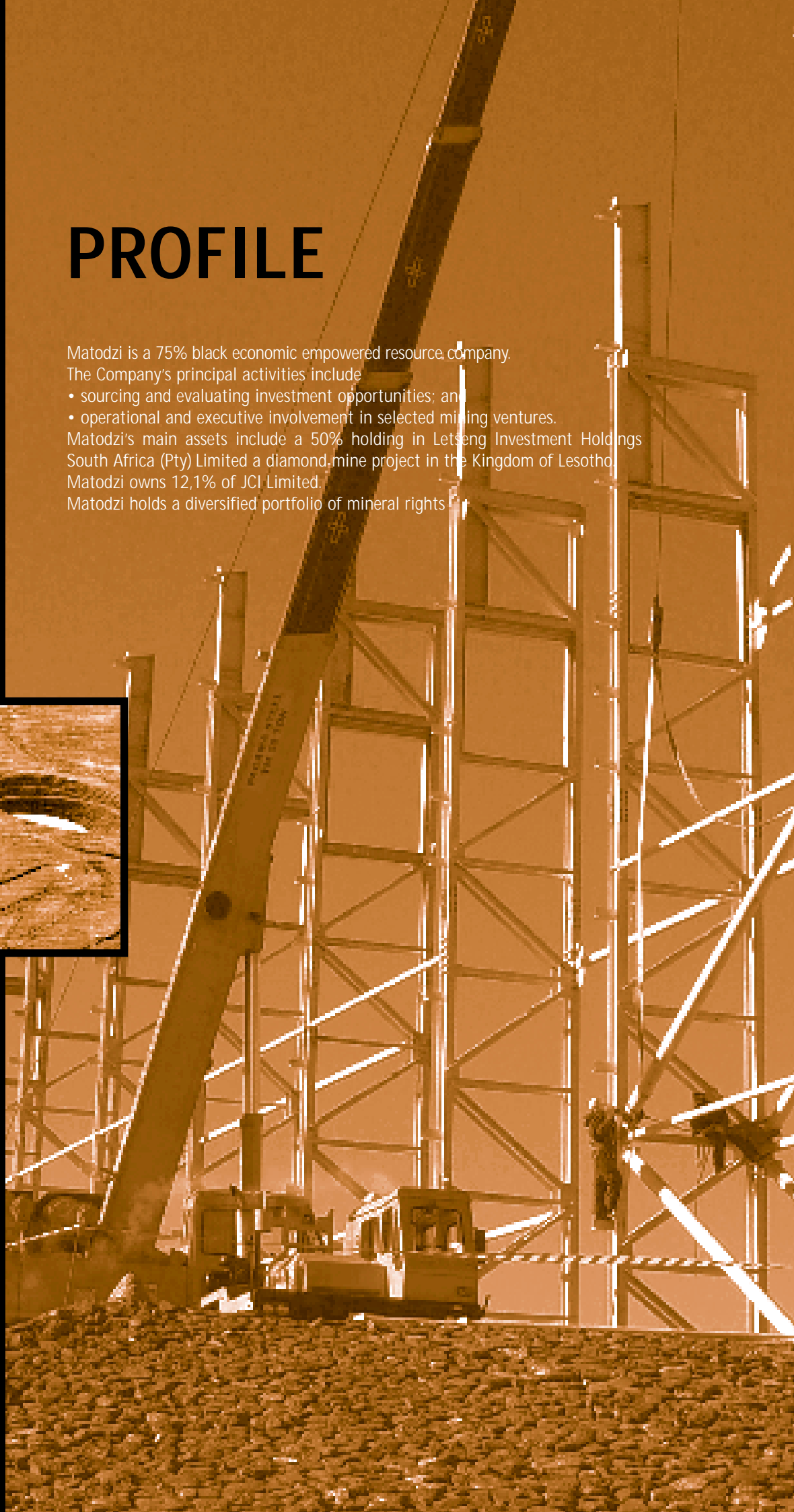
Matodzi's main assets include a 50% holding in Letseng Investment Holdings South Africa (Pty) Limited a diamond mine project in the Kingdom of Lesotho.

Matodzi owns 12,1% of JCI Limited.

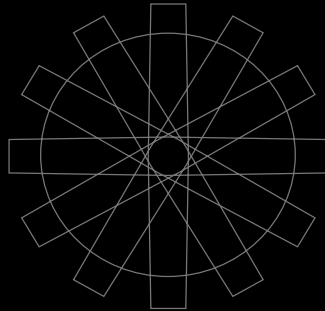
Matodzi holds a diversified portfolio of mineral rights.



The Main and Satellite Pipes at Letseng



CONTENTS



2	Chairman's review
4	Letšeng Diamond project
6	Corporate governance report
8	Description of mineral rights
17	Approval of annual financial statements
17	Declaration by the company secretary
18	Report of the independent auditors
19	Directors' report
26	Balance sheets
27	Income statements
28	Statements of changes in equity
29	Cash flow statements
30	Notes to the financial statements
40	Investment in wholly-owned subsidiaries
41	Investment in associate company
42	Rights and conditions
45	Notice of annual general meeting
Inserted	Proxy form
IBC	Directorate and administration



Matodzi Resources Limited

(Formerly New Mining Corporation Limited)

(Reg No 1933/004523/06)

(Incorporated in the Republic of South Africa)

("Matodzi" or "the Company")

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We are satisfied with the achievement of our 2003 goals, to extend our core business and restructure the Company for growth

CHAIRMAN'S REVIEW

OVERVIEW

At the outset of the new financial year we set a range of goals for ourselves and the Company, amongst them being the implementation of the results of our restructuring strategy, extending our core business by participation in viable projects, and growth of revenue in line with the market. In the mining resource sector of our business, we undertook to consolidate our current projects, introduce new projects and grow revenues.

As a priority, the directors pledged to deliver sustained value to our shareholders, and in so doing, we believe we will be contributing to broad economic development in South Africa, and to the continent of Africa as a whole.

I am pleased to report that our scorecard in terms of our achievements for the period under review appears extremely favourable.

MATODZI RESOURCES LIMITED – AN ENHANCED ENTITY

This report comes nine years after the attainment of our freedom in South Africa.

The political landscape has been levelled and we are still struggling

to gain meaningful participation by black people in the economy.

At Matodzi we believe that entrepreneurs need to build companies that generate profits which fuel expansion and facilitate employment thereby contributing towards economic growth.

Formerly known as New Mining Corporation Limited, the Company changed its name to Matodzi Resources Limited in November 2002. Matodzi is now a 75% black economic empowered resource company listed on the JSE Securities Exchange South Africa in the Resources: Mining – Mining Finance Sector of the JSE lists.

The principal activities with which the Company is involved include identifying and evaluating investment opportunities, as well as effective operational and executive involvement in selected mining ventures.

Investment selection is based on our Company's ability to add value through effective participation at various levels in economically viable and sustainable projects.

The Company holds a diversified portfolio of mineral rights that have potential for a variety of



A Mlangeni (Chairman), S M Rasethaba (Chief Executive Officer)

commodities. These include diamonds, gold, coal, base metals and industrial minerals. (See Description of Mineral Rights on pages 8 to 16).

SCORECARD AND ACHIEVEMENTS

During the past financial year, Matodzi was nominated as being one of the best performing shares on the JSE over a period of three years, reflecting the intrinsic value of the Company, and market recognition of the Company's quality management. We are confident that the initiatives undertaken, referred to below, will bolster that reputation and add further credibility to our progress.

The first phase of the Company's restructuring included the sale of all of its non-core assets and the redemption of preference shares amounting to R90 million. These activities served to increase market confidence in the Company's focused strategy and the strength of its balance sheet.

Matodzi holds a substantial stake in the Letseng diamond mine in Lesotho. During the period under review, Matodzi was successful in securing funding from the IDC to complete the project. Operations are expected to commence early next year, with the mine having a projected life span of approximately eighteen years.

It is envisaged that within a period of three years, the Company will be cash self-sufficient, thereby facilitating the planned accretionary growth.

Matodzi has submitted a comprehensive list of its Mynpachten and Claims to the Department of Minerals and Energy as part of a verification process and anticipates a favourable response.

During July 2002 Matodzi entered into an agreement with Anglo South Africa Capital (Proprietary) Limited ("Anglo") to purchase 126 834 740 shares in JCI Limited, held by Anglo.

The purchase was concluded on 29 August 2003. Neither the asset nor the corresponding liability in terms of the purchase consideration of R63 417 370 have been reflected in the Balance Sheet. The 126 834 740 JCI Limited shares have a market value of R93 857 708.

Matodzi now owns 12,1% of JCI Limited.

PROSPECTS

We are satisfied with the achievement of our 2003 goals, namely, to extend our core business and restructure the Company for growth.

Our objectives for the year ahead are to build the business to greater heights, undertake further

restructuring with a view to reducing debt, and to continue to identify and invest in quality income-generating projects.

THANKS

We are particularly proud of Matodzi's performance this past year. We believe that the success of an organisation is a reflection of the dedication of its people, and I would sincerely like to thank the management and staff for their commitment, contribution and enthusiasm. In particular, I would like to thank our partner, JCI Limited, for their support, encouragement and for their invaluable expertise.

May I also extend my gratitude to my board colleagues for their prudent counsel over this period, their guidance is highly appreciated. Finally, I look forward to the valuable contribution which our new board members will make in the years to come.

A Mlangeni
Chairman

Johannesburg
2 October 2003

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LETŠENG DIAMOND PROJECT

High in the Maluti Mountains of Lesotho near the Drakensberg escarpment lies the Letšeng Diamond Mine. Dormant since 1982, there remains more than 40 million tonnes of open pit mineable ore reserve at Letšeng at an average grade of 2,3 carats per hundred tonnes. Originally discovered in 1957 the mine was exploited by artisanal diggers for the first ten years before the Government of the newly independent state of Lesotho requested Rio Tinto Zinc to evaluate the two kimberlite pipes in 1968 with a view to establishing a commercial mining operation. Rio Tinto Zinc chose not to develop the mine at Letšeng. However, De Beers took occupation of the site in 1973 and over the next four years brought the mine into operation. From 1977 to 1982 De Beers mined and treated a total of 9 million tonnes of ore at an average grade of 3.03 cpht, producing some 272 000 carats at a revenue of \$109 million. They mined the Main pipe to a depth of 120 metres treating only the K6 ore (7mT) while stockpiling the non-K6, which was not considered economic at the time. 27mt of non-K6 was left in-situ in the Main pipe, down to

190m in depth, which is mineable without any waste mining. The Satellite pipe, on the other hand, was only mined to an average depth of 20 metres vis-à-vis the planned depth of 140 metres. 12 million tonnes remain unmined down to that depth, for which some 13.6 million tonnes of waste will have to be removed.

It is expected that the economic limit for this pit will be in excess of 300m depth.

Whilst the grade at Letšeng is low for a kimberlite deposit this is offset by the high value of the production from Letšeng. The size frequency distribution of the diamond production at Letšeng is such that 15% of the carats produced are in diamonds which are greater than 10 carats in size, 8% are greater than 15 carats. These diamonds contribute nearly two thirds of the total revenue. Letšeng is a known producer of large diamonds, the largest being the Lesotho Brown, which weighed 601 carats. Based on past production history the mine can expect to recover three diamonds

weighing in excess of 100 carats in a year. The mine plan forecasts an initial annual production of 65 000 carats at an average \$635 per carat earning in excess of \$41 million per annum.

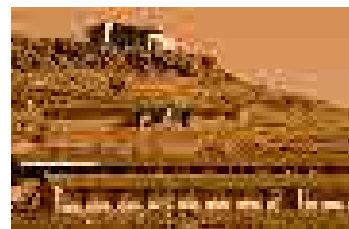
At present a new plant is under construction on site which is due to be commissioned early in 2004, building up to full production in the second quarter. The plant is designed to process ore at 350 tonnes per hour. It is a conventional diamond processing plant in most regards with a couple of notable exceptions. The topsize of the DMS feed fraction has been set at 45mm with the intention of being able to recover any and all stones up to 1 000 carats without breakage. Also unusual is the total enclosure of the plant within a building providing seclusion from the extreme weather conditions encountered at Letšeng. In parallel with the construction of the plant, the related infrastructure is also being presently finalised. A camp is being constructed with all the necessary facilities for the comfortable accommodation of the mine operational staff. Power has

been restored by the LEC and the necessary reticulation of power and water on site is also nearing completion.

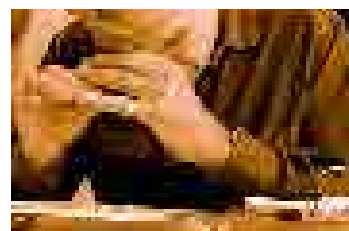
A number of contracts are being entered into for the operational phase. These contracts will be with Lesotho registered companies with the backing of South African companies, which are well versed in mining and processing operations. The operational build-up has already commenced with Letšeng Diamonds (Pty) Limited having recruited a number of key personnel.

Letšeng Diamonds (Pty) Limited, a company registered in Lesotho, holds the mining lease for the Letšeng Mine and is presently involved in re-developing the mine with the assistance of JCI Limited.

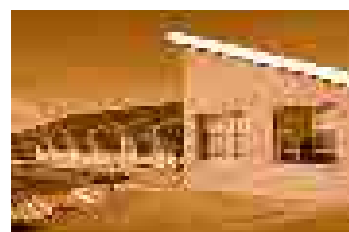
Letšeng Diamonds (Pty) Limited is 76% owned by Letšeng Investment Holdings South Africa (Pty) Limited and 24% by the Government of the Kingdom of Lesotho. Letšeng Investment Holdings is in turn 50% owned by Matodzi and 40% owned by JCI Limited followed by Letšeng Diamonds Limited (Guernsey) holding the balance of 10%. The project has been funded by JCI Limited and Matodzi since late 1999 through shareholder loan accounts. The IDC agreed to extend a commercial loan to Letšeng Investment Holdings South Africa (Pty) Limited to provide funds for the completion and commissioning of the project. First drawdown against this facility is expected in due course.



New completed accommodation block



Inspecting recently recovered diamonds



Mine offices at Letšeng Mine

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11 **CORPORATE GOVERNANCE REPORT**
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17 **THE KING II REPORT ON**
18 **CORPORATE GOVERNANCE (“KING**
19 **II REPORT”)**

20 At a board meeting held in June
21 2003 the board approved and
22 adopted its Corporate Governance
23 Charter and a Code of Conduct as
24 recommended by the King II Report.

25 The board of directors is committed
26 to the principles of openness,
27 integrity and accountability and the
28 provision of timeous, relevant and
29 meaningful reporting to all
30 stakeholders. Matodzi has taken
31 cognisance of and implemented, the
32 majority of the recommendations of
33 the King II Report and has, where
34 possible, improved upon its internal
35 structures.

36 In accordance with the Code, the
37 board actively reviews and enhances
38 the Company's systems of control
39 and governance on a continuous
40 basis to ensure that its business is
41 managed ethically and in conformity
42 with accepted standards of best
43 practice. These policies relate, inter-
44 alia, to the duties of the board,
45 delegation of powers to board
46 committees, responsibilities and
47 levels of authority.
48

DIRECTORS' RESPONSIBILITY FOR
THE ANNUAL FINANCIAL
STATEMENTS

The directors are required by the
Companies Act to prepare annual
financial statements which fairly
present the state of affairs of the
Company and of the Group, and the
results of their operations. The
auditors are responsible for
independently examining, reviewing
and reporting their findings on these
financial statements.

The financial statements as set out
in this report have been prepared
by management in conformity with
South African Statements of
Generally Accepted Accounting
Practice and are based on
appropriate accounting policies
which have been consistently
applied and which are supported
by reasonable and prudent
judgement and estimates. The
independent auditors' report is set
out on page 18.

The directors are of the opinion
that the annual financial
statements fairly present the
financial position of the
Company at 31 March 2003 and
the results of the operations and
cash flow information for the
year then ended.

ACCOUNTABILITY AND CONTROL

To enable the directors to meet their
responsibilities, management sets
standards and implements systems
of internal control aimed at
reducing the risk of error, fraud or
loss in a cost effective manner.
These controls include the proper
delegation of responsibilities within
a clearly defined framework,
effective accounting procedures and
adequate segregation of duties. The
controls are monitored throughout
the Company, and all employees are
required to maintain the highest
ethical standards in ensuring that
the Company's business practices
are conducted in a manner which in
all reasonable circumstances is
beyond reproach.

The directors are of the opinion,
based on the information and
explanations given by management
and the auditors, and on comments
by the auditors on the results of
their audit, that the internal
accounting controls are adequate,
so that the financial records may
be relied on for preparing the
financial statements and
maintaining accountability for
assets and liabilities.

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**BOARD AND COMMITTEE
STRUCTURE**

The board comprises majority non-executive directors, including the Chairman, as recommended in the Code. The non-executive directors have a wide range of differing expertise, as well as financial and commercial experience and other skills that enable them to bring an independent judgement to board deliberation and decisions. No executive directors have service contracts. All directors retire by rotation and offer themselves for re-election every three years. The executive committee, comprising executive directors and some non-executive directors, together with senior managers, meets weekly to monitor strategic objectives and policies through a structured approach to reporting on the basis of agreed performance criteria and for the detailed planning and implementation of such objectives.

All directors have access to the advice and services of the Company Secretary and, with the prior agreement of the non-executive Chairman, are entitled to seek independent professional

advice concerning the affairs of the Company at its expense.

Composition of the board of directors and other committees at the date of this report are given on pages 20 and 21 of the directors' report.

PRICE-SENSITIVE INFORMATION

In accordance with the JSE Securities Exchange South Africa guidelines on price-sensitive information, the Company has adopted a policy dealing with the determination of information as price-sensitive confidentiality undertakings and discussions with the press, institutional investors and analysts. The Company follows a 'closed-period' principle, during which period employees, consultants, executive and non-executive directors are prohibited from dealing in the Company's shares.

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Matodzi holds a diversified portfolio of mineral rights that have potential for a variety of commodities

DESCRIPTION OF MINERAL RIGHTS

INTRODUCTION

Matodzi holds a diversified portfolio of mineral rights that have potential for a variety of commodities, including diamonds, gold, coal, base metals and industrial minerals. Whilst the majority of the mineral rights are considered as early stage exploration plays, certain of the rights have been previously exploited, such as those rights that form part of the Witwatersrand Nigel Gold Mine in the Heidelberg area, which ceased operations in the 1980's. Alluvial mining operations are currently in progress on one of the properties in which Matodzi, through its subsidiary Brakfontein Diamante (Pty) Limited, enjoys a royalty.

The mineral rights portfolio is held either directly by Matodzi (Witwatersrand Nigel Limited and New Mining Corporation Limited), or through its wholly owned subsidiaries, namely Consolidated Resources and Exploration Limited ("Corex") and Brakfontein Diamante (Pty) Limited, with the majority of the rights residing with Corex.

MINERAL RIGHTS HELD BY MATODZI

By virtue successive name changes from Witwatersrand Nigel Limited to New Mining Corporation Limited

(20 January 1999), and one from New Mining Corporation Limited to Matodzi Resources Limited (04 November 2002), Matodzi holds title to a substantial portfolio of mineral rights in the form of title deeds, mynpachten and precious metal claims in the Heidelberg area. Many of these rights comprise the now defunct Witwatersrand Nigel Limited Gold Mine, where the historical mining operations focused on the exploitation of the Nigel Reef.

Furthermore, the majority of these rights were the subject of a verification process initiated by the Ministry of Mines and Energy towards the end of 2002.

The mineral rights, as summarised in Annexure A, host potential for both the Nigel Reef and the Kimberley (May) Reef, albeit that these reef horizons are considered to be of a distal nature with the associated gold grades being erratic, and occurring largely within well constrained areas of channelisation.

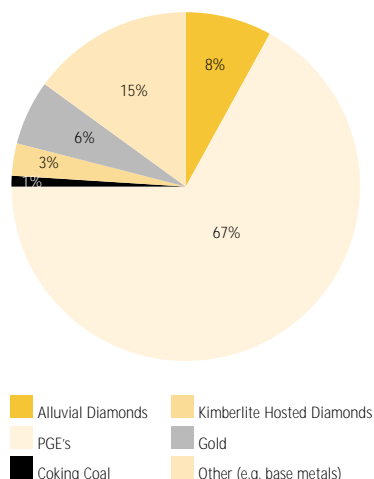
As a result of an Option Agreement concluded with Covenant Mining Limited, and subsequent renewals thereof, the majority of the rights alluded to in Annexure A will revert

to Covenant Mining Limited should the current Option Agreement be exercised.

MINERAL RIGHTS HELD THROUGH COREX

Corex owns the mineral rights to some 124 760 hectares situated in the Northern, Mpumalanga, North West and Gauteng Provinces. The mineral rights are considered to have varying degrees of prospectivity for a variety of commodities, including diamonds, gold, platinum group metals, coking coal, base metals and industrial minerals. The majority of the mineral rights, however, have potential for either kimberlite hosted, or alluvial diamonds.

Corex Mineral Rights (Prospectivity by commodity)



Corex has historically divided its mineral rights portfolio into three categories based on prospectivity for a specific commodity, or a combination of commodities, by virtue the surrounding geology. This is summarised in Annexure B.

- Category A: Farms are considered to be highly prospective. Located in favourable geological terranes;
- Category B: Farms considered as having lower potential due to commodity prices and/or the early stage ("grass-roots") nature of the property. Located in favourable geological terranes;
- Category C: Farms considered to have limited potential.

MINERALISATION POTENTIAL Platinum Group Metals

Corex owns the mineral rights to platinum group metals on portions of the farm Boschpoort 284 JQ, totalling 191 hectares, to the north-east of Rustenburg. The farm is underlain by the Bushveld Complex, inclusive of the Merensky and UG2 Reef zones, the latter of which occurs 212 metres below the former. Whilst both reef zones are currently being mined by Anglo Platinum and Impala Platinum close

to outcrop, the Merensky Reef is projected to occur at a minimum depth of 2 000 metres below surface on the property, with similar grades and widths to those at the Rustenburg Platinum and Impala Platinum mining operations.

Corex has an undivided 50% of the mineral rights over the farm Schoonoord 462 KS, which occurs in the north-eastern sector of the Bushveld Complex, immediately down-dip of Lebowa Platinum Mine ("Lebowa"). The farm is underlain by the Merensky and the UG2 Reef zones, which are currently being exploited at Lebowa. The Merensky Reef occurs at an estimated depth of 1 800 metres below surface at the north-eastern boundary of the farm, and is expected to have similar grades and widths to those currently being mined at Lebowa.

Diamonds Alluvial Diamonds

The farms Mooivlei, Bossieslaagte, Vaalrand, Goedgedacht and Kareepoort have potential for alluvial diamonds. Goedgedacht and Kareepoort are known to have diamondiferous gravels but the rights to these deposits are specifically excluded from the Corex mineral rights.

The remaining farms are known to have gravel terraces but no diamonds have historically been

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11 **DESCRIPTION OF MINERAL RIGHTS** (continued)
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18 recorded from them. The farm
19 Vaalrand is situated immediately
20 east of a series of high-level
21 diamondiferous gravels, some of
22 which may well extend onto the
23 farm. Any such gravels are likely to
24 be covered by overburden and
25 would need to be exposed for
26 evaluation purposes. Mooivlei is
27 situated on the Limpopo River and
28 has substantial paleo-channel gravel
29 deposits, while Bossieslaagte lies
30 within the Harts River area that is
31 known for alluvial diamonds.

32 *Kimberlitic Diamonds*

33 Numerous kimberlite discoveries
34 have been made over the past two
35 decades in the Limpopo Mobile Belt
36 of the Northern Province, the most
37 notable being the Venetia pipe
38 complex. The area is regarded as
39 having good potential for further
40 discoveries of kimberlites. Corex has
41 the mineral rights to 14 farms in
42 this area which satisfy the criteria
43 for kimberlite occurrences, and
44 which should be explored
45 specifically for kimberlites. The
46 farms are Bokveld, Havre, Hayoma,
47 Kaffersfontein, Letitia, Lith,
48 Melbourne, Niemandslaan, Norfolk,
Oorsprong, Reserve, Skullpoint,
Vucht and Werkplaas, details of
which are provided in Annexure B.

The combined area of the farms
alluded to above, which are scattered
over a wide region, totals
20 672 hectares. Although the

likelihood of discovering a single
kimberlite pipe on one of the farms is
relatively good, it must be noted that
only a small proportion of kimberlite
pipes are economic. Therefore it is
statistically unlikely that a substantial
economic kimberlite pipe will be
located on any one of these farms.

Gold

Five farms in the Klerksdorp area are
underlain by rocks of the
Witwatersrand Supergroup and
hence have the potential for gold-
bearing reefs. The farms Doornplaat
and Witstinkhoutbaken adjoin the
now defunct Stilfontein Gold Mine.
Deep drilling and seismic studies in
the area have shown that the reefs
were eroded away prior to the
deposition of the Transvaal rocks,
and hence there is a negligible
chance of finding economic
mineralisation on these farms.

Three other farms are situated east
of the Klerksdorp Gold Field, and
border on the area known as the
Potchefstroom Gap. The farms cover
an area of 2 485 hectares and have
a disjointed and elongate shape.
Although it is unlikely that these
farms could form a stand-alone
mine, particularly at the expected
reef depths, these mineral rights are
only likely to be realised in the
event that they be incorporated into
a much larger mining entity.

Coal

Corex owns the mineral rights to six
farms with a combined area of
6 976 hectares which are underlain
by coal bearing strata. The farms are
Werkplaas, which is situated in the
Eastern Soutpansberg Coalfield,
Heuvelfontein in the Witbank
Coalfield, and Wellington,
Weltevrede, Volspruit and Grasplaats
in the Springbok Flats Coalfield.

Werkplaas is an isolated farm on
the margin of the Soutpansberg
Coalfield that contains limited
quantities of high-grade coking
coal. Iscor is presently mining
metallurgical grade coal in the
Soutpansberg Coalfield, and there
is an opportunity to extend these
mining operations to incorporate
Werkplaas (2 100 hectares).
Although it is not possible to
determine in detail the area
underlain by coal or the quality of
the coal, the presence of a
metallurgically important class of
coal is significant.

The four farms in the Springbok
Flats Coalfield are spread over a
wide area, which limits the extent
to which they can be consolidated.
The coals from this area are high-
ash and uranium bearing and most
suitable for liquidation, that is, the
production of oil from coal. The
most likely use of this coal would
therefore be in the production of oil,
although there are no plans afoot
for the establishment of another

Sasol plant. It is therefore possible that these coals would be used for power generation once the existing oversupply on the local grid has been absorbed.

Heuvelfontein is a small farm of 55 hectares located in Mpumalanga between the now defunct New Largo and Alpha collieries in the Witbank Coalfield. Small tonnages of high-grade coking coal are likely to exist on the No. 4 seam at a depth of approximately 50 metres. In view of the small size of the farm and the depth of the coal, the most economic means of realising the value of the mineral rights would be to tribute the rights to an existing operator in the area. Mining of the deposit would only be feasible as a natural extension of existing mining operations and hence could take a number of years to initiate.

Remainder of the Farms

A variety of minerals occur on the remaining sixty-four farms, which are predominantly located in the Northern Province and are underlain by lithologies associated with the Waterberg Supergroup and the Bushveld Complex, albeit that a few farms are also located in the Pilgrims Rest area, Mpumalanga and North West Province. These properties could host economic proportions of minerals such as

manganese, vanadiferous magnetite, fluorspar, limestone, gold, silver, copper, zinc, tin and lead as well as a variety of clays. However, in the absence of specific indications, this remains to be assessed by appropriate exploration programmes.

MANAGEMENT OF THE COREX MINERAL RIGHTS

A Memorandum of Agreement has been entered into with Minrico (Proprietary) Limited ("Minrico"), whereby Minrico has been appointed as sole, and exclusive, agent to manage Corex's portfolio of mineral rights. This entitles Minrico to enter into option and prospecting contracts with third parties, as approved by Corex. Rio Tinto Mining and Exploration Limited are currently involved in discussions with Minrico as regards the exploration of 65 695 hectares of Corex's rights for kimberlite hosted diamonds.

This initiative was taken in an endeavour to actively manage the mineral rights and, through the conclusion of option, prospecting and joint venture agreements, to realise value for Matodzi's shareholders. Furthermore, this approach addresses issues of concern pertaining to the Mineral and Petroleum Resources Development Act 28 of 2002.

BRAKFORTEIN DIAMANTE (PTY) LIMITED

This is a wholly owned subsidiary of Matodzi, whose principal asset is Portion 4 of the farm Brakfontein 276. The property measures approximately 50 hectares (with the farm measuring 2 448 hectares), and is situated in the district of Hopetown, Northern Cape Province.

This property is the subject of a Sale and Cession Agreement with Northern Cape Diamond Mining and Exploration (Pty) Limited and Trans Hex (Pty) Limited. The latter company, as successors-in-title, are required to pay a 2,5% royalty based on turnover from the sale of diamonds mined from the property, to Brakfontein Diamante (Pty) Limited.

Alluvial diamonds, which occur in association with gravel terraces, attain grades of between 0.22 carat per 100t and 1 carat per 100t, with the best grades being associated with the Basal Gravels. Current mineral reserves are 140 000m³, at an average grade of 1 carat per 100m³.

Monthly diamond production figures from the property average some 321 carats per month (average for the period March 2000 to September 2002), fetching an average price of approximately US\$1 013 per carat.

DESCRIPTION OF MINERAL RIGHTS (continued)

Annexure A

Farm Name	Farm No	Mynpachten, Lease and/or Claim No	Area (ha)
Mynpachten			
Tulipvale	188 IR	526/1904	136,1886
Houtpoort	392 IR	727/40	110,4926
Poortje	389 IR	728/40	104,0925
Poortje	389 IR	748/57	238,2160
Maraisdrift	190 IR		493,0880
Total			1 082,0777
Mining Leases			
Klippoortjie	187 IR	289/37	57,1486
Poortje	389 IR	591	389,2216
Maraisdrift & Tulipvale	190 IR & 188 IR	21/69	1 652,0000
Total			2 098,3702
Farm Name	Farm No	Mynpachten, Lease and/or Claim No	No of Claims
Precious Metal Claims			
Heidelberg Townlands*	186 IR	2418	7
Houtpoort	392 IR	2419	39
Poortje	389 IR	3044	548
Bothaskraal	393 IR	3051	588
Spaarwater & Klippoortjie	171 IR & 187 IR	3057	3 391
Noycedale	191 IR	3070	189
Langlaagte 172 IR	186 IR	3075	1 913
Spaarwater	171 IR	3084	296
Droogbult	170 IR	3085	100
Langlaagte, Spaarwater & Klippoortjie	186 IR, 171 IR & 187 IR	3087	2 395
Houtpoort	392 IR	3088	26
Total			9 492

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Annexure A (continued)

Farm Name	Farm No	Portion No	Area (ha)
Mineral Rights Certificates			
Poortje	389 IR	Ptn 5/2	107,0665
Klippoortjie	187 IR	Ptn 14/9	33,2052
Klippoortjie	187 IR	Ptn 15/9	2,0239
Klippoortjie	187 IR	Ptn 16/9	2,0239
Klippoortjie	187 IR	Ptn 17/9	2,0239
Klippoortjie	187 IR	Ptn 18/9	2,0239
Klippoortjie	187 IR	Ptn 20/9	4,0446
Boschfontein	386 IR	A portion	68,1785
Boschfontein	386 IR	A portion	956,4664
Boschfontein	386 IR	A portion	117,1893
Boschfontein	386 IR	A portion	117,1893
			1 304,3689
Other			
Poortje	389 IR	Ptn 4	34,2613
Poortje	389 IR	Ptn 6	17,1306
Poortje	389 IR	Ptn 7	66,8095
Poortje	389 IR	Ptn 8	19,7002
Poortje	389 IR	Ptn 9	3,4261

* Formerly Langlaagte 172 IR

DESCRIPTION OF MINERAL RIGHTS (continued)

Annexure B

Farm Name	Farm No	District	Geological Region	Category	Potential Commodities	% Share	Effective Area (Ha)
Aangewezene	129 JS	Groblersdal	Bushveld Complex	C	Dm	100	2 510,6866
Altefraai	425 LR	Waterberg	Bushveld Complex	B	Dm,VnMt	100	823,6469
Badfontein	445 JR	Bronkhorstspuit	Bushveld Complex	C	Dm	100	365,9869
Blinkwater	177 KQ	Waterberg	Bushveld Complex	C	Dm	100	1 550,2444
Bokveld	12 MT	Zoutpansberg	Glenover Complex	A	Dm,Cm,Ni,S	100	1 021,2145
Boschkop*	369 JR	Bronkhorstspuit	Transvaal Basin	C	Dm	100	204,4899
Boschkop*	369 JR	Bronkhorstspuit	Transvaal Basin	C	Dm	100	22,5553
Boschkop*	369 JR	Bronkhorstspuit	Transvaal Basin	C	Dm	100	21,4133
Boschpoort*	284 JQ	Rustenburg	Bushveld Complex	A	PGE's	1,73	19,9858
Boschpoort*	284 JQ	Rustenburg	Bushveld Complex	A	PGE's	100	102,2776
Boschpoort*	284 JQ	Rustenburg	Bushveld Complex	A	PGE's	86,13	69,1517
Bossieslaagte*	369 IO	Delareyville	Transvaal Basin	B	Da	100	2,3408
Bossieslaagte*	369 IO	Delareyville	Transvaal Basin	B	Da	100	560,5516
Bossieslaagte*	369 IO	Delareyville	Transvaal Basin	B	Da	100	605,3954
Bossieslaagte*	369 IO	Delareyville	Transvaal Basin	B	Da	100	604,9514
Bossieslaagte*	369 IO	Delareyville	Transvaal Basin	B	Da	100	605,0299
Bossieslaagte*	369 IO	Delareyville	Transvaal Basin	B	Da	100	302,7662
Bossieslaagte*	369 IO	Delareyville	Transvaal Basin	B	Da	100	300,4227
Bossieslaagte*	369 IO	Delareyville	Transvaal Basin	B	Da	100	85,6532
Bouwlust	516 LR	Potgietersrust	Bushveld Complex	C	Da	100	861,5556
Brakspuit	27 KQ	Rustenburg	Bushveld Complex	B	Dm	100	2 329,2445
Buffelspan	376 LQ	Rustenburg	Karoo Basin	B	Da	100	2 345,2103
Commissiedrift	646 LS	Pietersburg	N Tvl Pietersburg	B	Dm	50	130,3820
Davidskloof	280 KS	Pietersburg	Bushveld Complex	B	Mn, F, Au, Cu	100	456,7057
Diepkuil	135 KQ	Thabazimbi	Transvaal Basin	B	Dm	100	2 731,0066
Doornplaat*	410 IP	Klerksdorp	Witwatersrand Basin	A	Au	100	1 189,6759
Doornplaat*	410 IP	Klerksdorp	Witwatersrand Basin	A	Au	100	460,6129
Edinburgh	228 KU	Pilgrims Rest	Transvaal Basin	C	Ni,S	100	2 506,8836
Elandsfontein	471 JT	Nelspruit	Bushveld Complex	B	Mn, F, Au, Cu	100	1 865,3540
Goedgedacht	27 IQ	Ventersdorp	Transvaal Basin	C	Dm, Mn, Au	100	2 163,3700
Grasplaats	161 KS	Potgietersrust	Bushveld Complex	B	C, U, Ca	100	1 255,3733
Groenfontein	494 LR	Potgietersrust	Bushveld Complex	B	Dm	100	1 857,4982
Hartebeestlaagte	66 JQ	Rustenburg	Bushveld Complex	B	VnMt, S, Cr, Dm	100	1 179,0705
Havre	60 MT	Zoutpansberg	Glenover Complex	A	Dm, Cu, Ni, Zn, S, Mg	100	1 360,3841
Hayoma	130 MT	Zoutpansberg	Glenover Complex	A	Dm,C,Ki	100	1 139,3989
Heuvelfontein*	215 IR	Witbank	Karoo Basin	B	C	50	277,4899
Heuvelfontein*	215 IR	Witbank	Karoo Basin	B	C	50	0,1356

Annexure B (continued)

Farm Name	Farm No	District	Geological Region	Cate- gory	Potential Commodities	% Share	Effective Area (Ha)
Kaffersfontein	135 LQ	Waterberg	Limpopo Central Zone	A	Dm	100	928,6963
Kareepoort*	210 HO	Wolmaransstad	Transvaal Basin	C	Da	100	2447,4680
Kareepoort*	210 HO	Wolmaransstad	Transvaal Basin	C	Da	100	1 124,4038
Kareepoort*	210 HO	Wolmaransstad	Transvaal Basin	C	Da	100	528,9535
Kareepoort*	210 HO	Wolmaransstad	Transvaal Basin	C	Da	100	507,6650
Klipfontein	11 KQ	Waterberg	Southern Marginal Zone	B	Dm	100	1 918,0892
Klipkraal	621 LQ	Waterberg	Waterberg Basin	C	Dm	100	966,4964
Klipplaatdrift	239 JR	Bronkhorstspuit	Transvaal Basin	C	Dm	100	1 619,5222
Klipplaatdrift	248 KQ	Waterberg	Waterberg Basin	C	Dm	100	1 968,0107
Klipspruit	835 KS	Groblersdal	Bushveld Complex	C	Dm	100	2 648,0724
Lady Grey	646 LR	Waterberg	Bushveld Complex	C	Dm	100	1 395,0094
Letitia	93 MS	Zoutpansberg	Limpopo Central Zone	A	Dm	100	3 627,0576
Lith	138 LQ	Waterberg	Limpopo Central Zone	A	Dm	100	1 033,9662
Magalakwin	414 LR	Potgietersrust	Bushveld Complex	C	Dm	100	1 663,4708
Malmesbury	379 LQ	Waterberg	Karoo Basin	B	Dm	100	2 558,6467
Melbourne	34 LQ	Waterberg	Limpopo Central Zone	C	Dm	100	999,9990
Mooivlei	4 LP	Rustenburg	Karoo Basin	B	Dm, Da	100	2 074,4392
Nederland	54 KU	Pilgrim's Rest	E Tvl Lowveld	C	Dm	100	4651,1330
Niemandslaan	288 MR	Potgietersrust	Limpopo Central Zone	A	Dm	100	1 406,4583
Norfolk	101 MR	Potgietersrust	Limpopo Central Zone	A	Dm	100	1 926,6246
Nywerheid	484 LR	Waterberg	Bushveld Complex	C	Dm	100	838,8189
Oorsprong	62 MT	Zoutpansberg	Limpopo Central Zone	A	Dm	100	1 156,1641
Pembina	195	Maclear	Karoo Basin	B	Dm	100	737,7710
Populiersfontein	204	Viljoenskroon	Witwatersrand Basin	A	Au	100	554,4189
Rainpan	60 KQ	Rustenburg	Makoppa Dome	B	Dm	100	2 828,6213
Reserve	284 LR	Potgietersrust	Limpopo Central Zone	A	Dm	100	1 713,9205
Rhenosterfontein	407 KR	Waterberg	Bushveld Complex	C	Dm	100	2 041,3199
Schoonoord	462 KS	Lydenburg	Bushveld Complex	A	PGE's	50	1 106,1500
Skullpoint	132 MT	Zoutpansberg	Glenover Complex	A	Dm, C, Mg, Ni	100	1 318,6110
Sterkloop	487 LR	Waterberg	Bushveld Complex	B	Dm	100	940,7633
Sterkspruit	253 KQ	Waterberg	Waterberg Basin	C	Dm	100	1 851,2227
Sterkstroom	105 KR	Waterberg	Waterberg Basin	C	Dm	100	1 054,7335
Stilstroom	476 LR	Waterberg	Bushveld Complex	B	Dm	100	1 107,7543
Streep	286	Viljoenskroon	Witwatersrand Basin	A	Au	100	87,9801
Tiel	218 LR	Potgietersrust	Bushveld Complex	B	Dm	100	1 683,5651
Uitduiker	17 JQ	Rustenburg	Bushveld Complex	B	VnMt, Cr, Dm	100	2 649,3977
Uitvlugt	25 KQ	Rustenburg	Makoppa Dome	B	Dm	100	2 025,0829
Uitzoek	92 LS	Pietersburg	Southern Marginal Zone	C	Cm, Dm	100	1 223,3233

DESCRIPTION OF MINERAL RIGHTS (continued)

Annexure B (continued)

Farm Name	Farm No	District	Geological Region	Category	Potential Commodities	% Share	Effective Area (Ha)
Vaalrand*	241 HO	Bloemhof	Transvaal Basin	B	Da	100	555,9692
Vaalrand*	241 HO	Bloemhof	Transvaal Basin	B	Da	100	605,8308
Vaalrand*	241 HO	Bloemhof	Transvaal Basin	B	Da	100	429,0483
Vaalrand*	241 HO	Bloemhof	Transvaal Basin	B	Da	100	297,2166
Volspruit*	606 KS	Potgietersrust	Bushveld Complex	B	C, Gy, Dm	100	899,6170
Vooruitzicht	787 KS	Groblersdal	Bushveld Complex	C	Dm	100	1945,2010
Vucht	137 LQ	Waterberg	Limpopo Central Zone	A	Dm	100	939,4529
Waterford	402	Viljoenskroon	Witwatersrand Basin	A	Au	66,67	1228,6218
Waterford	387 LQ	Waterberg	Karoo Basin	B	Dm	100	2462,0613
Waterhoutboom	264 KQ	Waterberg	Waterberg Basin	C	Dm	50	2855,8926
Waterkloof	356 KS	Pietersburg	Bushveld Complex	B	Mn, F, Au, Cu	100	326,4900
Welgedacht*	130 JR	Bronkhorstspuit	Bushveld Complex	A	Cu, Pb, Zn, Sn	100	841,5241
Welgedacht*	130 JR	Bronkhorstspuit	Bushveld Complex	A	Cu, Pb, Zn, Sn	100	656,4747
Welgedacht*	130 JR	Bronkhorstspuit	Bushveld Complex	A	Cu, Pb, Zn, Sn	100	537,4239
Wellington	460 KR	Nylstroom	Bushveld Complex	B	C, U, CA	100	1449,5597
Wellust	426 LR	Waterberg	Bushveld Complex	B	Dm, VnMt, F	100	959,1559
Weltevrede	609 KS	Potgietersrust	Bushveld Complex	B	C, U, Als, Dm	100	1893,1441
Werkplaas	129 MT	Zoutpansberg	Glenover Complex	A	C, Dm	100	2100,2265
Wildebeestfontein	381 LQ	Waterberg	Karoo Basin	B	Dm	100	3077,0783
Witstinkhoutbaken	409 IP	Klerksdorp	Witwatersrand Basin	A	Au	100	169,5620
Zaaiplaats*	157 JS	Groblersdal	Bushveld Complex	C	Dm	100	11,5417
Zaaiplaats*	157 JS	Groblersdal	Bushveld Complex	C	Dm	100	2614,8187
Zandsloot	71 JQ	Rustenburg	Bushveld Complex	C	Dm	100	2528,1941
Zwartbank	355 KS	Pietersburg	Bushveld Complex	B	Mn, F, Au, Cu	100	573,9535
Total							124 759,98

*Portions of farm only

Legend – Commodities

Als	Aluminium shales	Gy	Gypsum
Au	Gold	Ki	Kieselguhr
C	Coal	Mg	Magnesite
CA	Attapulgitite	Mn	Manganese
Cm	Corundum	Ni	Nickel
Cr	Chromitite	Pb	Lead
Cu	Copper	T	Talc
Da	Diamonds - alluvial	Tr	Tremolite
Dm	Diamonds - Kimberlite	U	Uranium
F	Fluorspar	VnMt	Vanadiferous Titanomagnetite
Fe	Iron	Zn	Zinc

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and incorporate full and responsible disclosure in line with the accounting policies of the Group.

The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The annual financial statements for the year ended 31 March 2003 set out on pages 19 to 44 were approved by the board of directors on 15 July 2003 and are signed on its behalf by:

Andrew Mlangeni
Chairman

Johannesburg

Sello Rasethaba
Chief Executive Officer

DECLARATION BY THE COMPANY SECRETARY IN TERMS OF SECTION 268(G)(d) OF THE COMPANIES ACT 1973, AS AMENDED

I declare that, to the best of my knowledge, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date in respect of the financial period reported upon.

P B Beale
Company Secretary

15 July 2003

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11 **REPORT OF THE INDEPENDENT AUDITORS**
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15 To the members of

16 **MATODZI RESOURCES LIMITED**

17 We have audited the annual financial statements and Group annual financial statements of Matodzi Resources Limited
18 set out on pages 19 to 41 for the year ended 31 March 2003. These financial statements are the responsibility of the
19 Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

20 **SCOPE**

21 We conducted our audit in accordance with Statements of South African Auditing Standards. Those standards require
22 that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material
23 misstatement. An audit includes:

- 24 – examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
25 – assessing the accounting principles used and significant estimates made by management, and
26 – evaluating the overall financial statement presentation.

27 We believe that our audit provides a reasonable basis for our opinion.

28 **AUDIT OPINION**

29 In our opinion, the financial statements fairly present, in all material respects, the financial position of the Company
30 and the Group at 31 March 2003, and the results of their operations and cash flows for the year then ended, in
31 accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by
32 the Companies Act in South Africa.

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35 Charles Orbach & Company
36 *Chartered Accountants (SA)*
37 *Registered Accountants & Auditors*

38 Johannesburg
39 15 July 2003
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DIRECTORS' REPORT

The directors have the pleasure to submit their report and the audited annual financial statements for the year ended 31 March 2003.

NATURE OF BUSINESS

The Company's main business is that of an investment company. Its subsidiaries and associate companies are primarily engaged in resource activities.

FINANCIAL RESULTS

The results for the year are set out in the income statements on page 27 of the financial statements.

The Group's net profit for the year amounted to R13 458 000 (2002: loss of R4 554 000).

The Group's exceptional items of R13 642 000 (2002: (R1 641 000)) includes mining assets and investments which were written down by R15 862 000 (2002: R918 000) and a profit of R30 085 000 (2002: Nil) on the repurchase of the "A" participating preference shares.

The Group's share of the attributable profits of associate companies amounted to R Nil (2002: loss of R219 000).

DIVIDENDS

No dividend was declared for the year ended 31 March 2003 (2002: Nil).

MATERIAL RESOLUTIONS

Details of special resolutions and other resolutions of a significant nature passed by the Company and its subsidiaries during the year under review, requiring disclosure in terms of the Listings Requirements of the JSE Securities Exchange South Africa, are as follows:

NATURE OF RESOLUTION

Ordinary Resolutions passed at the Annual General Meeting on 21 August 2002:

- Authority to place the remaining unissued ordinary shares of the Company under the control of the directors
- To authorise the directors to issue the remaining unissued ordinary shares for cash

Special Resolutions passed at a General Meeting on 23 October 2002:

- Specific authority to buy back the "A" preference shares
- Amendment of the Articles of Association to provide for an odd-lot scheme
- Specific authority to buy back shares in terms of the odd-lot offer (record date 8 November 2002)
- Change of name to Matodzi Resources Limited

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11 **DIRECTORS' REPORT** (continued)
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15 **Ordinary Resolutions passed at the General Meeting on 23 October 2002**

- 16
- 17 • Acquisition of 7,3% of the issued share capital of JCI Limited from Anglo South Africa Capital (Pty) Limited
 - 18 • Disposal of non-mining assets
 - 19 • Granting the directors of the Company authority to do all such things necessary to give effect to the resolutions considered at the meeting

20 **SHARE CAPITAL**

21 The Company implemented an odd-lot offer in terms of which all shareholders who held fewer than 500 ordinary shares were offered the opportunity to sell their odd-lot holdings. In terms of this odd-lot offer 410 430 shares were delisted.

22 On 31 July 2002 the Company cancelled 130 000 000 "A" Preference shares at a book value of R90 606 060.

23 In terms of the regulations of the JSE Securities Exchange South Africa ("JSE"), shareholders have authorised, subject to certain conditions, the directors to issue the remaining unissued ordinary shares, held under their control, for cash to public shareholders, as defined by the JSE's rules, other than by means of a rights offer to members.

24
25 **SUBSIDIARY AND ASSOCIATE COMPANIES**

26 Details of the Company's subsidiaries and associate companies are set out on pages 40 and 41.

27
28 **INVESTMENTS**

29 On 25 July 2002 it was announced in the press, and at a general meeting held on 23 October 2002, shareholders approved the acquisition by the Company of 126 834 740 ordinary shares in JCI Limited from Anglo South Africa Capital (Proprietary) Limited ("Anglo"), for a consideration of R63 417 370 by 30 August 2002. Ownership of these shares will pass on payment of the full purchase price. Anglo has granted the Company an indulgence, and an amount of R15,5 million which was paid on 4 July 2003. The balance of the purchase price together with interest is due by 29 August 2003.

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33 **ADMINISTRATION**

34 During the period under review the following company administration changes took place:

35 PSG Investment Bank Limited was appointed as corporate advisor with effect from 11 April 2002.

36 At a General Meeting of Shareholders held on 23 October 2002, a Special Resolution was passed and approved to amend the Company's Articles of Association to change the name of the Company from New Mining Corporation Limited to Matodzi Resources Limited, with effect from 4 November 2002.

37
38 **AUDIT COMMITTEE**

39 The following directors were appointed members to the audit committee on 17 March 2003:

40 Messrs T Mosololi (Chairman), M E Mkwazi and A Mlangeni.

41 **EXECUTIVE COMMITTEE**

42 The following directors were appointed members to the executive committee with effect from 28 January 2003:

43 Messrs S M Rasethaba (Chairman), H C Buitendag and R B Kebble.

44 **REMUNERATION COMMITTEE**

45 The following directors were appointed members to the remuneration committee on 4 June 2003:

46 Messrs M E Mkwazi (Chairman), R B Kebble and S M Rasethaba.



DIRECTORS' REPORT (continued)

DIRECTORATE – APPOINTMENTS AND RESIGNATIONS

M J A Golding resigned as a non-executive director, with effect from 6 November 2002.

A Mlangeni was appointed as non-executive chairman, with effect from 22 January 2003.

M E Mkwanazi was appointed as a non-executive director, with effect from 22 January 2003.

E B Molefe resigned as non-executive deputy chairman, with effect from 22 January 2003.

T Mosololi was appointed as a non-executive director, with effect from 17 March 2003.

S M Rasethaba resigned as executive chairman, but remains as chief executive officer with effect from 22 January 2003.

The directors in office at 15 July 2003 were as follows:

A Mlangeni (Non-executive Chairman)

S M Rasethaba (Chief Executive Officer)

H C Buitendag (Executive Director)

R B Kebble (Non-executive Director)

M E Mkwanazi (Non-executive Director)

T Mosololi (Non-executive Director)

In terms of the Company's Articles of Association, Messrs A Mlangeni, M E Mkwanazi and T Mosololi retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

NON-EXECUTIVE DIRECTORS

Andrew Mlangeni (78) (Chairman)

BA (Pol Sci) Unisa, BA (Hons)

Born on 6 June 1925. Education: St Peter's Secondary School. Andrew is an African National Congress ("ANC") Member of Parliament and a former member of the National Executive Committee of the ANC (1991 – 1997). He was a prisoner on Robben Island for 26 years. Andrew is also a trustee of the Mahatma Gandhi Memorial Fund.

Roger Brett Kebble (39)

BA (Pol Sci) (UCT), BA, LLB (UCT)

Born on 19 February 1964. Education: St Andrew's School, Bloemfontein. Brett is also a director of the following listed companies:

Barnato Exploration Limited, JCI Limited, Rand Leases Properties Limited, Randgold & Exploration Company Limited, Stilfontein Gold Mining Company Limited and Western Areas Limited.



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11 **DIRECTORS' REPORT** (continued)
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15 **NON-EXECUTIVE DIRECTORS** (continued)

16 **Mafika Edmund Mkwanazi (49)**

17 *BSc (Maths), BSc (Electrical Engineering)*

18 Born on 31 January 1954. Mafika worked at Kriel Colliery (AMCOAL) as a graduate junior engineer for two years and
19 then as unit manager (Packaging) for SAB Isando. He also worked for Bristol Myers Squibb as plant manager, following
20 which he joined BMW as a plant manager and then corporate quality manager.

21 Mafika was appointed CEO of Metrorail on 1 January 1995 and was then appointed an executive director of Transnet
22 from 1 April 1996. He is currently group chief executive of Transnet Limited, and is a director of the following
23 companies: Nedcor Bank Limited, Autopax (Pty) Limited, SAA (Pty) Limited and Freight Logistics International Inc.

24 **Thabo Mosololi (34)**

25 *BComm (Hons), UWC, CA (SA)*

26 Born on 12 September 1969. Thabo joined KPMG and became audit manager and senior consultant. After leaving
27 KPMG, he then formed TSI Financial & Investment Services through which he provided management consulting
28 services. While working on his own, he was involved in negotiations to form Gobodo Incorporated. He was later
29 appointed Chief Operating Officer responsible for the day to day operations of the company before being appointed
30 the Group CEO during which time he was involved in new business development, strategy, risk management and
31 client relations.

32 Thabo is a member of SAICA (South African Institute of Chartered Accountants), PAAB (Public Accountants and
33 Auditors Board), ABASA (Association for the Advancement of Black Chartered Accountants in South Africa) and is also
34 the Treasurer of the Johannesburg Branch and a member of the Black Management Forum.

35 Thabo was appointed by the Minister of Finance in 1999 to be a member of the Financial Services Board's Insider
36 Trading Directorate. He serves on some boards and is Chairman of the Education Foundation, and a member of the
37 Gauteng Province's Financial and Fiscal Commission.

38 **EXECUTIVE DIRECTORS**

39 **Hendrik Christoffel Buitendag (55)**

40 *BCom, CA (SA)*

41 Born on 25 April 1948, and joined Matodzi in October 1987. Hennie is a director on the following listed companies:

42 Free State Development and Investment Corporation Limited, JCI Limited, Randgold & Exploration Company
43 Limited, Rand Leases Properties Limited, Simmer and Jack Mines, Limited, Stilfontein Gold Mining Company
44 Limited and Zarara Energy Limited.

45 **Sello Mashao Rasethaba (45)**

46 *MPhil (Accounting) 1987, BA (Accounting and German)*

47 Born on 19 February 1958. Sello's interests include transformation of both government and business organisations
48 resulting in transformation of relationships and partnerships. Sello has experience covering functions involved in the
49 formulation, development and implementation of information technology strategies obtained in the Republic of South
50 Africa, the United States of America and the United Kingdom.



DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS

At 31 March 2003, the total interest of directors in the issued share capital of Matodzi, were as follows:

Name	2003 Indirect non-beneficial	2003 Indirect beneficial	2003 Direct beneficial	2003 Total	2002 Total
H C Buitendag	100	–	7 500	7 600	7 600
M J A Golding	–	–	–	–	4 966 700
R B Kebble	–	–	12 400	12 400	–
M E Mkwanzazi	8 550 000	6 400 000	–	14 950 000	–
A Mlangeni	–	–	–	–	–
E B Molefe	–	–	–	–	27 740 134
T Mosololi	–	6 300 000	–	6 300 000	–
L G Njenje	–	–	–	–	41 753 994
S M Rasethaba	7 875 000	–	–	7 875 000	–
Total	16 425 100	12 700 000	19 900	29 145 000	74 468 428

DIRECTORS' EMOLUMENTS

The table below provides an analysis of emoluments to executive and non-executive directors of the Company as at 31 March 2003 (2002: Nil).

	Salary and allowances R'000	Bonuses R'000	Total emoluments R'000
Executive			
S M Rasethaba	700	150	850
Non-executive			
E B Molefe	700	100	800
	1 400	250	1 650

DIRECTORS' SERVICE AND EMPLOYMENT CONTRACTS

No contract of significance to the Company, and in which a director was materially interested, arose during the year under review.



DIRECTORS' REPORT (continued)

PUBLIC SHAREHOLDINGS IN THE COMPANY

At 31 March 2003 more than 10% of the Company's issued share capital was held by the public.

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 10 000 shares	823	46,92	525 169	0,35
10 001 – 50 000 shares	690	39,34	2 716 646	1,82
50 0001 – 100 000 shares	192	10,95	6 151 367	4,12
100 001 shares and over	49	2,79	139 904 081	93,71
	1 754	100,00	149 297 263	100,00

DISTRIBUTION OF SHAREHOLDERS

Banks	41	2,34	2 165 597	1,45
Close Corporations	16	0,91	260 281	0,17
Growth Fund/Unit Trusts	1	0,06	500	0,00
Individuals	1 549	88,31	13 452 656	9,01
Investment Companies	11	0,63	608 838	0,41
Limited Companies	17	0,97	484 579	0,32
Nominee Companies or Trust	62	3,53	1 589 326	1,06
Pty Companies	49	2,79	130 726 767	87,56
Trustee of a Trust	8	0,46	8 719	0,01
	1 754	100,00	149 297 263	100,00

PUBLIC/NON-PUBLIC SHAREHOLDERS

Non-Public Shareholders				
Directors of the Company	2	0,11	20 000	0,01
Own Holdings	1	0,06	45 000 000	30,14
Public Shareholders	1 751	99,77	104 277 563	69,85
	1 754	99,94	149 297 263	100,00

RESIDENT/NON-RESIDENT	Number of shareholders	%	Number of shares	%
Resident	1 466	83,58	144 080 598	96,51
Non-resident	288	16,42	5 216 665	3,49
	1 754	100,00	149 297 263	100,00



DIRECTORS' REPORT (continued)

SIGNIFICANT SHAREHOLDINGS IN THE COMPANY

As at 31 March 2003, the following were registered as holders of more than 5% of the Company's issued ordinary share capital:

	2003 %	2002 %
Matodzi Investment Holdings (Pty) Limited (formerly Morgan Creek Properties 429 (Pty) Limited)	30,1	30,1
Khotso Investment Holdings SPV (Pty) Limited	10,9	10,9
Njenje Investment Holdings (Pty) Limited	9,3	9,3
Midland Molefe Resources (Pty) Limited	8,7	8,7
Co-ordinated Network Investments SPV (Pty) Limited	8,7	8,6

Consolidated Mining Corporation Limited and JCI Gold Limited are the holders of the Company's preference shares.

ADMINISTRATION AND MANAGEMENT

Consolidated Mining Management Services Limited ("CMMS") act as manager and administrator of the Company. Messrs H C Buitendag and R B Kebble are also directors of CMMS.

The business and postal addresses of CMMS are:

3rd Floor	P O Box 11165
28 Harrison Street	Johannesburg
Johannesburg	2000
2001	

The secretary, registered office, postal and physical addresses of the Company, appear on the inside back cover.

GOING CONCERN

The directors are of the opinion that the Group has adequate resources to continue in operation for the foreseeable future and for this reason continue to adopt the going concern basis in preparing the financial statements.



BALANCE SHEETS

at 31 March 2003

Company		Group		
2002 R'000	2003 R'000	Notes	2003 R'000	2002 R'000
ASSETS				
177 753	128 641		200 147	255 649
Non-current assets				
18 020	18 020	2	24 949	74 281
159 733	110 621	3	175 198	181 368
Current assets				
29 214	790		1 351	41 575
Inventories				
–	–	4	–	7 821
28 909	3		–	28 909
122	552		1 116	3 043
183	235		235	1 802
Total assets				
206 967	129 431		201 498	297 224
EQUITY AND LIABILITIES				
205 870	128 685		199 905	277 193
Capital and reserves				
40 718	39 315	5	39 315	40 718
268 733	179 390		179 390	268 733
(103 581)	(90 020)		(89 800)	(103 258)
205 870	128 685		128 905	206 193
–	–		71 000	71 000
Non-current liabilities				
–	–	6	–	904
Current liabilities				
1 097	746		1 593	19 127
1 097	746		1 570	17 300
–	–	6	23	706
–	–	7	–	154
–	–		–	967
Total equity and liabilities				
206 967	129 431		201 498	297 224



INCOME STATEMENTS

for the year ended 31 March 2003

Company			Group	
2002 R'000	2003 R'000		2003 R'000	2002 R'000
		Notes		
307	–	Revenue	7 076	13 239
–	–	Other operating income	–	1
(930)	(4 461)	Operating costs	(7 727)	(18 245)
(623)	(4 461)	Operating loss	(651)	(5 005)
3 857	2 469	Investment income	2 469	5 254
(647)	(1 459)	Finance costs	(2 002)	(2 314)
–	–	Share of income of associate companies	–	219
(7 085)	17 012	Exceptional items	13 642	(1 641)
(4 498)	13 561	Net profit/(loss) before taxation	13 458	(3 487)
–	–	Taxation	–	(967)
(4 498)	13 561	Profit/(loss) attributable to shareholders	13 458	(4 454)
		Earnings/(loss) per share (cents)		
		– headline loss	(0,1)	(1,9)
		– attributable earnings/(loss)	9,0	(3,0)



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STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2003

Company			Group	
2002 R'000	2003 R'000	Note	2003 R'000	2002 R'000
40 718	39 315		39 315	40 718
40 718	40 718		40 718	40 718
-	(1 300)	15	(1 300)	-
-	(103)		(103)	-
268 733	179 390		179 390	268 733
268 733	268 733		268 733	268 733
-	(89 446)	15	(89 446)	-
-	103		103	-
(103 581)	(90 020)		(89 800)	(103 258)
(99 083)	(103 581)		(103 258)	(98 804)
(4 498)	13 561		13 458	(4 454)
205 870	128 685		128 905	206 193



CASH FLOW STATEMENTS

for the year ended 31 March 2003

Company			Group	
2002	2003		2003	2002
R'000	R'000		R'000	R'000
(25 413)	(6 307)	CASH FLOWS (UTILISED IN)/FROM OPERATING ACTIVITIES	(7 068)	(23 032)
(4 498)	13 561	Profit/(loss) from ordinary activities	13 458	(3 487)
3 875	(18 883)	Adjustments	(14 530)	(1 107)
-	-	- Profit on disposal of property, plant and equipment	-	(1)
(3 857)	(2 469)	- Investment income	(2 469)	(5 254)
-	-	- Depreciation and amortisation	440	412
7 085	(17 873)	- Exceptional items	(14 503)	1 641
647	1 459	- Finance costs	2 002	2 314
-	-	- Share of income of associate companies	-	(219)
(623)	(5 322)	Operating loss before working capital changes	(1 072)	(4 594)
(28 000)	(1 995)	Increase in working capital	(5 496)	(21 378)
-	-	- Decrease in inventories	209	1 620
(28 909)	(1 676)	- Increase in loans receivable	(1 673)	(28 909)
888	(430)	- Decrease/(increase) in trade and other receivables	54	285
21	111	- (Decrease)/increase in trade and other payables	(4 086)	5 696
-	-	- Decrease in provisions	-	(70)
(28 623)	(7 317)	Cash utilised in operations	(6 568)	(25 972)
(647)	(1 459)	Finance costs	(2 002)	(2 314)
3 857	2 469	Investment income	2 469	5 254
-	-	Taxation paid	(967)	-
33 990	6 499	CASH FLOWS (UTILISED IN)/FROM INVESTING ACTIVITIES	5 989	36 739
-	-	Acquisition of property, plant and equipment	-	(376)
-	-	Proceeds on disposal of property, plant and equipment	345	3 679
32 020	6 499	Purchase of and advances to investments	5 644	(11 820)
1 970	-	Proceeds on disposal of investments	-	45 256
(8 690)	(140)	CASH FLOWS FROM FINANCING ACTIVITIES	(107)	(9 349)
-	-	Proceeds from/(repayment of) long-term borrowings	716	(659)
(8 690)	-	Repayment of short-term borrowings	(683)	(8 690)
-	(140)	Share repurchase costs	(140)	-
(113)	52	NET (DECREASE)/INCREASE IN CASH EQUIVALENTS	(1 186)	4 358
296	183	Cash and cash equivalents at beginning of year	1 802	(2 556)
-	-	Cash and cash equivalents of disposed subsidiary	(381)	-
183	235	CASH AND CASH EQUIVALENTS AT END OF YEAR	235	1 802



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003

1. ACCOUNTING POLICIES

The annual financial statements which comply with South African Statements of Generally Accepted Accounting Practice, have been prepared on the historical cost basis and incorporate the following principal accounting policies, which have been applied on a basis consistent with the previous year:

Business combinations, consolidation and goodwill

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. The results of subsidiaries are included from the dates effective control was acquired and up to the dates effective control ceased. Goodwill, being the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition, is capitalised as an intangible asset and amortised on the straight-line basis over the period of expected benefit. Inter-company transactions and balances are eliminated on consolidation. Separate disclosure is made of minority interests.

Goodwill arising on major strategic acquisitions of the Group is amortised over a maximum period of 20 years.

Property, plant and equipment

Property, plant and equipment is stated at cost less the related provision for depreciation. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use. Mining rights are stated at cost less any diminution in value which, in the opinion of the directors, is permanent.

Depreciation is recorded by a charge to income, after capitalising a portion to inventories, computed on a straight line basis so as to write off the costs of the assets over their expected useful lives, which are as follows:

Buildings and leasehold improvements	20 years
Irrigation and sorting machines	10 years
Equipment, motor vehicles and orchards	3 to 5 years

Orchards include the cost of the trees and all costs incurred in bringing the orchards to their production level which is usually three years. Depreciation then commences in the fourth year. These orchards are depreciated over five years.

Leased assets

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as an expense in the period in which termination takes place.

Interest in associate companies

Associate companies are those entities being neither subsidiaries nor joint ventures in which the Company or its subsidiaries holds a long-term equity interest and over which significant control is exercised on financial and operating decisions.

Goodwill arising on the acquisition of associate companies is accounted for in the same way as goodwill on acquisition of subsidiaries.

Associate companies, other than mining companies which adopt the appropriation method of accounting, are accounted for in the group financial statements according to the equity method from the date they become investees. Equity accounted income, which represents the group's attributable share of the associate companies' income, is included in the respective carrying values of the investments and in earnings attributable to ordinary shareholders.



NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2003

Provision is made when there has been a permanent impairment in the carrying value of an interest in an associate. Where the equity method results in the Group's proportion of an associate's losses being greater than or equal to the carrying value of the associate, the associate is carried at a nominal amount. Additional losses are only provided to the extent that the Group has incurred obligations or made payments on behalf of the associate to satisfy the associate's obligations.

Investments and loans

Investments and loans are stated at cost except in instances where there is considered to be a permanent diminution in their value, in which case the investment or loans are written down and the expense disclosed in the income statement.

Directors' valuations of investments are determined on the basis of cost, earnings, net asset value, discounted cash flows and market values, whichever is considered appropriate.

Inventories

Inventories are stated at the lower of cost or net realisable value. All input costs related to the relevant crops are capitalised and then expensed on the realisation of the crop.

Deferred tax

Deferred tax is provided at legislated future rates using the balance sheet liability method. Full provision is made for all temporary differences between the tax base of an asset or liability and its balance sheet carrying amount.

Assets are not raised in respect of the deferred tax on assessed losses unless it is probable that future taxable profits will be available against which the deferred tax asset can be realised in the foreseeable future.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, payables and borrowings. These instruments are carried at their estimated fair value. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Cash flows

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks, investments in money market instruments and bank overdrafts.

Revenue

Revenue comprises revenue from tribute, sand and sales of merchandise and rock, rent received, consulting fees and royalties received.

Sales are recognised upon delivery of products and customer acceptance, net of value added taxation and discounts.

Other revenues earned by the Group are recognised on the following bases:

- Interest income: as it accrues unless collectibility is in doubt
- Dividend income: when the shareholder's right to receive payment is established
- Rental and royalty income: on an accrual basis.



NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2003

Company			Group	
2002 R'000	2003 R'000		2003 R'000	2002 R'000
		2. PROPERTY, PLANT AND EQUIPMENT		
		Mining assets		
18 020	18 020	– Property, mining rights, buildings, plant, vehicles and equipment at cost/valuation less recoupments	24 949	58 949
–	–	Buildings and leasehold improvements	–	5 570
–	–	– At cost	–	7 379
–	–	– Accumulated depreciation	–	1 809
–	–	Irrigation and sorting machines	–	6 162
–	–	– At cost	–	9 339
–	–	– Accumulated depreciation	–	3 177
–	–	Equipment, motor vehicles and orchards	–	3 600
–	–	– At cost	–	17 215
–	–	– Accumulated depreciation	–	13 615
18 020	18 020		24 949	74 281
		Movement for the year		
18 020	18 020	Book value at beginning of year	74 281	77 995
–	–	Additions	–	376
–	–	– Buildings and leasehold improvements	–	11
–	–	– Equipment, motor vehicles and orchards	–	365
–	–	Disposals	(15 522)	(3 678)
–	–	– Mining assets	(190)	(97)
–	–	– Buildings and leasehold improvements	(5 570)	–
–	–	– Irrigation and sorting machines	(6 162)	(2 177)
–	–	– Equipment, motor vehicles and orchards	(3 600)	(1 404)
–	–	Depreciation, amortisation and write down of assets	(33 810)	(412)
–	–	– Mining assets	(33 810)	–
–	–	– Buildings and leasehold improvements	–	(313)
–	–	– Irrigation and sorting machines	–	40
–	–	– Equipment, motor vehicles and orchards	–	(139)
18 020	18 020		24 949	74 281

In 2002 interest bearing borrowings totalling R1 610 000 were secured by assets having a book value of R1 724 000.

As security for overdraft facilities granted in 2002, a subsidiary company had registered a notarial bond in favour of its bankers over all moveable assets with the exception of the equipment mentioned above which were written off over a period of five years or less for tax purposes.

A register of land, buildings and mineral rights is available for inspection at the Company's registered office.



NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2003

Company			Group	
2002 R'000	2003 R'000		2003 R'000	2002 R'000
		3. INVESTMENTS		
		3.1 Investment in subsidiary companies		
152 216	146 778	Shares at cost		
47 015	22 627	Loans		
199 231	169 405			
(149 264)	(144 416)	Amounts written off and provision for losses		
49 967	24 989			
		In 2002, a portion of a loan to a subsidiary totalling R25 097 000 had been sub-ordinated in favour of other creditors of the subsidiary until such time as the assets of the subsidiary, fairly valued, exceed its liabilities.		
		At 31 March 2002, the subsidiary's liabilities exceeded the book value of its assets by R15 021 000. Details of the subsidiary companies are set out on page 40 in Annexure 1 to these financial statements.		
		3.2 Investment in associate company		
74 530	74 530	Shares at cost	74 530	74 530
15 763	10 102	Loans	10 102	15 763
90 293	84 632		84 632	90 293
		Details of the associate company are set out on page 41 in Annexure 2 to these financial statements.		
		Directors' valuation: R207 670 000 (2002: R90 293 000)		



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11 **NOTES TO THE FINANCIAL STATEMENTS** (continued)
12 for the year ended 31 March 2003
13
14

Company			Group	
2002 R'000	2003 R'000		2003 R'000	2002 R'000
		3. INVESTMENTS (continued)		
		3.3 Listed investments		
		JCI Limited		
		83 333 333 (2002: 83 333 333)		
-	-	ordinary shares	66 000	66 000
-	-	- at cost	200 000	200 000
-	-	- amounts written off	(134 000)	(134 000)
		Market value – R48 333 000 (2002: R37 500 000)		
		Diamond Works Limited		
		2 794 044 (2002: 2 794 044)		
-	-	ordinary shares	23 566	5 600
-	-	- at cost	78 316	78 316
-	-	- amounts written off	(54 750)	(72 716)
		Market value – R23 582 000 (2002: R5 600 000)		
		Rand Leases Properties Limited		
		2003: the linked units were sold as they did not form part of the core assets of the Group		
15 793	-	2002: 11 592 500 linked units	-	15 793
17 433	-	- at cost	-	17 433
(1 640)	-	- amounts written off	-	(1 640)
		Market value – 2002: R13 100 000		
		Zarara Energy Limited		
		2003: the ordinary shares were sold as they did not form part of the core assets of the Group		
2 680	-	2002: 1 007 900 ordinary shares	-	2 680
13 137	-	- at cost	-	13 137
(10 457)	-	- amounts written off	-	(10 457)
		Market value – 2002: R1 764 000		
18 473	-		89 566	90 073



NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2003

Company			Group	
2002 R'000	2003 R'000		2003 R'000	2002 R'000
		3. INVESTMENTS (continued)		
		3.4 Unlisted investments		
		Startrack Communications Africa (Pty) Limited		
1 000	1 000	1 000 000 ordinary shares – at cost	1 000	1 000
		Directors' valuation – R1 000 000 (2002: R1 000 000)		
–	–	Other	–	2
		Directors' valuation – 2002: R2 000		
1 000	1 000		1 000	1 002
159 733	110 621	Total investments	175 198	181 368
		4. INVENTORIES		
–	–	Raw materials	–	581
–	–	Crops on land and delivered goods at capitalised cost	–	7 240
–	–		–	7 821
		5. SHARE CAPITAL		
		Authorised		
62 500	62 500	250 000 000 ordinary shares of 25 cents each	62 500	62 500
1 300	–	130 000 000 "A" participating preference shares of 1 cent each	1 300	–
2 000	2 000	200 000 000 "B" preference shares of 1 cent each	2 000	2 000
		Issued		
37 418	37 315	149 262 157 (2002: 149 672 587) ordinary shares of 25 cents each	37 315	37 418
1 300	–	Nil (2002 – 130 000 000) "A" participating preference shares of 1 cent each	–	1 300
2 000	2 000	200 000 000 "B" preference shares of 1 cent each	2 000	2 000
40 718	39 315		39 315	40 718
<p>The unissued shares are held under the control of the directors until the next annual general meeting</p> <p>The "A" participating preference shares have been cancelled.</p> <p>Details of the rights and conditions attached to the "B" preference shares are set out in Annexure 3 to these financial statements.</p>				



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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2003

Company			Group	
2002 R'000	2003 R'000		2003 R'000	2002 R'000
		6. INTEREST BEARING BORROWINGS		
		Loan from OTK Holdings Limited on which interest was charged at the prime overdraft rate. The loan was secured by equipment having a book value of R1 724 000.		
		Total owing	–	1 610
		Current portion – included in short-term loans payable	–	706
			–	904
		7. PROVISIONS		
		Provision for leave pay	–	154
		8. REVENUE		
		Major classes of revenue comprise:		
		– Fees	–	307
		– Rent	–	101
		– Royalties	1 271	–
		– Sale of merchandise	5 805	12 831
			7 076	13 239
		9. OPERATING LOSS		
		The following items have been included in the operating loss for the year:		
		Income		
		Surplus on sale of mining assets, plant and equipment	–	1
		Expenditure		
		Accounting, administration, secretarial, technical and engineering services	31	12
		Auditors' remuneration	1	257
		– Fee for audit	1	228
		– Under-provision previous year	–	29
		Consulting fees	59	–
		Depreciation	440	412
		Directors' emoluments	1 650	–



NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2003

Company			Group	
2002 R'000	2003 R'000		2003 R'000	2002 R'000
		10. INVESTMENT INCOME		
2 761	2 462	Interest received	2 462	2 486
1 096	7	Dividends received	7	2 768
3 857	2 469		2 469	5 254
		11. FINANCE COSTS		
(647)	(1 458)	Interest bearing borrowings	(2 001)	(2 246)
-	(1)	Bank overdrafts	(1)	(68)
(647)	(1 459)		(2 002)	(2 314)
		12. EXCEPTIONAL ITEMS		
-	(861)	Restructuring costs	(861)	-
-	-	Mining assets written down	(33 810)	-
(918)	(13 951)	Investments written up/(down)	17 948	(918)
-	32 578	Profit on repurchase of "A" participating preference shares	30 485	-
(124)	(120)	Loss on sale of investments	(120)	(723)
(6 043)	(634)	Provision for losses in subsidiary companies	-	-
(7 085)	17 012		13 642	(1 641)
		13. TAXATION		
-	-	SA normal taxation	-	967

The Company and certain subsidiaries have computed income tax losses in excess of their taxable income in the current year. Other subsidiary companies have incurred losses. Any benefit to be derived from the income tax losses carried forward is dependent on the companies earning taxable income in the future.

14. PROFIT/(LOSS) PER SHARE

The attributable earnings/(loss) per share has been calculated on the attributable profit for the year of R13 458 000 (2002: loss of R4 454 000) and a weighted number of shares of 149 514 037 (2002: 149 672 587) ordinary shares in issue during the year.

The headline loss per share has been calculated on the net profit/(loss) attributable to shareholders, excluding exceptional items and a weighted number of 149 514 037 (2002: 149 672 587) shares in issue during the year.



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11 **NOTES TO THE FINANCIAL STATEMENTS** (continued)
12 for the year ended 31 March 2003
13
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Company			Group	
2002 R'000	2003 R'000		2003 R'000	2002 R'000
		15. REPURCHASE OF "A" PARTICIPATING PREFERENCE SHARES		
		The repurchase of the "A" participating preference shares was settled as follows:		
-	-	Long-term loans	1 620	-
-	-	Fixed assets	(14 736)	-
-	(28 028)	Investments	(18 475)	-
-	-	Accounts receivable	(1 873)	-
-	-	Inventories	(7 612)	-
-	(30 000)	Short-term loans	(30 000)	-
-	-	Cash and cash equivalents	(381)	-
-	-	Accounts payable	11 336	-
-	(58 028)		(60 121)	-
-	(32 578)	Profit on repurchase	(30 485)	-
-	(90 606)	Repurchase of "A" participating preference shares	(90 606)	-
		16. BORROWING POWERS		
		The Company's borrowing powers in terms of its Articles of Association are unlimited.		
		At the accounting date the actual borrowings amounted to		
-	-		-	1 610
		17. CONTINGENT LIABILITY		
		There is a contingent liability of approximately R2 500 000 in respect of the re-grassing of the mine dumps.		



NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2003

18. FINANCIAL INSTRUMENTS

Investments in financial assets are initially recognised at cost. Subsequently, financial assets are remeasured at fair value, except for held-to-maturity investments such as debt and loans which are carried at amortised cost. Financial liabilities are recognised at the original debt less principal repayments and amortisations.

Credit risk

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of cash and trade receivables.

The Group's cash equivalents are placed with high credit quality financial institutions.

Trade receivables are presented net of the allowance for doubtful receivables. Credit risk with respect to trade receivables is limited due to a large number of customers comprising the customer base and their dispersion across different industries and geographical areas.

With respect to the purchase put options and sell future contracts, the South African Futures Exchange acts as a regulatory authority over all such transactions.

Interest rate risk

Fluctuations in interest rates impact on the value of short-term cash investments, and financing activities, giving rise to interest rate risk.

The Group's exposure to interest rate risk at the balance sheet date is:

Assets

Cash (petty cash) (non-interest bearing)

Trade receivables (non-interest bearing)

Liabilities

Trade creditors

Interest bearing borrowings

Interest rate

Rates varying between prime and prime plus 2%

Prime lending rate

Liquidity risk

In the ordinary course of business the Group receives cash from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to achieve maximum return while minimising risk.



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ANNEXURE 1 INVESTMENT IN WHOLLY-OWNED SUBSIDIARIES

	2003 & 2002 Issued share capital	Date acquired	Book value of Company's interest			
			2003		2002	
			Shares	Loans	Shares	Loans
			R'000	R'000	R'000	R'000
Brakfontein Diamante (Edms) Beperk	R100	1 July 1999		(1 123)		–
Consolidated Resources and Exploration Limited	R90	1 July 1999	*	9 997	*	8 971
Ekuseni Resources Limited (incorporated in Jersey)	US\$2	1 July 1999	33 083	45 252	33 083	45 233
IEN Investments (Pty) Limited	R100	1 July 1999	55 424	3 727	55 424	3 727
Newlands Minerals (Pty) Limited	R220	1 July 1999	1 553	7 787	1 553	7 966
Tavlands (Pty) Limited (sold on 31 July 2002)	R2	1 July 1999	–	–	5 438	25 098
Witnigel Investments (Pty) Limited	R1 000	5 September 1997	1	499	1	499
Guild Hall No. 22 Investment Holding Company (Pty) Limited	R1 000	27 March 2002	56 717	(43 512)	56 717	(44 479)
			146 778	22 627	152 216	47 015
Provision for losses/amounts written off			(117 127)	(27 289)	(109 631)	(39 633)
			29 651	(4 662)	42 585	7 382

The aggregate after tax income/(losses) of the subsidiaries are:

Income R1 190 000 (2002: R10 290 000)

Losses R Nil (2002: R6 100 000)

*Less than R1 000



ANNEXURE 2 INVESTMENT IN ASSOCIATE COMPANY

	% holding		Number of shares held		Group carrying amount		Cost		Loans	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
					R'000	R'000	R'000	R'000	R'000	R'000
Letseng Investment Holdings South Africa (Pty) Limited – ordinary shares	50,0	50,0	500	500	84 632	90 293	74 530	74 530	10 102	15 763
					<u>84 632</u>	<u>90 293</u>	<u>74 530</u>	<u>74 530</u>	<u>10 102</u>	<u>15 763</u>



ANNEXURE 3

RIGHTS AND CONDITIONS ATTACHED TO VARIABLE RATE REDEEMABLE CONVERTIBLE 'B' PREFERENCE SHARES OF A NOMINAL VALUE OF 1 CENT EACH ("B' PREFS") IN MATODZI RESOURCES LIMITED (Registration number 1933/004523/06) ("the Company")

The 'B' prefs shall confer on the holders thereof and be subject to the following rights, privileges and conditions which are incorporated in the Company's Articles as Article 74 headed "Redeemable Preference Shares".

1. The 'B' prefs shall confer on the holders thereof the right to receive out of the profits of the Company, in priority to any payment of any dividend to the holders of any other class of shares in the capital of the Company, a cumulative preferential cash dividend per share ("B' pref dividend") calculated at the rate of 50% of prime of the par value of each 'B' pref plus a premium of 68,69 cents per 'B' pref. For purposes hereof, "prime" shall mean the prime bank overdraft rate of interest charged and calculated by The Standard Bank of South Africa Limited for the time being to its first class corporate customers in the private sector in respect of overdraft facilities, compounded monthly in arrear, as certified by any manager of such bank, whose appointment and authority it shall not be necessary to prove and which certificate shall be prima facie proof of such rate.
2. The 'B' pref dividend shall be due and, if declared, payable annually in arrear by not later than 30 September each year in respect of the preceding financial year ending 31 March.
3. Notwithstanding the date of issue and allotment of the 'B' prefs, the first 'B' pref dividend shall be calculated from the issue date thereof to 31 March 2000.
4. Any arrears of the 'B' pref dividend shall accumulate and be payable, together with an amount calculated on such arrears at the rate per annum of 50% of prime from the due date for payment of such arrear dividend until the actual date of payment thereof, in priority to the distribution of any dividends in respect of any other class of share in the Company's capital.
5. Each 'B' pref shall confer the right on the winding-up or any other repayment or buy back of the capital by the Company, in priority to any payment in respect of any other class of share in the capital of the Company, to the repayment of the capital and a premium of 68,69 cents per 'B' pref together with the then current and any arrears of the 'B' pref dividend (whether declared or not) calculated to the date of commencement of the winding-up.
6. Save as set out herein, the 'B' prefs shall:
 - 6.1 not be entitled to participate in the profits or assets of the Company; and
 - 6.2 on a winding-up, the 'B' prefs shall rank equally with the ordinary shares in issue for participation in any surplus after payment of the capital and premium repayable on such winding-up in respect of all classes of shares in the Company.
7. The holder of each 'B' pref shall have the right to receive notice of, and to be present and participate in discussions at, any general meeting of the Company but shall not be entitled to vote thereat, whether in person or by proxy, except:
 - 7.1 during any period during which any redemption payment or any part of any redemption payment remains in arrear and unpaid;



ANNEXURE 3 (continued)

7.2 in regard to any resolution or proposed resolution of the Company which directly affects any of the rights attaching to the 'B' prefs or the interest of the holders thereof, including a resolution for the winding-up of the Company, or for the disposal of the whole or substantially the whole of the Company's undertaking or the greater part of its assets or for the reduction or buy back of the capital of the Company including its share premium.

The rights and interest of the 'B' prefs shall not be regarded as being directly or adversely affected by the creation by the Company of any further shares unless those new shares rank, as regards participation in the assets or profits of the Company, in some or all respects in priority to or *pari passu* with the 'B' prefs.

8. Subject to 9, at every meeting of the holders of 'B' prefs the provisions of the Company's Articles relating to general meetings of ordinary shareholders shall apply, *mutatis mutandis*, save that a quorum at any general meeting shall be a person or persons holding or representing by proxy at least one third of the 'B' prefs in issue, provided that if at any adjournment of such meeting a quorum is not present, then the provisions of the said Articles relating to an adjourned meeting shall *mutatis mutandis* apply. At every general meeting of the Company at which both the holders of ordinary shares and the holders of 'B' prefs are entitled to vote the provision of the Company's Articles relating to general meetings of ordinary shareholders shall apply, *mutatis mutandis*, to the holders of 'B' prefs and, on a poll, the holders of 'B' prefs shall be entitled to one vote per 'B' pref and the holders of ordinary shares shall also be entitled to one vote per ordinary share.
9. None of the rights attaching to the 'B' prefs may be modified and no shares in the capital of the Company ranking in priority to or *pari passu* with the 'B' prefs shall be created without the prior written consent of the holders of not less than 75% of the 'B' prefs or the prior sanction of a resolution passed at a separate general meeting of the holders of the 'B' prefs in the same manner, *mutatis mutandis*, as a special resolution and the provisions of 8 shall, *mutatis mutandis*, apply to any such general meeting.
10. Subject to the provisions of the Companies Act, 1973, as amended ("the Act"):
 - 10.1 the Company shall have the right, at its election, at any time after the expiry of the three years and one day from the date of issue of any of the 'B' prefs, either to redeem all or any of the 'B' prefs or to convert into and re-designate all or any of the 'B' prefs as ordinary shares, ranking *pari passu* in all respects, from the date of conversion and re-designation, with the ordinary shares then in issue;
 - 10.2 if the Company elects to redeem any of the 'B' prefs, then each 'B' pref to be redeemed shall be so redeemed at an amount equal to the nominal value plus a premium of 68,69 cents per 'B' pref;
 - 10.3 if the Company elects to convert the 'B' prefs into ordinary shares or the 'B' prefs are converted in terms of paragraph 12, such conversion shall be done on the basis that for each 'B' pref share (calculated at the par value plus a premium of 68,69 cents per 'B' pref, plus any arrear dividends, the holder of the 'B' pref shares shall be entitled to receive such number of ordinary shares in the Company as may be equal to the value of the 'B' prefs (the value of the ordinary shares shall for such



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11 **ANNEXURE 3** (continued)
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15 purposes be calculated at the average ruling price per ordinary share listed on the JSE Securities
16 Exchange South Africa ("JSE") during the period of 30 (thirty) days immediately preceding the date of
17 conversion and a certificate issued by brokers, Sasfin Frankel Pollak Securities (Pty) Limited or any
18 other member of the JSE nominated by the board of directors of the Company certifying such ruling
19 price shall be final and binding on the holders of the 'B' prefs and on the Company). The number of
20 ordinary shares to be issued having regard to the aforesaid calculation shall be rounded off to the
21 nearest ordinary share at the time of the conversion.

- 22 11. If the Company elects to redeem and fails to pay the redemption price of any of the 'B' prefs on the due
23 date of redemption thereof then, without prejudice to any other rights which the holder may have as a
24 result thereof, the redemption price shall bear interest at 50% of prime, which interest shall be calculated
25 on a daily basis and compounded monthly in arrears from the due date to the actual date of payment.
- 26 12. The 'B' prefs shall, to the extent that they have not been redeemed, be compulsorily and automatically
27 converted and re-designed, upon the expiry of a period of five years ("conversion date") from the date of
28 issue thereof, into ordinary shares ("converted shares"), on the basis that for each 'B' pref share (calculated
29 at the par value plus a premium of 68,69 cents per 'B' pref, plus any arrear dividends, the holder of the 'B'
30 pref shares shall be entitled to receive such number of ordinary shares in the Company as may be equal to
31 the value of the 'B' prefs (the value of the ordinary shares shall for such purposes be calculated at the
32 average ruling price per ordinary share listed on the JSE during the period of 30 (thirty) days immediately
33 preceding the date of conversion and a certificate issued by brokers, Sasfin Frankel Pollak Securities (Pty)
34 Limited or any other member of the JSE nominated by the board of directors of the Company certifying
35 such ruling price shall be final and binding on the holders of the 'B' prefs and on the Company). The
36 number of ordinary shares to be issued having regard to the aforesaid calculation shall be rounded off to
37 the nearest ordinary share at the time of the conversion.
- 38 13. The Company shall:
- 39 13.1 ten days prior to the conversion date, deliver to the holders of the 'B' prefs a form of conversion and
40 surrender which shall be completed and sent to the Company's transfer secretaries to reach them on
41 or before the conversion date;
- 42 13.2 immediately upon receipt of the forms of conversion and surrender referred to in 13.1, issue share
43 certificates for the relevant converted shares;
- 44 13.3 upon conversion of the 'B' prefs into converted shares, the converted shares shall rank pari passu
45 with all other ordinary shares in the capital of the Company.
- 46 14. If the Company consolidates or subdivides or increases or reduces its issued shares, then the rights of
47 conversion of the 'B' prefs shall be automatically amended so that they shall at all times be entitled to
48 convert their 'B' prefs into a number of ordinary shares in the Company which is adjusted proportionately
in accordance with such consolidation or subdivision or increase or decrease in order that their foregoing
rights are maintained.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Matodzi Resources Limited will be held in the Auditorium, Ground Floor, 28 Harrison Street, Johannesburg, on Thursday, 30 October 2003 at 10:00 for the following purposes:

ORDINARY BUSINESS

1. To consider and adopt the audited annual financial statements for the year ended 31 March 2003.
2. To elect directors in accordance with the provisions of the Company's Articles of Association.

The following retiring directors are eligible and offer themselves for re-election:

- 2.1 A Mlangeni
- 2.2 M E Mkwanazi
- 2.3 T Mosololi

3. To re-appoint Charles Orbach & Company as auditors of the Company for the current financial year and authorise the directors to determine their remuneration for the past audit.

SPECIAL BUSINESS

In addition, members will be requested to consider, and if approved, to pass the following special and ordinary resolutions:

4. Special Resolution Number 1

Repurchase by the Company of its shares

"RESOLVED that, the Company or any of its subsidiaries, are hereby authorised as a general approval given in terms of Section 85(2) and 89 of the Act, to acquire shares issued by the Company upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the provisions of the Act and the Listings Requirements of the JSE Securities Exchange South Africa ("the JSE") which currently stipulate that:

- any such acquisition of ordinary shares shall be implemented on the open market of the JSE
- this general authority shall only be valid until the Company's next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution
- a paid press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis, 3% (three per cent) of the number of ordinary shares in issue, at the time of passing of this Special Resolution, which announcement shall contain full details of such acquisitions



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11 **NOTICE OF ANNUAL GENERAL MEETING** (continued)
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- 15
- 16 • acquisitions of ordinary shares by the Company in terms of this general authority in the aggregate in any one financial year may not exceed 20% (twenty per cent) of the Company's issued ordinary share capital nor may any subsidiary hold more than 10% of the Company's issued share capital at any one time
 - 17 • in determining the price at which ordinary shares issued by the Company are acquired in terms of this general authority, the maximum price at which such ordinary shares may be acquired may not be greater than 10% (ten per cent) above the weighted average of the market price at which such ordinary shares traded on the JSE over the 5 (five) business days immediately preceding the date on which the transaction is agreed.

18 Although no such repurchases are currently being considered, the general authority to repurchase the Company's shares will be acted upon within the parameters laid down by the JSE, as and when the directors deem it appropriate. After considering the effect of a general repurchase within these parameters, the directors are of the view that for a period of at least twelve months after the date of this notice:

- 19
- 20 • the Company and the Group will be able in the ordinary course of business to pay their debts
 - 21 • the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group
 - 22 • the ordinary capital and reserves of the Company and Group will be adequate for the purpose of the Company's and the Group's business respectively
 - 23 • the working capital of the Company and the Group will be adequate for their requirements."

24 The reason for the Special Resolution is to grant a general approval in terms of the Act and the Listings Requirements of the JSE for the acquisition by the Company or its subsidiaries of shares issued by the Company, subject to statutory and regulatory limitations and controls.

25 The effect of this Special Resolution is to enable the Company and/or a subsidiary, by way of a general approval, to repurchase up to a maximum of 20% of its share capital in any one financial year; such authority is to remain valid until the Company's next annual general meeting, but not beyond the period of 15 (fifteen) months after the date of this resolution

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36 **5. Ordinary Resolution Number 1**

37 **Authority to issue shares**

38 "RESOLVED that, the remainder of the Company's unissued ordinary shares of 25 cents each be and they are hereby placed under the control of the directors who are hereby authorised, subject to the restrictions contained in sections 221 and 222 of the Companies Act, as amended, and the requirements of the JSE Securities Exchange South Africa, to allot and issue such shares to such persons and upon such terms as they, at their discretion, may decide: "

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42 **6. Ordinary Resolution Number 2**

43 **Authority to issue shares for cash**

44 "RESOLVED that, subject to the passing of ordinary resolution No. 1, and in terms of the Listings Requirements of the JSE, the directors have the powers to allot and issue any shares of any class already in issue in the capital of the Company for cash when the directors consider it appropriate in the circumstances, subject to the following:



NOTICE OF ANNUAL GENERAL MEETING (continued)

- that this authority shall not endure beyond the next annual general meeting of the Company nor shall it endure beyond 15 months from the date of the meeting;
- that there will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders (as defined by the JSE in its Listings Requirements) and not to related parties;
- that upon any issue of shares which, together with prior issues during any financial year, will constitute 5% or more of the number of shares of the class in issue, the Company shall, by way of a paid press announcement, give full details thereof, including the effect on the net asset value of the Company and earnings per share;
- that the aggregate issue of any particular class of shares in any financial year will not exceed 15% of the number of that class of shares (including securities which are compulsorily convertible into shares of that class)
- that the maximum discount at which securities may be issued is 10% of the weighted average traded price of those securities over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the applicant; and
- that 75% majority is required of votes cast by the shareholders present or represented by proxy at the annual general meeting to approve such resolution."

7. Ordinary Resolution Number 3

Authority to issue options to subscribe for shares

"RESOLVED that, subject to the passing of ordinary resolution No 1, and in terms of the Listing Requirements of the JSE, the directors have the powers to issue options to subscribe for any shares of any class already in issue in the capital of the Company, when directors consider it appropriate in the circumstances."

Voting and proxies

A member entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. Duly completed proxy forms must be deposited at the office of the Transfer Secretaries not less than 48 hours before the time appointed for the holding of the Annual General Meeting.

Shareholders who hold their shares in certificated form or are own name dematerialised shareholders and who are unable to attend the annual general meeting which is to be held on Thursday, 30 October 2003 at 10h00, but wish to be represented at that annual general meeting should complete and return the form of proxy attached in accordance with the instructions contained therein to be received by the Transfer Secretaries by no later than 10h00 on Tuesday, 28 October 2003.



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11 **NOTICE OF ANNUAL GENERAL MEETING** (continued)
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15 Other shareholders who hold their shares in uncertificated form through a Central Securities Depository Participant
16 ("CSDP") or broker and who wish to vote by way of proxy at the annual general meeting, should provide their CSDP or
17 broker with their voting instructions, in terms of the custody agreement entered into between such shareholders and
18 their CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised
19 by the CSDP or broker for instructions of this nature. If however, such shareholders wish to attend the annual general
20 meeting in person, then they will need to request their CSDP or broker to provide them with the necessary authority in
21 terms of the custody agreement entered into between the dematerialised shareholder and their CSDP or broker.
22

23
24 By order of the board

25 Matodzi Resources Limited

26 P B Beale

27 *Company Secretary*
28

29 Johannesburg

30 2 October 2003
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FORM OF PROXY



MATODZI RESOURCES LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number 1933/004523/06)
 Share Code: MTZ ISIN: ZAE000042412
 ("Matodzi" or "the Company")

For the use by certificated and own-name dematerialised holders of ordinary shares in Matodzi at the Annual General Meeting of Matodzi shareholders to be held in the Auditorium, Ground Floor, 28 Harrison Street, Johannesburg, on Thursday, 30 October 2003 at 10h00, or such later time that may be applicable.

Other dematerialised shareholders must inform their CSDP or broker of their intention to attend the meeting in order that the CSDP or broker may issue them with the necessary authorisation to attend, or provide the CSDP or broker of their voting instruction should they not wish to attend the meeting in person.

I/We _____ of _____
 (Name in block letters please)

Telephone (work) _____ Telephone (home) _____
 (area code and number) (area code and number)

being a member of the Company and entitled to _____ votes
 hereby appoint _____ of _____
 or failing him/her _____ of _____

or failing him/her the Chairman of the Annual General Meeting as my/our proxy to attend and speak for me/us and on my/our behalf at the Annual General Meeting of the Company to be held in Johannesburg on Thursday, 30 October 2003 at 10h00 and at any adjournment thereof and to vote or abstain from voting as indicated on the resolutions to be considered at the said meeting:

ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN
1. To adopt the audited annual financial statements for the year ended 31 March 2003			
2. (a) To re-elect Mr A Mlangeni as a director of the Company			
(b) To re-elect Mr M E Mkwanazi as a director of the Company			
(c) To re-elect Mr T Mosololi as a director of the Company			
3. To re-appoint Charles Orbach & Company as auditors of the Company and authorise the directors to determine their remuneration			
SPECIAL BUSINESS			
4. Special resolution Number 1 Repurchase by the Company of its shares			
5. Ordinary resolution Number 1 Authority to place the unissued remaining ordinary shares of the Company under the control of the directors			
6. Ordinary resolution Number 2 To authorise the directors to issue unissued ordinary shares for cash			
7. Ordinary resolution Number 3 To authorise the directors to issue options to subscribe to shares			

Please indicate with an "X" in the spaces above how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain at his/her discretion.

Any member of the Company entitled to attend and vote at the Annual General Meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.

Every person present and entitled to vote at the Annual General Meeting shall, on a show of hands, have one vote only, but in the event of a poll, every share shall have one vote. Please read the notes and instructions appearing on the reverse hereof.

Signed at _____ on _____ 2003

Name in block letters _____ Signature _____ Assisted
 by me _____

Full name(s) of signatory/ies if signing in a representative capacity _____
 (name in block letters please)



INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A Matodzi shareholder may insert the name of a proxy or the names of two alternative proxies of the Matodzi shareholder's choice in the space/s provided, with or without deleting "the Chairman of the annual general meeting", but any such deletion must be initialled by the Matodzi shareholder concerned. The person whose name appears first on the form of proxy 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. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in Matodzi, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A Matodzi shareholder or his/her proxy is not obliged to use all the votes exercisable by the Matodzi shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. The date must be filled in on this proxy form when it is signed.
4. The completion and lodging of this form of proxy will not preclude the relevant Matodzi shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names appear in the register of members, will be accepted.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries or waived by the Chairman of the annual general meeting of Matodzi shareholders.
6. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
8. Forms of proxy must be received by the Transfer Secretaries, Computershare Limited at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by not later than 48 hours before the time appointed for the holding of the meeting.
9. The Chairman of the annual general meeting may accept or reject any form of proxy, in his absolute discretion, which is completed other than in accordance with these notes.
10. If required, additional forms of proxy are available from the Transfer Secretaries.
11. Dematerialised shareholders, other than by own name registration, must NOT complete this form of proxy and must provide their CSDP or broker of their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.



DIRECTORATE AND ADMINISTRATION

DIRECTORS

A Mlangeni (*Non-executive Chairman*)
S M Rasethaba (*Chief Executive Officer*)
H C Buitendag (*Executive Director*)
R B Kebble (*Non-executive Director*)
M E Mkwanazi (*Non-executive Director*)
T Mosololi (*Non-executive Director*)

SECRETARY AND REGISTERED OFFICE

P B Beale
3rd Floor
28 Harrison Street
Johannesburg 2001
(PO Box 11165, Johannesburg 2000)

CORPORATE ADVISOR

PSG Investment Bank Limited
160 Jan Smuts Avenue
Rosebank 2196
(PO Box 987, Parklands 2121)

ATTORNEYS

Taback and Associates (Proprietary) Limited
1st Floor
21 West Street
Houghton 2198
(PO Box 3334, Houghton 2041)

SPONSOR

River Sponsors (Proprietary) Limited
Suite 202
105 Brooks Street
Duncan Manor
Brooklyn, Pretoria 0180
(PO Box 1666, Groenkloof 0027)

TRANSFER SECRETARIES

Computershare Limited
70 Marshall Street
Johannesburg 2001
(PO Box 1053, Johannesburg 2000)

AUDITORS

Charles Orbach & Company
Ground Floor, Orbach Place
261 Oxford Road, Illovo 2196
(PO Box 821, Northlands 2116)

