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Vision and Mission

Vision

Schamin strives to become the mining services company of choice on the African continent.

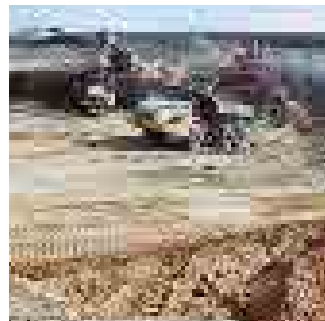
Mission

Schamin is committed to providing a quality service both timeously and professionally through its dedicated teams to benefit clients, employees, stakeholders and the community at large.



Definitions

“BEE”	Black economic empowerment
“Benicon”	Benicon Earthworks and Mining Services (Pty) Limited
“the board”	The board of directors of Scharrig Mining Limited
“the current year”	The financial year ending 31 March 2007
“Geosearch”	Geosearch International Limited
“the group”	Scharrig Mining Limited, subsidiaries, associates and affiliates
“JSE”	JSE Limited
“King II Report”	The King Report on Corporate Governance for South Africa 2002
“the previous year” or “the prior year”	The financial year ended 31 March 2005
“SA”	South Africa
“Schamin” or “the company”	Scharrig Mining Limited
“SENS”	Securities Exchange News Service
“Transbor”	Transbor (Pty) Limited
“the year” or “the year under review”	The financial year ended 31 March 2006



Timeline

- 1972** Tony Scharrighuisen identified the need for reliable earthmoving services.
- 1973** Henk and Cas Scharrighuisen joined Tony in SA with a Komatsu D75 Traxcavator. Work began on an earthmoving contract in Newcastle.
- 1974 - 1982** Civil engineering contracts were executed in the Drakensberg and Transkei, building roads and dams.
- 1983** A plant hire division was started.
- 1985** Opencast mining operations began in Witbank and the Middelburg area.
- 1989** On 1 July Scharrighuisen Holdings Limited listed on the JSE in the 'Engineering' Sector.
- 1990** **TURNOVER R66 255 000**
- 1989 - 1992** Opencast mining contracts continued in Mpumalanga.
- 1991** **TURNOVER R99 534 000**
- 1992** Laurie Fisher was appointed as a director of Scharrighuisen Holdings Limited and as joint Managing Director with Cas Scharrighuisen of Scharrig Mining Limited. Henk Scharrighuisen retired.
- TURNOVER R103 563 000**
- 1993** Scharrig Mining Limited was listed on the main board of the JSE in the 'Engineering' Sector and acquired opencast mining companies Trojan, Norman and Frigate Mining to expand its opencast mining operations. Scharrighuisen Holdings Limited started Scharrig Industrial Holdings Limited to diversify its operations.
- TURNOVER R137 327 000**
- 1994** Scharrig Industrial Holdings Limited listed on the main board of the JSE in the 'Engineering' Sector. Laurie Fisher resigned as joint Managing Director of Scharrig Mining Limited.
- TURNOVER R196 419 000**
- 1995** Tony Scharrighuisen was appointed as Chairman of Scharrig Mining Limited.
- TURNOVER R210 379 000**
- 1996** **TURNOVER R221 460 000**

Timeline

- 1997** Treve Hendry was appointed to the board of Scharrig Mining Limited.
- 1998** **TURNOVER R272 178 000 for 15 months**
- 1999** Jason Holland was appointed as Financial Director.
TURNOVER R186 271 000
- 2000** Scharrighuisen Holdings Limited delisted in order to unlock value for shareholders. Nesta Glover was appointed as Company Secretary. Cas Scharrighuisen resigned as Managing Director of Scharrig Mining Limited and Gerald Bailey was appointed as Managing Director until his death in May 2003.
TURNOVER R158 332 000
- 2001** **TURNOVER R169 816 000**
- 2002** **TURNOVER R212 443 000**
- 2003** Koos Reineke was appointed as Managing Director of Scharrig Mining Limited until his resignation in October 2004, when Jason Holland was appointed Managing Director while retaining his position as Financial Director.
TURNOVER R370 584 000
- 2004** **TURNOVER R549 298 000**
- 2005** On 14 March 2005 Cas Scharrighuisen was re-appointed as Managing Director of Scharrig Mining Limited.
TURNOVER R567 571 000

A strategic transaction was concluded with a BEE consortium led by Messrs. Dines Gihwala and Richard Jonah. The Scharrighuisen family sold a total of 65,5 million shares, to the consortium. Tony Scharrighuisen accordingly stepped down as Chairman to make way for Dines Gihwala, and Messrs. Richard Jonah, Hugh Stoyell and Allan Joffe were appointed as non-executive directors.

An agreement was signed to acquire the assets and the business of Benicon for R53,9 million.
- 2006** **TURNOVER R616 468 000**

The company entered an agreement to acquire the business of Geosearch and Transbor, paving the way for Schamin's pan-African mining services vision.

BEE Initiative and Group History

BEE

In April 2005 a BEE consortium led by Messrs. Dines Gihwala and Richard Jonah agreed to acquire 22,2 million ordinary shares in Schamin for a total purchase consideration of R49,95 million payable in cash. This represents approximately 17,3 % of Schamin's total issued share capital. In July 2005 the consortium exercised the option to purchase a further 34,38 million shares in the company from other companies and trusts associated with Tony Scharrighuisen. As announced on 28 July 2005 a mandatory offer was made to minority shareholders as per the circular posted on that date.

Schamin is confident that it will continue to benefit from the extensive mining experience and networks of Messrs. Dines Gihwala and Richard Jonah. Opportunities already identified include new contracts and the diversification of the company's earnings base. The assets and business of Benicon were acquired for R53,9 million during the year under review, and the agreement to acquire the business of Geosearch and Transbor is in the process of being concluded.

About our BEE Partners

With the conclusion of the BEE deal Schamin welcomed Messrs. Dines Gihwala and Richard Jonah to the board, who bring a wealth of industry and board experience. Dines is the executive chairman of Hofmeyr Herbstein & Gihwala Incorporated, one of SA's largest law practices and has served as a High Court judge. Richard has worked as an investment banker for Goldman Sachs in New York and N.M. Rothschild in London and serves on the boards of a number of private companies.

Group History

Over 30 years ago Tony Scharrighuisen, originally from Holland and working in SA, recognised the growing need for reliable earthmoving services. He persuaded his brothers Henk and Cas to leave Holland in 1972/3 and bring with them a Komatsu D75 Traxcavator. Tony knew that Cas's almost limitless energy and capacity for hard work, coupled with Henk's maintenance expertise, would provide the perfect combination in a business where extensive perseverance is required to complete a job on time and within budget.

As the company continued to grow, offices were opened in Ladysmith and energies were focused on road and dam building in the Drakensberg and Transkei areas. However, from 1985 the company started to move in a new direction with a number of contracts awarded for earthmoving operations on opencast mines. These contracts included topsoil stripping, access roads, rehabilitation and closure of old mines and opencast mining projects for major mining and engineering companies in Gauteng.

Offices and workshops were opened in Middelburg in the late 1990's to service the increasing mining activities in the Mpumalanga coalfields.

From these modest beginnings in Newcastle, Schamin's fleet has grown to more than 720 major machine items today.

BEE Initiative and Group History (contd.)

Growth and Consolidation

A number of opencast mining companies were acquired and precision engineering became a vital part of Schamin's opencast mining operations, with the workshops in both Jet Park and Middelburg upgraded to world standards. These workshops still today recondition and test all of Schamin's diesel engines, which are machined to ISL 9002 standards, resulting in significant cost savings. Teams of qualified technicians handle body rebuilds from the field, vehicles are stripped and rebuilt to go back into service as "new" equipment.

In a short time the company consolidated its earthmoving, dam building and road building services into a cohesive offering focussing on the core business of opencast mining. Schamin has since expanded its offering and attracted specialist skills in the fields of:

- Opencast Mining;
- Precision Engineering;
- Hire of Plant and Equipment; and
- Plant Sales.

Schamin's head office in Jet Park, close to Johannesburg International Airport, enables the company to keep its finger on the pulse of the mining and engineering industries. The premises epitomise Schamin's functional business philosophy - comfortable but with no unnecessary frills.

What sets Schamin apart from the other players in the industry is knowledge and investment in plant, workshops and manpower. With a no-nonsense, hands-on approach and meticulous planning, overheads are kept to a minimum, cost estimates are accurate and financial performance is sustained even in difficult trading conditions.

JSE Listing

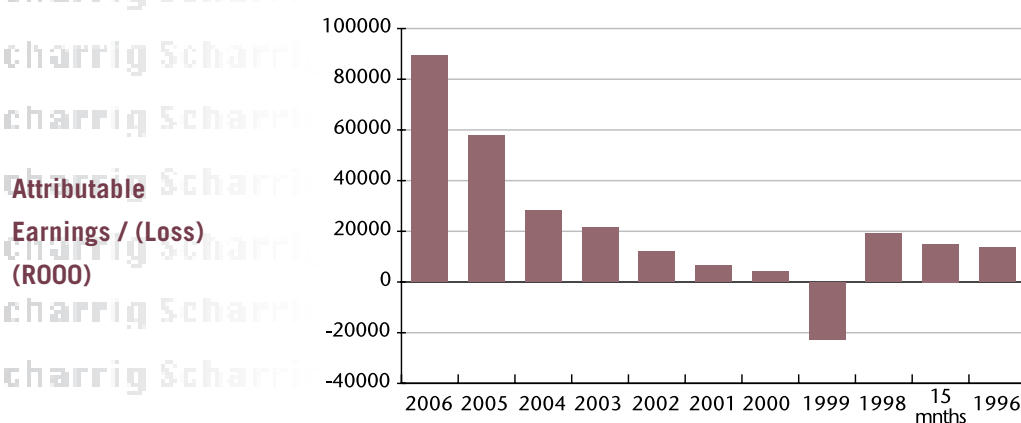
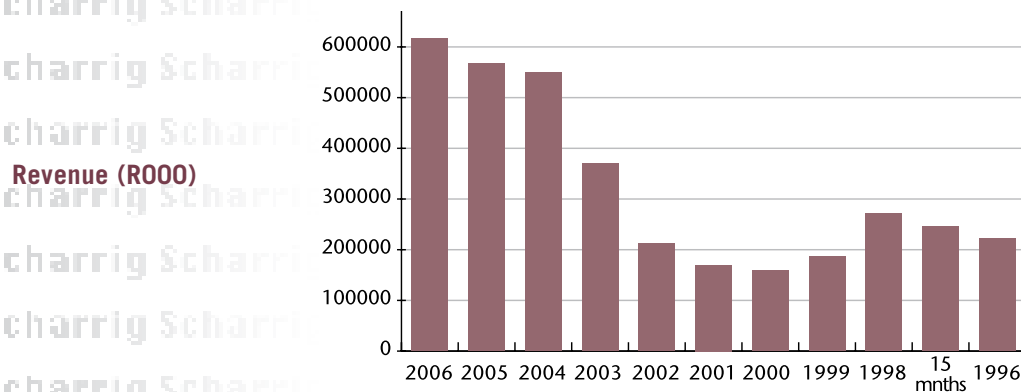
Schamin was listed on the main board of the JSE in 1993. The JSE is one of the 20 largest stock exchanges in the world by market capitalisation according to the World Federation of Exchanges.

SA companies attribute a large portion of their wealth to the vast mineral resources in SA, one of the world's treasure troves of minerals and precious metals. Although most gold is mined at great depths, in fact deeper than man has mined before, much of the mineral wealth is found just below the surface and is removed by opencast mining.

Schamin is amongst the largest and most successful opencast contract mining groups in SA and has made the brutal task of removing millions of tons of earth into a logistical science.

10 Year Review

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1996
Revenue (R000)	616 468	567 571	549 298	370 584	212 443	169 816	158 332	186 271	272 178	221 460
Attributable earnings/(loss) (R000)	89 262	57 841	28 366	21 657	12 103	6 615	4 225	(22 768)	19 052	13 611
Earnings/(loss) per share (cents)	69.3	46.6	23.2	17.3	9.0	4.8	3.0	(16.4)	13.9	10.0
Headline earnings/(loss) per share (cents)	69.3	46.6	23.2	14.6	8.9	4.5	3.0	(15.6)	14.9	10.0
Tax rate (%)	28.3	29.9	22.2	41.7	33.1				5.2	6.4
Dividends per share (cents)	12.0	7.5	4.5	3.0	2.0	1.25			4.0	4.0
Dividend cover (times)	5.8	6.2	5.2	5.8	4.5	3.8			3.5	2.5
Net asset value per share (cents)	240	184	151	135	120	105	118	115	131	123
Total assets employed (R000)	886 385	709 234	545 874	443 668	295 333	246 440	251 879	287 912	318 335	306 261
Return/(loss) on shareholders' equity (%)	27.0	22.9	14.7	12.5	7.9	4.5	2.6	(14.3)	10.5	8.2
Gearing (%)	102	113	113	94	40	17	29	52	51	60
Liquidity										
- Current ratio	0.46	0.43	0.52	0.61	1.11	1.33	0.97	0.68	0.9	0.92
- Current ratio excluding current portion of long-term borrowings	1.62	1.77	1.64	1.32	1.41	1.33	1.75	1.39	2.25	2.10
- Acid test ratio	0.35	0.38	0.48	0.50	1.02	1.2	0.78	0.55	0.77	0.75



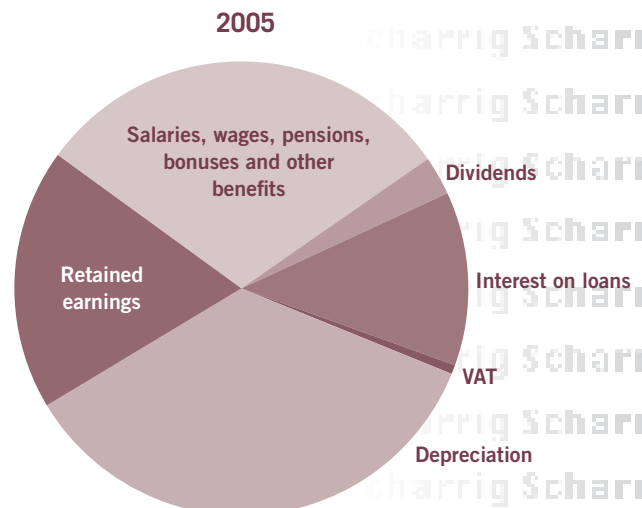
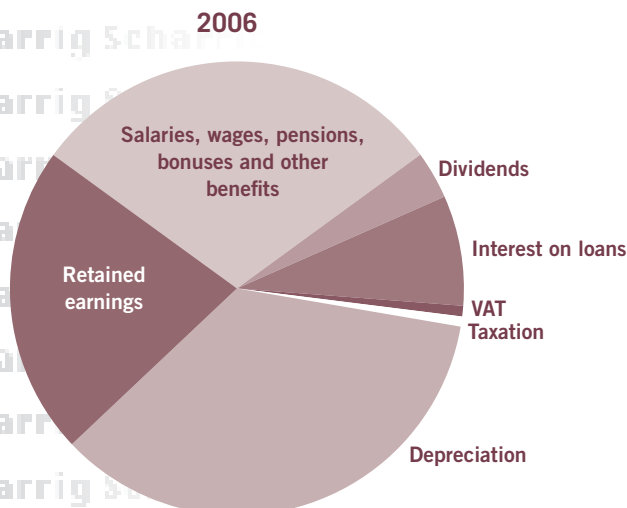
Value Added Statement

Value added is the wealth created by the group and its employees through services and expertise. This statement shows how the value added was shared by those responsible for its achievement.

R000	2006	2005
REVENUE	616 468	567 571
COST OF SERVICES SUPPLIED	266 495	297 990
	349 973	269 581
NON-OPERATING INCOME		793
VALUE ADDED	349 973	270 374

Applied as follows:

To remunerate employees:		
– Salaries, wages, pensions, bonuses and other benefits	104 809	82 027
To reward providers of capital:		
– Dividends	11 897	7 502
– Interest on loans	27 448	33 472
To the State:		
– Value added tax	2 636	1 768
– Taxation	2 507	
To replace assets:		
– Depreciation	123 311	95 266
To expand the group:		
– Retained earnings	77 365	50 339
	349 973	270 374



Directorate and Management



DCM (Dines) Gihwala (53) B.Proc H Dip Tax Practice

Non-executive Chairman

Appointed 2005

Dines is the executive chairman of Hofmeyr, Herbstein and Gihwala Incorporated, one of SA's largest and significantly empowered law firms with offices in Sandton and Cape Town. He is a founder member of the National Association of Democratic Lawyers (NADEL), which he has served in an executive capacity. He is a director and trustee of a number of public and private companies and trusts respectively.

C (Casper) Scharrighuisen (58)

Managing Director

Appointed 2005

Casper has been with the group since inception and has over 30 years' experience in the earthmoving and opencast mining sector.



J (Jason) Holland (38) B.Com B.Compt (Hons) CA(SA)

Financial Director

Appointed 1999

Jason qualified in 1992 having finished his articles with JH Smilg & Co, and joined the group in 1996.

C (Clint) Moorcroft (41) NHD Coal Mining

Executive Director

Appointed 1999

Clint has vast experience having been employed originally as a site manager at Frigate Mining, which was incorporated into Schamin in 1993.



Directorate and Management (contd.)



TR (Treve) Hendry (40) B.Com B.Compt (Hons) CA(SA)

Executive Director

Appointed 1997

Treve has 10 years' experience in the mining industry, having joined the group in 1995 after completing articles at Ernst & Young. He is The CEO of Argent Industrial Limited.

A (Allan) Joffe (37) B.Com (Hons) GDA CA(SA)

Non-executive Director

Appointed 2005

Allan is a chartered accountant and has worked in corporate finance and investment banking for UAL Merchant Bank Limited and Nedcor Investment Bank Limited. He is currently with Coronation Capital Limited, a wholly-owned subsidiary of Coronation Investments and Trading Limited.



RK (Richard) Jonah (30) BA Economics & Political Science

Non-executive Director

Appointed 2005

Richard has worked as an investment banker for Goldman Sachs in New York and N.M. Rothschild in London. He is the co-founder and director of IT and telecommunications firm Freedom International Technologies and serves on the boards of a number of private companies.

T (Tony) Scharrighuisen (61)

Non-executive Director

Appointed 1999

After starting an earthmoving company with his brothers on immigration from the Netherlands, Tony listed Schamin in 1993.



Directorate and Management (contd.)



E.H.J. (Hugh) Stoyell (62) Pr. Eng. BSc (Mining) Eng. MBL FSAIMM

Independent Non-executive Director

Appointed 2005

Hugh is a professional engineer with 40 years' experience in the SA mining industry. Prior to retiring he was a chairman and managing director of Duiker Mining (Pty) Limited, SA's third largest coal exporter. Hugh has held directorships for a number of mining and related companies since 1976 including JSE- and London Stock Exchange-listed companies



Dr P. (Paula) Huysamer (61) Diploma Radiography B.Com M.Com D.Com

Independent Non-executive Director

Appointed 2004

Dr Paula Huysamer has extensive experience in broad-based BEE and was a founder member of Nozala Investments (Pty) Limited as well as Vuya! Investments (Pty) Limited. She is a non-executive director of Business Partners Limited and Monroe Minerals Incorporated in Canada.

Management

1. Debbie Wise
Company Secretary
Appointed 2006
2. Danny Stickland
Internal Auditor
Appointed 2004
3. Wynand Millard
Human Resource Manager
Appointed 2002

Chairman's Report

Introduction

The year marked a number of key strategic milestones that have significantly contributed to achieving Schamin's vision of becoming a leading diversified mining services company with strong roots in Africa.

As a first landmark, a year of negotiations culminated in April 2005 in a partnership with a BEE consortium led by Richard Jonah and myself.

Further, Schamin has made two major acquisitions which are expected to be earnings enhancing for the group. While Benicon dovetails into the group's existing earthworks and earthmoving services, the acquisition of Geosearch and Transbor will enable the group to capitalise on the increasing demand from existing clients for exploration drilling services ("the acquisitions"). The acquisition of Geosearch and Transbor is in the process of being concluded. Diversification into this niche complementary area of exploration drilling will enable the group to leverage its current client base as well as to target new clients with this service. While Schamin is a leading open-cast coal mining contractor in SA, the acquisitions will position the group as one of the leading exploration drilling companies on the African continent.

Schamin also invested in capital equipment during the year to accommodate rising demand for its services, taking advantage of exceptional fleet expansion opportunities in a global environment characterised by restricted availability of plant items.

Finally, the group achieved record results reflecting significant growth in all key performance indicators. (Further detail is set out in the Managing Director's Report and the annual financial statements and accompanying notes.)

It has been my pleasure to serve as non-executive Chairman of one of the country's growing mining services companies for the past year.

BEE

The conclusion of the broad-based BEE transaction on 22 April 2005 saw our consortium acquire 22,2 million shares for a total consideration of R49,95 million paid in cash. On 14 July 2005 we exercised the option to purchase a further 34,38 million shares.



Chairman's Report (contd.)

Directorate

Firstly I thank Schamin's outgoing Chairman, Tony Scharrighuisen, for his years-long dedication that has established Schamin as a leading open-cast coal mining contractor in SA today. His leadership and vision are an inspiration.

I then extend a warm welcome to the board to Richard Jonah, Allan Joffe and Hugh Stoyell who joined during the year as non-executive directors.

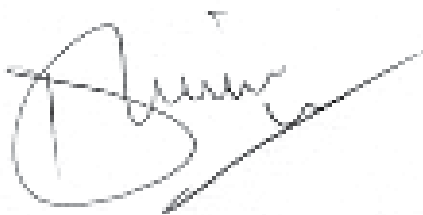
Prospects

In light of the limited plant items available worldwide as a result of escalating demand for mineral resources, the directors believe that Schamin's continued investment in fleet expansion will position the group well to meet increasing demand for its services. The acquisitions, which have both bolstered and diversified services, have helped to cement a solid platform for future growth. Accordingly Schamin is budgeting for improved performance of all divisions in the year ahead.

While the directors will focus on bedding down the acquisitions in the year ahead, they will also continue to identify further performance-enhancing acquisition opportunities in line with group strategy.

Appreciation

My thanks to the group's management and their teams for their commitment and efforts which were integral to Schamin's best year to date. I also wish to thank my colleagues on the board for their advice and contribution to deliberations during the year, as well as our shareholders for their ongoing loyal support.



Dines Gihwala

Non-Executive Chairman

29 June 2006



Managing Director's Report

Introduction

The year under review was an exciting period to manage the company. Schamin maintained its positive growth trend to post stellar results and recorded significant strategic and operational highlights. We grew the group and enhanced services, while also diversifying into the sought-after niche of exploration drilling (see 'Acquisitions' below).

Financial Results

Revenue for the year increased by 9% to R616,5 million from R567,5 million in the previous year. Despite abnormally high rainfall in February and March which adversely affected operations, a focus on improved operating efficiencies saw operating margins higher at 24,6% from 20,4% in 2005.

Headline earnings per share rose significantly by 49% to 69,3 cents. Cash generated was R273,1 million, compared with R220,3 million in the previous year, equating to 211 cents per share (2005: 177 cents). Net asset value per share increased to 240 cents from 184 cents.

Notwithstanding increased capital expenditure during the year, the group successfully reduced its debt:equity ratio to 102% from 113%, in line with its undertaking at the previous year-end.

Improved results have seen a final dividend of 7 cents per share declared to bring the total dividend for the year to 12 cents per share (2005: 7,5 cents).

Capital Expenditure

During the year Schamin invested R282 million in capital equipment, of which R96 million was allocated to replacing outdated or old equipment. The group seized an exceptional opportunity to purchase a package comprising 12 new articulated dump trucks, four dozers and one excavator worth R60 million in aggregate. We are confident that this ongoing investment in fleet expansion is critical to Schamin's future growth considering the increasing scarcity of available equipment for purchase anywhere in the world.

Acquisitions

Benicon

On 19 December 2005 Schamin announced its acquisition of Benicon for R53,9 million. Benicon is a contract miner with earthmoving and earthworks in operation since 1979 and enjoys a solid reputation for client service and commitment. The acquisition was in line with the group's strategy of diversifying its earnings base and expanding its client base.

Benicon is already trading ahead of expectations and is expected to make a meaningful contribution to Schamin's earnings going forward.

Transbor and Geosearch

In line with our strategy of becoming a leading pan-African mining services company, Schamin concluded an agreement to acquire Geosearch and Transbor in February 2006. Geosearch and Transbor are sister companies providing drilling and exploration services for the mining industry in South Africa, Mozambique, Tanzania, Botswana and the Democratic Republic of Congo. The companies account for approximately 20% of the hard rock core drilling in SA and clients include Anglo Platinum, Lonplats and AngloGold Ashanti.

Managing Director's Report (contd.)

The purchase price for Geosearch was capped at US\$40,4 million and it is linked to the future performance of the company. It will be paid in three instalments of which US\$11,5 million has already been paid by Coronation Capital Limited, who underwrote the transaction on behalf of Schamin. The second and third instalments will be calculated based on Geosearch's annual financial results for the years ended 30 April 2006 and 2007. The purchase price for Transbor has been similarly structured, with the first instalment still to be paid totalling R24 million.

Geosearch is expected to continue benefiting from the buoyant resources market and the drive to find new mineral deposits in Africa. Further, the 'use it or lose it' principle as defined in the Mining Charter will also contribute to increasing demand for exploration drilling. In addition with Geosearch's earnings primarily US dollar-denominated, the earnings base will be boosted with hard currency revenue streams.

Operations

Optimum Colliery

During the past year operations at Optimum Colliery reached more than satisfactory volumes, as the demand for coal reached far higher levels than in the past few years. However, the main focus continues to be with topsoil stripping and removal and main parting removal at both the Kwagga and Pullenshope areas. These are both opencast pits. The operations are currently involved in coal removal from the BE9 pit, also an opencast pit, with volumes reaching 250 000 tons per month. Volumes for both areas reached well in excess of 800 000 cubic metres per month, with additional volumes planned for the Pullenshope area going forward. Rehabilitation of the mined-out areas also still forms a substantial portion of the workload at the Colliery. Scharrighuisen Drill and Blast holds the drilling contract for all the blast hole drilling on the coal seams and geological partings.

Klipfontein & Middelburg Mine Services

These contracts remain the company's premium arrangements, with an additional contract being awarded to the company during the year. The new contract will involve the mining of the Rondebosje mini-pit. Drilling and blasting as well as mining of the mini-pit will be carried out by Schamin, making this operation a complete mining service.

Rehabilitation reached record levels in the year and remains one of the primary focus areas going forward. Other projects included topsoil stripping with volumes increasing substantially. Pre-strip and parting removal remains part of the core operations.

Douglas Colliery

Both the Naauwpoort 1 and Naauwpoort 6 pits moved into full steady state mining during the year. Coal volumes reached in excess of 130 000 tons per month. The year further saw the complete rehabilitation of the Naauwpoort Pit 4 area. With future contracts being planned, current scopes will increase in the year ahead.

Klipspruit Mine

Following work closure of the mini-pit during the year, focus has shifted to the boxcut. With the mine's dragline being introduced, topsoil, overburden and coal targets are set to far exceed the previous year's targets. The

Managing Director's Report (contd.)

2 and 4 Seams are currently being mined with targets of around 300 000 tons per month. Scharrighuisen Drill and Blast is responsible for all the drilling of blastholes on the mine.

Khutala Colliery

The scope of the A block has increased substantially over the past 12 months with the introduction of a triple bench mining operation, the first in Ingwe. Coal targets soared to 500 000 tons per month and a total of 1 500 000 cubic metres were moved on average each month. The current coal seams include the 2, 4, and 5 Seams.

Scharrighuisen Drill and Blast is responsible for all drilling of blastholes on the mine.

Strathrae Grootpan

The Grootpan mini-pit is a new contract awarded during the year. Schamin is conducting a total mining service through the drill and blast portion as well as the mining of the pit. Coal volumes are currently set at 100 000 tons per month and will increase steadily in the future.

Middelkraal Mine

This is the most recent addition to Schamin's current contract base. Mining the boxcut has been initiated and coal volumes are currently planned for 250 000 tons per month. This target is set to increase to 400 000 tons per month after completion of the boxcut and as the mine proceeds into full operation.

Prospects

Due to increased demand from Schamin's existing clients to provide drilling and blasting services, the group plans to invest R42 million in drilling equipment during the first quarter of the current financial year. We have already recruited experienced and qualified personnel to operate and manage the drilling and blasting operations, who are expected to drive greater profits.

With all operations and the acquisitions trading well, in many cases already ahead of budget, an improved operating performance is expected.

Thanks

Thank you to our management and their teams for their hard work and dedication during the year to maintain the group's strong performance. I also thank our clients for their continued invaluable support and our suppliers for their service.



Casper Scharrighuisen

Managing Director

29 June 2006

Corporate Governance Report

Key corporate governance developments

- Increased demographic representation on the board
- Board Charter adopted
- Code of Ethics formalised
- Audit and risk and remuneration and nominations committees established and fully operational
- Audit and Risk Committee Charter adopted

Since the conclusion of the transaction with the BEE consortium led by Messrs. Dines Gihwala and Richard Jonah, the directors of Schamin have been able to focus on improving operational and corporate practices to achieve compliance with the Code of Corporate Practices and Conduct set out in the King II Report. The key corporate governance developments above reflect these increased efforts.

Board of directors

At year-end the unitary board consisted of 10 directors as set out on page 10 of the annual report. During the year, the board was reconstituted and enhanced both demographically and in terms of expertise. On 20 September 2005 T Scharrighuisen resigned as Chairman and DCM Gihwala was appointed in his stead. RK Jonah, A Joffe and EHJ Stoyell were all appointed as non-executive directors with effect from 28 September 2005.

At the date of this report the board accordingly comprises three executive directors – C Scharrighuisen (Managing Director), J Holland (Financial Director) and C Moorcroft - as each by the nature of his role and functions is involved in the day-to-day operations of the group. This is balanced by seven non-executive directors, DCM Gihwala (Chairman), A Joffe, RK Jonah, T Scharrighuisen, TR Hendry, EHJ Stoyell and Dr P Huysamer. EHJ Stoyell and Dr P Huysamer are further considered to be independent as they are neither major shareholders in nor suppliers to Schamin. The non-executive directors contribute significant industry experience and expertise to board deliberations.

The roles of the non-executive Chairman and the Managing Director are separated in accordance with the board's policy of division of responsibilities. This ensures a balance of authority and precludes any one director from exercising unfettered powers of decision-making.



Corporate Governance Report (contd.)

Board processes

The board meets at least four times a year with additional meetings held where necessary. An attendance table of board meetings held during the year is set out below:

Director	Ordinary Board Meetings
DCM Gihwala* (Chairman) <i>appointed 20 September 2005</i>	4(5)
TR Hendry*	5(5)
J Holland (Financial Director)	5(5)
Dr P Huysamer*+	3(5)
A Joffe* <i>appointed 28 September 2005</i>	5(5)
RK Jonah* <i>appointed 28 September 2005</i>	3(5)
C Moorcroft	5(5)
C Scharrighuisen (Managing Director)	5(5)
T Scharrighuisen*	4(5)
EHJ Stoyell*+ <i>appointed 28 September 2005</i>	4(5)

* non-executive +independent

A Board Charter was adopted during the year in accordance with the directors' commitment to enhance corporate governance compliance and codify responsible stewardship of the group. The Charter sets out the board's duties and obligations, which include:

- monitoring business and operational performance;
- evaluating the group's performance against key performance indicators;
- retaining full and effective control of the group;
- assessing risk and implementing and monitoring risk management procedures;
- reviewing the annual audit and risk committee report on internal control;
- reviewing the group's strategic direction;
- approving budgets;
- establishing procedures to monitor the implementation of Schamin's corporate vision;
- ensuring effective corporate governance process;
- appointing and evaluating the executive directors; and
- board and executive level succession planning.

Corporate Governance Report (contd.)

In accordance with the articles of association and the Charter, titled directors including the Chairman, Managing Director and Financial Director are subject to retirement by rotation and re-election at least once every five years. Remaining members of the board are subject to retirement by rotation and re-election at least once every three years.

The Charter stipulates that non-executive directors have unfettered access to management at any time. All directors are entitled, at Schamin's expense, to seek independent professional advice on any matters pertaining to the group where they deem this to be necessary and are obligated by the Charter to seek such advice in matters where they lack sufficient expertise to make an informed decision. In seeking this independent advice the directors must inform the company secretary, who then discloses the information to the Managing Director and the board if it is relevant to the group or its operations.

Code of Ethics

During the year the board formalised a Code of Ethics ("the Code") in order to integrate sound ethical practice and corporate governance compliance at all levels of the group. As it pertains to the directors of the company, the Code demands that they conduct their duties with honesty, due care and skill. However, the Code stipulates that the directors not only act with integrity and diligence but also that they ensure they are familiar with all their duties and fiduciary responsibilities as directors of the company including:

- Ongoing training sessions;
- Compliance with laws and regulations;
- Meeting attendance;
- Disciplined and proactive meeting participation;
- Striving to improve individual performance;
- Keeping personal transactions separate from those of the company;
- Acting in Schamin's best interests; and
- Confidentiality of the group's information.

The Code provides a three step guideline for determining whether an act or omission is considered to be unethical. Any violations of the Code are referred to the board and the relevant director may be removed from office if found to be in serious breach.

Company Secretary

Post year-end N Glover resigned as company secretary and D Wise was appointed in her stead with effect from 28 April 2006.

All directors have unrestricted access to the advice and services of the company secretary and to company records, information, documents and property. In terms of the Board Charter the company secretary must ensure that directors receive a board pack and agenda timeously prior to board meetings and takes and distributes the minutes of the meeting. She is further responsible for updating directors on any regulatory or legislative changes affecting the group.

Corporate Governance Report (contd.)

As per the Board Charter the company secretary is responsible for implementing Schamin's formal induction programme for new board appointees which will be introduced during the year. Induction will include training on corporate governance principles, Schamin's operations as well as legislation specific to the group. New appointees will be further provided with information pertaining to Schamin's business operations as well as the financial, social and political environment in which it operates.

On appointment or reappointment every director will be given a comprehensive induction pack including information on directors' fiduciary duties and responsibilities, a copy of the Board Charter, Code of Ethics and the Audit and Risk Committee Charter as well as guidelines on closed periods and directors' dealings. It further offers copies of the most recent annual and interim reports, circulars to shareholders and board minutes as well as details of any major transactions entered into during the year, the current budget, group structure, current board and committee composition, an agenda and board pack for the forthcoming board meeting and a timetable of upcoming board meetings.

New Appointments

New appointments to the board are proposed by board members and deliberated and approved by the board as a whole. Board appointments are based on a blend of skills and experience. During the year Schamin enhanced the board with the appointment of four new non-executive directors which improved the demographic composition of the board as well as the skills set. Former High Court judge DCM Gihwala was appointed as non-executive Chairman. The appointment of former investment banker RK Jonah and chartered accountant A Joffe as non-executive directors augmented the board's financial expertise. Industry expertise was boosted by the appointment of EHJ Stoyell who has over 40 years' experience in the mining industry, having held directorships of a number of listed mining companies.

Board appointments are ratified by Schamin shareholders.

Share Dealings and Conflicts of Interest

The Board Charter stipulates that all directors and management with access to financial results and any other price-sensitive information, are prohibited from dealing in Schamin shares during 'closed periods' preceding the publication of the results or information, as the case may be, or while the company is trading under cautionary. Directors are obliged to obtain clearance from the Chairman prior to dealing in the shares of the company and to report any share dealings (including transactions in terms of the Scharrig Share Scheme) to the company secretary who, together with the Financial Director and the sponsor, ensures that such information is released on SENS.

As set out in the Board Charter directors are required to keep their personal and other business dealings separate from their positions as directors of Schamin. They are further prohibited from accepting or soliciting gifts or benefits of any kind by virtue of their position. The Charter stipulates that directors must disclose any potential conflict of interest and any other directorships held by them to the Chairman at the earliest opportunity. The director in question must then recuse himself from the relevant matter under discussion.

Directors' interests and shareholdings are disclosed on page 63 of the annual report.

Corporate Governance Report (contd.)

Board Sub-Committees

As part of its commitment to sound corporate governance Schamin established separate audit and risk, remuneration and nominations committees during the year. The audit and risk committee has implemented a Charter governing its functions, levels of materiality and processes, which will be reviewed annually in order to keep pace with regulatory requirements and international best practice. The remuneration and nominations committees are in the process of drafting charters, which will be adopted in the next financial year.

The chairmen of the committees, or a duly authorised representative who is also a member of the relevant committee, attend the annual general meeting in line with King II recommendations.

Audit and Risk Committee

The audit and risk committee was established on 10 October 2005. The committee is governed by a formal Charter which was adopted by the board on 12 June 2006. The Charter sets out the committee's duties including assisting the board in discharging its responsibilities regarding risk management, safeguarding of assets, financial control and reporting, internal controls and corporate governance.

The Charter further codifies that the committee comprise a minimum of two non-executive directors, independent where possible, and that the chairman may not be the chairman of the board. Accordingly the committee is chaired by newly appointed non-executive director A Joffe on account of his financial expertise, and further comprises non-executive director TR Hendry, a chartered accountant, and independent non-executive director EHJ Stoyell. On 12 June 2006 RK Jonah and DCM Gihwala were elected onto the audit and risk committee.

The committee met at least four times during the year in line with King II recommendations. The Managing Director, Financial Director, other executives and the external auditors attend committee meetings by invitation. An attendance table for audit and risk committee meetings held during the year is set out below:

Director	Audit and risk committee meetings
A Joffe ^	4(4)
TR Hendry	4(4)
EHJ Stoyell	4(4)
J Holland - by invitation	4(4)

^Audit and risk committee chairman

Corporate Governance Report (contd.)

Remuneration Committee

During the year the group established a separate remuneration committee which is chaired by non-executive Chairman DCM Gihwala and further comprises non-executive directors RK Jonah and T Scharrighuisen. On 12 June 2006 P Huysamer was elected onto the remuneration committee. Managing Director C Scharrighuisen attends by invitation and is obliged to recuse himself from deliberations in respect of his own remuneration. The committee met once during the year and attendance is set out below:

Director	Remuneration committee meetings
DCM Gihwala ^	1(1)
RK Jonah	1(1)
T Scharrighuisen	1(1)
C Scharrighuisen - <i>by invitation</i>	1(1)

^Remuneration committee chairman

Nominations Committee

During the year the group also established a separate nominations committee which is chaired by non-executive Chairman DCM Gihwala and further comprises non-executive directors T Scharrighuisen and RK Jonah, independent non-executive director P Huysamer and also Managing Director C Scharrighuisen. A charter is currently being drafted and will be adopted in the next financial year. No meetings have been held to date.

Legislative Compliance

The group ensures that it complies with all applicable laws and regulations. During the year the group further complied with the JSE Listings Requirements by fulfilling such obligations as advising the JSE and posting on SENS the resignation and appointment of directors, announcing details of corporate actions that may lead to material movements in the share price and timeously publishing interim and annual results. The company secretary and the sponsor are responsible for monitoring compliance with relevant legislation and the JSE Listings Requirements.

Accounting and Auditing

External Audit

Schamin's external auditors are responsible for the group's internal controls to the extent necessary for their audit, and report on whether the financial statements are fairly presented in compliance with International Financial Reporting Standards (IFRS). Appointment of the external auditors is confirmed at each annual general meeting. The preparation of the financial statements remains the responsibility of the directors and management.

The audit and risk committee is responsible for considering any non-audit services provided by the external auditors and determining whether these may impair their independence.

Corporate Governance Report (contd.)

Internal Audit

The group has a dedicated internal audit department headed by D Strickland, which is responsible for assisting the board and management in the effective discharge of their responsibilities and reports directly to the audit and risk committee. The scope of the internal audit function includes assessing the adequacy of internal controls, fraud prevention, risk management and the safeguarding of assets. Unrestricted consultation is encouraged between the internal audit department, directors and management. A formal charter for the internal audit department is in the process of being drafted and will be implemented during the next financial year.

Internal Controls

The board is ultimately responsible for the group's systems of internal control, assisted by the internal audit department and management who maintain comprehensive accounting records. In addition the audit and risk committee monitors internal control and submits annual reports to the board. The systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements and to safeguard and maintain accountability of the group's assets. They are therefore designed to manage rather than eliminate risk of failure and opportunity risk.

The group's systems of internal control are further designed to detect and minimise significant fraud, potential liability, loss and material misstatement. In order to enable management to implement and integrate these systems into day-to-day operations, control policies are communicated throughout the group.

The directors have satisfied themselves that systems of internal control are in place to mitigate significant risks identified to an acceptable level, monitored by appropriately trained personnel with suitable segregation of authority, duties and reporting lines and by the use of advanced technology. The directors have further satisfied themselves that nothing has come to their attention to indicate that a material breakdown in the functioning of these systems within the group has occurred during the year.

Risk Management

The audit and risk committee is responsible for the initial risk assessment. However, the board remains responsible for identifying the risks to which the group may be exposed and for recommending and monitoring appropriate risk management.

Sustainability Report

The directors believe that the fulfilment of social and environmental responsibilities is a business imperative and a competitive advantage, and have therefore included a report below.

Transformation

Schamin continues to support transformation in line with national and industry imperatives.

Affirmative Procurement

Presently the group focuses on affirmative procurement in respect of non-material spend to meet its targets, as the majority of equipment and machinery used in the implementation of its services is not locally available and must be imported. In respect of non-material spend Schamin focuses on procurement from black-owned businesses and suppliers with a particular emphasis on small- to medium-sized enterprises.

Employment Equity

The group is an equal opportunity employer that does not tolerate discrimination on any basis whatsoever. Throughout the group appointments are made after consultation with the human resources department in order to ensure compliance with employment equity policies. This in turn ensures that the group's employee profile will become appropriately representative of the demographics of the regions in which it operates, while always maintaining the group's standards of service excellence.



Sustainability Report (contd.)

Skills Development and Training

Training courses:

- *Operator evaluator course*
A total of 7 operators attended, 4 of whom are HDI
- *Health and Safety training*
 - COMSOC 1 and 2 for safety officers
A total of 7 safety officers attended, 6 of whom are HDI
 - First aid training and HIV/AIDS awareness
A total of 18 employees attended, all of whom are HDI
- *Risk assessments*
A total of 7 employees attended, 6 of whom are HDI

Subsidised studies:

- A total of 2 employees completed degrees, 1 of whom is HDI
- A total of 6 learnerships were completed, 3 of whom are HDI

During the year the independent consultancy, contracted in 2004 by Schamin, completed its second year of group-wide skills development and training. This contract has since been renewed for a further two year period. In the interim training has become entrenched as an operational practice, and will continue to be supported and guided by Schamin's new BEE partners.

The group emphasises succession planning by facilitating the advancement of HDIs and formal leadership programmes have been included in the brief to the consultancy.

Schamin strives to liberate the initiative of its people which it recognises as key to the group's performance. Employee participation in the ownership of the group is facilitated through the Scharrig Share Scheme, details of which are set out in the Directors' Report. While operational decisions are obviously reserved for appropriate levels of management, the group's culture encourages participative management and aims to foster mutual trust and encourage employee contribution on more effective methods to achieve its aims.

Safety, Health and Environment (SHE)

The group is committed to enforcing the most stringent standards of safety in compliance with the requirements of the SA Occupational Health and Safety Act and Mine Health and Safety Act.

Health and Safety Officers are appointed at each site on which the group operates, of which 3 have completed the COMSOC 2 Diploma and the remaining 2 the COMSOC 1 Diploma. These officers bear the responsibility of ensuring full compliance with the relevant health and safety legislation and report daily to the group's human resources department.

Sustainability Report (contd.)

Safety

Schamin recognises that the process of improving safety practices is dynamic and must be continually enhanced in order to maintain compliance with the legislation. Regular safety audits are conducted flowing from daily reports to the human resources department and risk avoidance strategies are constantly updated to take account of potential new risks identified. Employee co-operation in the implementation of health and safety policies is imperative, with employees being encouraged to identify, report and eradicate potential risks.

All supervisors, safety officers and plant and site managers are required to obtain a first aid certificate. This training will be carried out at the medical station of the host mine.

The group is pleased to report that in the past 8 years no fatal injury has occurred.

Health

Schamin recognises the impact of HIV/AIDS on the group's workforce. The group respects the right of all employees to maintain confidentiality regarding their HIV/AIDS status and is committed to fostering a supportive working environment for employees infected with HIV/AIDS.

A formal HIV/AIDS policy will be finalised during the course of the year. In the interim the company distributes:

- pamphlets and free condoms; and
- a monthly newsletter with information on HIV/AIDS preventative measures.



Sustainability Report (contd.)

Environment

Schamin is highly conscious of the potential environmental hazards inherent in its activities. As a sub-contractor providing services to the mining industry, the group's employees are bound to comply strictly with the environmental procedures dictated by the host mines on which they operate. Employees are educated to avoid harmful environmental practices as a result of inappropriate use of equipment and machinery. All mines have an ISO 14001 rating and compliance with environmental procedures is maintained by means of regular audits.

Further, the Red Card Incident System is in place. Each employee has a red and green card used to indicate any incidents contrary to proper environmental practice. Site supervisors are responsible for recording any incidents indicated.

Code of Ethics

A formal Code of Ethics is a work-in-progress, encapsulating the group's philosophy of zero tolerance of any form of corruption, fraud, abuse or unethical business practice. The group does not hesitate to take the necessary disciplinary action against any employees believed to have transgressed these ethics and is currently involved in a number of disciplinary procedures.

Stakeholder Communication

Schamin is committed to providing stakeholders with transparent, timely and reliable communication. Financial and company announcements are released on SENS, published in business press and on the company website and sent directly to shareholders, who are encouraged to attend the annual general meeting in order to facilitate greater interaction with the board. Investor queries are directed to the Financial Director.

The group maintains a strong, open relationship with the unions which represent Schamin's employees. Management holds regular meetings with union representatives to facilitate labour relations and ensure mutually beneficial outcomes to matters of debate.



Annual Financial Statements

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Declaration of Company Secretary

In my capacity as Company Secretary, I declare that for the year ended 31 March 2006 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, 1973, as amended, and that all such returns are true, correct and up-to-date.



Debbie Wise (Ms)

Company Secretary

Boksburg

29 June 2006

Report of the Independent Auditors

To the members of Scharrig Mining Limited.

We have audited the annual financial statements and the group annual financial statements of Scharrig Mining Limited as set out on pages 30 to 62 for the year ended 31 March 2006. These annual financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these annual financial statements based on our audit.

We conducted our audit in accordance with statements of International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

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

In our opinion the annual financial statements present fairly, in all material respects, the financial position of the company and the group at 31 March 2006 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the South African Companies Act, 1973, as amended.

Siyabala Inc.



Siyabala Incorporated

Chartered Accountants (SA)

Registered Accountants and Auditors

Durban

29 June 2006

Directors' Report

The directors of Schamin have pleasure in submitting their report for the group for the year.

Nature of Business

Schamin is a holding company. The group derives its income from opencast mining, rehabilitation, earthworks and mining services.

Financial Results and Dividends

The results for the year reflect continued improvement in line with Schamin's positive growth trend. The group generated revenue of R616,5 million, a 9% increase over the previous year. Headline earnings per share have increased to 69,3 cents from 46,6 cents, a 49% rise over the previous year, with R89,3 million attributable to shareholders.

On 30 June 2006 the board declared a final dividend of 7 cents per share, bringing the total dividend for the year to 12 cents per share (2005: 7,5 cents)

The annual financial statements of the company and the group for the year ended 31 March 2006 are set out in full in the annual financial statements and accompanying notes.

Directorate

The directors of the company and an abridged curriculum vitae for each director are set out on pages 10 to 12.

Directors' Remuneration and Shareholding

Details of the directors' remuneration are set out in note 26 to the annual financial statements and details of directors' shareholdings are set out under 'Shareholder Information'.

Directors' Interests in Contracts

No material contracts in which directors have an interest/s were entered into during the year, other than the transactions detailed in note 26 to the annual financial statements.

Company Secretary and Registered Office

Post year-end N Glover has resigned as company secretary and D Wise, whose business and postal addresses, which are also the company's registered addresses, are set out on page 68 of this annual report, was appointed in her stead with effect from 28 April 2006.

Directors' Report (contd.)

Subsidiary Companies

Details of major subsidiaries are set out on page 62. The aggregate net profit attributable to shareholders of the company is as follows:

R(000)	2006	2005
Net profit	79 056	50 858

Inflation Accounting

The effects of inflation on the group's profitability and cash flow are continually monitored by management. In the absence of a generally accepted method of accounting for the effect of change in price, inflation-adjusted annual financial statements are not presented.

Post Balance Sheet Events

Benicon

Schamin announced its acquisition of contract miner Benicon on 19 December 2005. The Competition Commission granted its unconditional approval for the acquisition of the business post year-end. Benicon is trading ahead of expectations and is expected to make a meaningful contribution to Schamin's earnings going forward.

Shareholders are referred to the announcement dated 19 December 2005 published on SENS.

Transbor and Geosearch

Schamin announced its acquisition of Transbor and Geosearch on 27 February 2006. A circular to shareholders incorporating a notice of general meeting was posted to shareholders on 3 August 2006 and the general meeting will take place on 25 August 2006. Transbor and Geosearch are both trading strongly and the demand for exploration drilling services remains exceptionally strong.

Shareholders are referred to the announcement dated 27 February 2006.



Directors' Report (contd.)

Employee Share Incentive Scheme

The group operates an employee share incentive scheme. The following changes took place during the year under review:

	Directors	Staff	Total
Awards / options at beginning of year	960 000	2 315 700	3 275 700
Options granted during the year	136 000	36 000	172 000
Lapsed		(172 000)	(172 000)
Exercised and delivered	(422 000)	(192 500)	(614 500)
Awards/options balance at end of year	674 000	1 987 200	2 661 200

The weighted average market price of shares exercised was R6.15 per share with a weighted average option price of 60 cents per share.



Directors' Report (contd.)

The maximum number of shares that may be issued in terms of the Scharrig Share Scheme may not in aggregate exceed 10 000 000 shares in Schamin's issued capital. Shares vest in the optionholder on the date on which the option was granted. Thereafter the optionholder may exercise the option/s in individual tranches of 20% on each subsequent anniversary.

Historical information re: directors' unexercised options at 31 March 2006 is as follows:

Director	Share options at 1 April 2005		Share options granted during the year		Share options exercised and taken delivery of		Share options at 31 March 2006	
	Number	Average Strike Price (R)	Number	Strike Price (R)	Number	Strike Price (R)	Number	Average Strike Price (R)
TR Hendry	120 000	0.53	34 000	0.53	74 000	0.53	80 000	0.53
J Holland	120 000	0.53	34 000	0.53	74 000	0.53	80 000	0.53
	300 000	2.75			100 000	2.75	200 000	2.75
C Moorcroft	120 000	0.53	34 000	0.53	74 000	0.53	80 000	0.53
	300 000	2.75			100 000	2.75	200 000	2.75
C Scharrighuisen	120 000	0.53	34 000	0.53	74 000	0.53	80 000	0.53

There has been no change in the directors' shareholding between year-end and the date of this report.

Income Statements

for the year ended 31 March 2006

R000	Note	Group		Company	
		2006	2005	2006	2005
REVENUE	3	616 468	567 571	120	120
OPERATING PROFIT before finance changes	4	151 869	115 979	10 248	6 949
FINANCE CHARGES	5	27 448	33 472	(11)	(4)
NET PROFIT before taxation		124 421	82 507	10 259	6 953
TAXATION	6	35 159	24 666	53	
NET PROFIT after taxation		89 262	57 841	10 206	6 953
EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS		89 262	57 841	10 206	6 953
EARNINGS PER SHARE (cents)					
Attributable earnings	7.1	69.3	46.6		
Headline earnings	7.2	69.3	46.6		
Cash equivalent earnings	7.3	170.4	124.5		
DIVIDEND PER SHARE (cents)	8				
Interim (declared)		5.0	3.5		
Final (proposed)		7.0	4.0		
		12.0	7.5		
SHARES IN ISSUE AT END OF YEAR (000)		137 431	137 431		
WEIGHTED AVERAGE NUMBER OF SHARES (000)		128 814	124 141		

Balance Sheets

as at 31 March 2006

R000	Note	Group		Company	
		2006	2005	2006	2005
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	9	766 969	613 274		
Share Incentive Trust Loan	10			8 341	8 996
Interest in subsidiaries	11			111 601	113 554
		766 969	613 274	119 942	122 550
CURRENT ASSETS					
Inventories	12	29 140	9 887		
Trade and other receivables		66 636	57 188	924	118
Bank balance and cash		23 640	28 885		
		119 416	95 960	924	118
TOTAL ASSETS		886 385	709 234	120 866	122 668
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share capital and premium	13	93 032	92 378	109 583	109 583
Reserves	14	237 339	159 974	10 847	13 010
Total shareholders' funds		330 371	252 352	120 430	122 593
NON-CURRENT LIABILITIES					
Long-term borrowings	15	178 169	146 326		
Deferred tax	16	121 255	88 149		
		299 424	234 475		
CURRENT LIABILITIES					
Trade and other payables		73 394	53 673	407	75
Current portion of long-term borrowings	15	183 175	168 259		
Taxation		21	475	29	
		256 590	222 407	436	75
TOTAL EQUITY AND LIABILITIES		886 385	709 234	120 866	122 668

Cash Flow Statements

for the year ended 31 March 2006

R000	Note	Group		Company	
		2006	2005	2006	2005
CASH FLOW FROM OPERATING ACTIVITIES					
Cash generated from/(utilised by) operations	19.1	273 065	220 251	(2 595)	(991)
Interest received				11	4
Interest paid		(27 448)	(33 472)		
Dividends received				12 369	7 838
Dividends paid	19.2	(11 897)	(7 502)	(12 369)	(7 838)
Normal tax refunded	19.3	(53)		(24)	40
Secondary tax paid	19.3	(2 454)	(54)		
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(283 871)	(254 355)		
Rebuilt assets		(55 344)	(40 988)		
Additions		(274 104)	(239 031)		
Proceeds on disposal of property, plant and equipment		45 577	25 664		
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds / payments of long-term borrowings		46 759	79 374	2 608	947
Net movement in treasury shares		654	1 474	655	1 474
Proceeds from issue of ordinary shares			6 247	1 953	6 247
(Advances to)/repayments by subsidiary companies					(6 774)
NET INCREASE IN CASH AND CASH EQUIVALENTS					
		(5 245)	11 963		
Cash and cash equivalents at beginning of year		28 885	16 922		
Cash and cash equivalents at end of year	19.4	23 640	28 885		
Cash flow per ordinary share (cents)		211.4	177.4		
Cash realisation rate (%)		124.6	145.5		

Statements in Changes in Equity

for the year ended 31 March 2006

R000 GROUP	Share Capital	Share Premium	Capital Reserve	Treasury Shares	Retained Earnings	Reserve on Acquisition of Subsidiaries	Total
Balance at 31 March 2004	1 282	84 380		(1 005)	89 693	13 866	188 216
Share issue	92	15 675		(9 520)			6 247
Profit for the year					57 841		57 841
Recognition of share-based payments			6 076				6 076
Dividend paid				57	(7 502)		(7 445)
Share options exercised				1 417			1 417
Balance at 31 March 2005	1 374	100 055	6 076	(9 051)	140 032	13 866	252 352
Profit for the year					89 262		89 262
Share options exercised				369			369
Dividend paid				285	(11 897)		(11 612)
Balance at 31 March 2006	1 374	100 055	6 076	(8 397)	217 397	13 866	330 371

COMPANY	Share Capital	Share Premium	Capital Reserve	Retained Earnings/ (Accumulated Loss)	Total
Balance at 31 March 2004	1 282	92 534		(20 753)	73 063
Profit for the year				877	877
Recognition of share-based payments			6 076		6 076
Reversal of impairment loss				34 648	34 648
Dividends				(7 838)	(7 838)
Shares issued	92	15 675			15 767
Balance at 31 March 2005	1 374	108 209	6 076	6 934	122 593
Profit for the year				10 206	10 206
Dividends				(12 369)	(12 369)
Balance at 31 March 2006	1 374	108 209	6 076	4 771	120 430

Notes to the Annual Financial Statements

for the year ended 31 March 2006

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The group financial statements are prepared on the historical cost basis except for the revaluation of certain financial instruments which are carried at either fair value or amortised cost, as appropriate, and incorporate the following principal accounting policies which have been consistently applied in all material respects except as noted below:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB). IFRS 1 – First-time Adoption of International Financial Reporting Standards has been applied.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the company is provided in note 23.

The preparation of financial statements in conformity with IFRS required management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements and in preparing an opening IFRS balance sheet at 1 April 2004 for the purposes of the transition to IFRS. The financial statements are prepared on the going concern basis, which assumes that the group will continue in operation for the foreseeable future.

Accounting policies are not applied when the effect of applying them is immaterial i.e. if individually or collectively they would not influence the economic decisions of the users of the financial statements.

All amounts in the financial statements, reports and supporting schedules are stated to the nearest R000 except where otherwise indicated.

Where necessary, comparative figures have been reclassified to conform with current year presentation.

1.2 Basis of consolidation

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The group financial statements include the results, cash flows and financial position of the company and of its subsidiary companies. The results and cash flows of subsidiaries are included from the date that control commences until the date that control ceases. In the case of the company, investments in subsidiaries are carried at cost less impairment losses. Inter-group transactions and balances are eliminated on consolidation.

Notes to the Annual Financial Statements

for the year ended 31 March 2006

1.3 Post balance sheet events

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date. Events after the balance sheet that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note.

1.4 Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange ruling at the transaction date. Gains and losses arising from the settlement of such transactions are recognised in the income statement. Monetary assets and liabilities designated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised directly to a translation reserve in equity.

1.5 Property, plant and equipment

Property, plant and equipment are stated at costs less depreciation and impairment losses. The group recognises in the carrying amount of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the group and the cost can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Depreciation is calculated on the straight line basis at rates considered appropriate to reduce book values over the useful lives of the assets to estimated residual values. Freehold land is not depreciated. The depreciation methods, useful lives and residual values, if not insignificant, are reassessed annually. The current estimated useful lives are as follows:

	Years
Buildings	50
Plant and equipment	3 to 10
Motor vehicles	5
Furniture, fittings and equipment	5

Surpluses arising from the valuations of properties are taken direct to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously charged. Valuation surpluses realised on sale are transferred from the revaluation reserve to the income statement. Depreciation on the revaluation surplus for buildings is taken directly to the revaluation reserve and not to the income statement.

1.5.1 Rebuilt assets

Rebuilt assets are significant items of plant and equipment that are rebuilt internally, which extends their useful lives. The value of these assets includes the costs of spare parts, labour, and overheads and is limited to the asset's market value.

Notes to the Annual Financial Statements

for the year ended 31 March 2006

1.6 Inventories

Inventories are assets held-for-sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are stated at the lower of cost and net realisable value using the first-in-first-out method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

Contracts in progress are valued at cost, after adjusting for all known contingencies, plus profit recognised, less amounts received and receivable. Progress payments received in excess of the measured value of work determined on each contract are included in the contracts in progress. Costs includes direct costs and overheads. Profit is brought to account on the percentage of completion basis. Where a loss is anticipated on any particular contract, provision is made for such a loss.

1.7 Loans and receivables

Loans and receivables, which include trade receivables, are measured at amortised cost less impairment losses, which are recognised in profit and loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are measured at fair value, with changes in fair value being recognised in profit or loss.

1.9 Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable.

Financial liabilities are initially measured at fair value plus transaction costs. However, transaction costs in respect of financial liabilities classified as at fair value through profit or loss are expensed. Transaction costs are those that are directly attributable to the issue of a financial liability, i.e. those that would have been incurred if the liability had not been issued.

1.10 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current taxation is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for the initial recognition of goodwill, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Notes to the Annual Financial Statements

for the year ended 31 March 2006

A deferred tax asset is recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, unless specifically exempt.

A deferred tax liability is recognised for taxable temporary differences, unless specifically exempt.

1.11 Revenue

The invoiced values of sales and services rendered excluding value added tax and investments and other non-operating income, in respect of manufacturing, trading and contracts are recognised at the date when the significant risks and rewards of ownership are transferred to the buyer. In the case of service revenue from contracts, revenue is recognised with reference to the stage of completion.

1.12 Dividends

Dividends to equity holders are only recognised as a liability when declared and are included in the statement of changes in equity. Secondary tax on companies in respect of dividends is recognised as a liability and is included in the tax charge in profit and loss.

1.13 Impairments

The carrying amount of the group's assets, other than inventories (refer accounting policy note 1.6) and deferred tax assets (refer accounting policy note 1.10) are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount of the group's receivables at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1.14 Operating leases

Operating lease costs are charged to the income statement on a systematic basis over the term of the lease.

1.15 Cash flow

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

1.16 Segments

All segment revenue and expenses are directly attributable to the segment. Segment assets include all operating assets used by a segment and consist principally of property, plant and equipment, as well as current assets. Segment liabilities include all operating liabilities and consist principally of trade creditors. These assets and liabilities are all directly attributable to the segments. Segment revenue, expenses and results include transfers between business segments and between geographical segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods. These transfers are eliminated on consolidation.

Notes to the Annual Financial Statements

for the year ended 31 March 2006

1.17 Retirement benefits

Provision is made for retirement benefits for eligible employees by way of a provident fund. The fund is a defined contribution plan under which amounts to be paid as retirement benefits are determined by contributions to the fund together with investment earnings thereon. Contributions are charged against income as incurred.

1.18 Short-term employee benefits

The cost of all short-term employee benefits is recognised during the year in which the employee renders the related service. The accruals for employee entitlements to remuneration and annual leave represent the amount which the group has a present obligation to pay as a result of the employee's services provided to the balance sheet date. The accruals have been calculated at undiscounted amounts based on current remuneration rates.

1.19 Share-based payment transactions

The company and certain of its subsidiaries grant share options to certain employees under employee share option plans.

Equity-settled share-based payment transactions are recognised in profit or loss when the services have been rendered or, if vesting requirements are applicable, over the vesting period and are measured at fair value at grant date.

1.20 Contingent assets and liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are not recognised as assets.

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

1.21 Accounting estimates and judgements

Management discussed with the audit committee the development, selection and disclosure of the group's critical accounting policies and estimates and the application of these policies and estimates.

2 Definitions

2.1 Cash and cash equivalents

These comprise cash on hand and demand deposits together with any highly liquid investments readily convertible to known amounts of cash and not subject to significant risk of changes in value.

2.2 Cash flow per ordinary share

This focuses on the cash stream actually achieved in the year under review. It is calculated by dividing the attributable cash flow from operations by the weighted average number of ordinary shares in issue during the year.

Notes to the Annual Financial Statements

for the year ended 31 March 2006

2.3 Cash realisation rate

This is the percentage of the potential cash earnings realised and is derived by dividing cash flow per share by the equivalent earnings per share.

2.4 Current ratio

Current assets divided by current liabilities. Current liabilities include the current portion of interest-bearing borrowings and interest-free liabilities other than deferred tax.

2.5 Dividend cover

Basic earnings per share divided by dividends per share.

2.6 Dividend yield

Dividends per share divided by the closing share price on the JSE.

2.7 Gearing

Interest-bearing debt, divided by capital and reserves and minority interest.

2.8 Earnings per ordinary share

2.8.1 Attributable earnings basis

Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

2.8.2 Headline earnings basis

Earnings attributable to ordinary shareholders adjusted for expenditure and income not incurred in the ordinary course of business, divided by the weighted average number of ordinary shares in issue during the year

2.8.3 Cash equivalent basis

Earnings attributable to ordinary shareholders adjusted for non-cash items in attributable earnings, including the cash flow portion attributable to outside shareholders, divided by the weighted average number of ordinary shares in issue during the year.

2.9 Earnings yield

Earnings per share divided by the closing share price on the JSE.

2.10 Price earnings ratio

The closing share price on the JSE divided by basic earnings per share.

Notes to the Annual Financial Statements

for the year ended 31 March 2006

R000	Group		Company	
	2006	2005	2006	2005
3. REVENUE				
Group				
Revenue is derived from opencast contract mining, rehabilitation, earthworks and mining services.				
Company				
Administration fees				
4. OPERATING PROFIT before finance charges				
After allowing for the following:				
INCOME				
Dividends received from subsidiary			12 369	7 838
Profit on disposal of property, plant and equipment		8 128		410
Interest received		793	11	4
EXPENSES				
Cost of sales	334 104	382 621		
Auditors' remuneration				
Audit fees - current year	319	333	75	75
Property, plant and equipment				
Loss on disposal of property, plant and equipment	5 860	1 703		
Depreciation				
- plant and equipment	116 498	90 570		
- motor vehicles	6 652	4 534		
- furniture, fittings and equipment	133	134		
- buildings	28	28		
Scrapping of property, plant and equipment	1 005	1 769		
Number of employees at year-end	1 322	1 226		
Staff costs	104 809	82 027		
Included in staff costs				
- defined contribution plan expense	5 426	5 331		
Operating lease payments				
- land and buildings	3 173	3 484		
Future minimum lease payments				
- up to 1 year	3 592	3 447		
- 1 to 5 years	17 122	16 776		
- more than 5 years	22 025	24 448		

Notes to the Annual Financial Statements

for the year ended 31 March 2006

R000	Group		Company	
	2006	2005	2006	2005
5. FINANCE CHARGES				
Interest paid				
Suspensive sale agreements	26 833	33 321		
Bank overdrafts and other	615	151	(11)	(4)
	27 448	33 472	(11)	(4)
6. TAXATION				
South African normal tax	53		53	
Secondary tax on companies	2 000	645		
South African deferred tax:				
- current year	33 106	25 973		
- change in rate of taxation		(1 952)		
	35 159	24 666	53	0
Reconciliation of rate of tax	%	%	%	%
Normal tax rate	29	30	29	30
Effective rate of additional taxes				
Secondary tax on companies	1.6	0.8		
Loss (utilised)/created	(2.3)	1.8		
Deferred tax rate change		(2.3)		
Permanent differences		(0.4)	(28.5)	(30)
	28.3	29.9	0.5	0.0

Further tax charges

Mining taxation income is determined after the deduction of all material mining capital expenditure. Such expenditure amounted to R276.3 million (2005: R266.3 million) in the year under review. Capital expenditure not set off against mining income amounted to R280.1 million (2005: R288.4 million). This unutilised amount is available to be set off against future mining income. No provision is made for taxes that might become payable if retained earnings are distributed by way of dividend.

Estimated assessable losses available for set off against future taxable income are as follows:

Total assessable losses	280 107	291 586
Applied to reduce deferred tax	280 107	291 588

Notes to the Annual Financial Statements

for the year ended 31 March 2006

R000	Note	Group 2006	2005	Company 2006	2005
7. EARNINGS PER SHARE					
7.1 Attributable earnings basis					
The calculation of earnings per share is based on attributable earnings of R89 262 (2005: R57 841) and weighted average number of shares in issue of 128 814 (2005: 124 141).					
7.2 Headline earnings basis					
The calculation of earnings per share is based on headline earnings of R89 262 (2005: R57 841) and weighted average number of shares in issue of 128 814 (2005: 124 141). This basis highlights the sustainable earnings per share reconciliation between earnings and headline earnings.					
Net profit for the year:		89 262	57 841		
Headline earnings attributable to ordinary shareholders		89 262	57 841		
7.3 Cash equivalent basis					
The calculation is based on attributable cash equivalent earnings of R219 438 (2005: R154 527) and weighted average number of shares in issue of 128 814 (2005: 124 141). This basis recognises the potential of the earnings stream to generate cash and is consequently an indicator of the underlying quality of earnings.					
It is derived as follows:					
Earnings attributable to ordinary shareholders		89 262	57 841		
Adjusted for:					
Non cash items		7.4 130 176	96 686		
Cash equivalent earnings		219 438	154 527		
7.4 Non cash items					
Depreciation and scrapping of property, plant and equipment		124 316	97 035		
Share based payment			6 076		
Net (profit)/loss on disposal of property, plant and equipment		5 860	(6 425)		
		130 176	96 686		

Notes to the Annual Financial Statements

for the year ended 31 March 2006

R000	Group		Company	
	2006	2005	2006	2005
8. DIVIDEND				
Dividend no. 18 of 4.0 cents per share paid on 25 July 2005 to members recorded on 22 July 2005	5 173		5 498	
Dividend no. 19 of 5.0 cents per share paid on 12 December 2005 to members recorded on 9 December 2005	6 439		6 871	
Dividend no. 16 of 2.5 cents per share paid on 28 June 2004 to members recorded on 25 June 2004		3 029		3 171
Dividend no. 17 of 3.5 cents per share paid on 6 December 2004 to members recorded on 3 December 2004		4 473		4 667
	11 612	7 502	12 369	7 838

Notes to the Annual Financial Statements

for the year ended 31 March 2006

9. PROPERTY, PLANT AND EQUIPMENT

GROUP	2006			2005		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Land and buildings	5 053	231	4 822	1 884	203	1 681
Plant and equipment	1 124 639	386 997	737 642	904 222	316 406	587 816
Motor vehicles	51 819	27 780	24 039	45 016	21 838	23 178
Furniture, fittings and equipment	4 717	4 251	466	4 691	4 092	599
	1 186 228	419 259	766 969	955 813	342 539	613 274

Certain assets are encumbered as set out in note 15.

GROUP	Land and Buildings	Plant and Equipment	Motor Vehicles	Furniture, Fittings and Equipment	Total 2006	Total 2005
Movements of fixed assets						
Net book value at beginning of year	1 681	587 816	23 178	599	613 274	450 175
Additions	3 169	262 762	8 173		274 104	239 031
Disposals		(51 782)	(660)		(52 442)	(21 654)
Depreciation	(28)	(116 498)	(6 652)	(133)	(123 311)	(95 266)
Rebuilt assets		55 344			55 344	40 988
Net book value at end of year	4 822	737 642	24 039	466	766 969	613 274

A register of land and buildings is maintained in terms of paragraph 22(3) of Schedule 4 of the South African Companies Act.

The register is available for inspection at the company's registered office.

Notes to the Annual Financial Statements

for the year ended 31 March 2006

R000	Group		Company	
	2006	2005	2006	2005
10 SHARE INCENTIVE TRUST LOAN				
Maximum number of Schamin shares authorised to be made available to scheme			10 000 000	10 000 000
Number of shares made available at inception of scheme			2 200 233	2 200 233
Number of shares available to be distributed as share options to enable directors and staff to acquire shares in the company			2 661 200	3 275 700
An analysis of the Scharrig Share Incentive Trust Loan is as follows:				
Balance at beginning of loan period			8 996	950
Loan repaid - dividends			(285)	(57)
Shares issued to Trust				9 520
Share options exercised			(370)	(1 417)
Balance at end of year			8 341	8 996
The unallocated shares are under the control of the trustees of the scheme.				
11 INTEREST IN SUBSIDIARIES				
Share at cost			21 009	21 009
Amounts owing by subsidiaries			90 592	92 545
			111 601	113 554
12 INVENTORIES				
Work-in-progress	3 500	5 500		
Consumables	23 230	2 308		
Finished goods	2 410	2 079		
	29 140	9 887		

Notes to the Annual Financial Statements

for the year ended 31 March 2006

R000	Group		Company	
	2006	2005	2006	2005
13. SHARE CAPITAL AND PREMIUM				
Authorised share capital				
160 000 000 ordinary shares of 1 cent each	1 600	1 600	1 600	1 600
Issued share capital				
137 430 895 (2005: 137 430 895)				
ordinary shares of 1 cent each				
Balance at beginning of year	1 374	1 282	1 374	1 282
Shares issued		92		92
Balance at end of year	1 374	1 374	1 374	1 374
Share Premium				
Balance at beginning of year	100 055	84 380	108 209	92 534
Shares issued		15 675		15 675
Balance at end of year	100 055	100 055	108 209	108 209
Treasury Shares				
Balance at beginning of year	(9 051)	(1 005)		
Shares issued		(9 520)		
Share options exercised	369	1 417		
Dividends Paid	285	57		
	(8 397)	(9 051)		
Total share capital and premium	93 032	92 378	109 583	109 583
Reconciliation				
Share capital and premium as per company	109 583			
Goodwill write-off in 1996	(953)			
Share buy-back				
- Shares held by subsidiary in holding company (5 553 871 shares)	(7 256)			
Shares held in Share Incentive Trust (2 661 200 shares)	(8 342)			
Group share capital and premium	93 032			

The unissued shares are under the control of the directors until the next annual general meeting.

Notes to the Annual Financial Statements

for the year ended 31 March 2006

R000	Group		Company	
	2006	2005	2006	2005
14. RESERVES				
Non-distributable reserves				
Reserves on acquisition of subsidiaries	13 866	13 866		
Capital reserve share-based payment	6 076	6 076	6 076	6 076
Distributable reserves				
Retained earnings/(accumulated loss)	217 397	140 032	4 771	6 934
	237 339	159 974	10 847	13 010
15. LONG-TERM BORROWINGS				
Secured				
Suspensive sale agreements				
Amount owing in respect of plant, vehicles and equipment with book values amounting to R484.8 million (2005: R453.9 million)	361 344	314 585		
The effective average interest rate applicable to these liabilities is 1.5% below prime.				
Aggregate repayments due as follows:-				
Year ended 31 March				
- 2007	198 622			
- 2008	134 682			
- 2009 and later	63 712			
Deferred finance charges	(35 672)			
	<u>361 344</u>			
Less: Suspensive sale portion payable within twelve months reflecting under current liabilities	183 175	168 259		
	178 169	146 326		

Notes to the Annual Financial Statements

for the year ended 31 March 2006

R000	Group		Company	
	2006	2005	2006	2005
16. DEFERRED TAX				
Balance at beginning of year	88 149	64 128		
Originating temporary differences	33 106	24 021		
Balance at end of year	121 255	88 149		
The balance comprises:				
Accelerated wear and tear for tax purposes on property, plant and equipment	204 942	169 430		
Other	(694)	(538)		
Assessable losses	(82 993)	(80 743)		
	121 255	88 149		

17. BORROWING POWERS

The company's borrowing powers are unlimited in terms of the articles of association.

18. CAPITAL COMMITMENTS

Capital expenditure contracted for in respect of plant and equipment	147 000	75 000
Capital expenditure authorised by the directors not contracted for in respect of plant and equipment	NIL	NIL

Notes to the Annual Financial Statements

for the year ended 31 March 2006

R000	Group		Company	
	2006	2005	2006	2005
19. NOTES TO THE CASH FLOW STATEMENTS				
19.1 Reconciliation of net profit before taxation to cash generated from operations				
Profit before taxation	124 421	82 507	10 259	6 953
Adjustment				
(Profit)/Loss on disposal of property, plant and equipment	5 860	(6 425)		
Depreciation and scrapping of property, plant and equipment	124 316	97 035		
Investment income			(12 380)	(7 842)
Finance charges	27 448	33 472		
Share-based payments		6 076		
Operating profit/(loss) before working capital charges	282 045	212 665	(2 121)	(889)
(Decrease)/increase in working capital	(8 980)	7 586	(474)	(102)
(Increase) in inventories	(19 253)	(3 273)		
(Increase)/decrease in trade and other receivables	(9 448)	14 978	(806)	(102)
Increase/(decrease) in trade and other payables	19 721	(4 119)	332	
Cash generated from operations	273 065	220 251	(2 595)	(991)
19.2 Dividends paid				
Dividends charged to income statements	11 897	7 502	12 369	7 838
	11 897	7 502	12 369	7 838
19.3 Taxation paid				
Taxation at beginning of year	(475)	(529)		40
Taxation charged to income statements	(2 053)		(53)	
Taxation unpaid/(prepaid) at end of year	21	475	29	
	(2 507)	(54)	(24)	40

Notes to the Annual Financial Statements

for the year ended 31 March 2006

R000	Group		Company	
	2006	2005	2006	2006
19.4 Cash and cash equivalents				
Cash on hand and balance with banks	23 640	28 885		
19.5 Segment information				
	Opencast Mining and Earthmoving	Second-Hand Equipment	Consolidated	
Cash flow from:				
2006				
operating activities	234 082	(2 869)	231 213	
investing activities	(283 686)	(185)	(283 871)	
financing activities	47 413		47 413	
	(2 191)	(3 054)	(5 245)	
2005				
operating activities	179 333	(110)	179 223	
investing activities	(254 355)		(254 355)	
financing activities	87 095		87 095	
	12 073	(110)	11 963	

20. CONTINGENT LIABILITIES

20.1 Guarantees

The company's bankers hold letters of guarantee for the amount of R1.138 million (2005: R0.597 million) in respect of performance bonds.

21. RETIREMENT BENEFIT INFORMATION

Defined contribution funds

Scharrig Group Provident Fund - contributions	5 426	5 331
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The fund is open to membership by all full-time employees of group companies.

22. RELATED PARTY TRANSACTIONS

Related party relationships exist between the subsidiaries in the group. All purchasing and selling transactions as well as rental arrangements are conducted at arm's-length.

Amounts attributable to transactions with entities in the group and other related parties:

Operating lease payments:

Directors of other related parties and their director-related entities	3 173	3 484
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Notes to the Annual Financial Statements

for the year ended 31 March 2006

23. Explanation of changes to comparatives

Transition to IFRS

These are the first annual financial statements prepared in accordance with IFRS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2006, the comparative information in these financial statements for the year ended 31 March 2005 and in the preparation of an opening IFRS balance sheet at 1 April 2004 (the date of transition).

In preparing its opening IFRS balance sheet, the company has adjusted amounts previously reported in financial statements prepared in accordance with SA GAAP. An explanation of how the transition from SA GAAP to IFRS has affected the group's financial position and financial performance is set out in the following tables and notes thereto. There was no change to cash flows.

IAS 16 – Property, plant and equipment

Following the adoption of IAS 16 – Property, plant and equipment, the useful lives of property, plant and equipment have been re-assessed resulting in an increase in retained income with a corresponding increase in property, plant and equipment.

IFRS 2 - Share-based payments

Following the adoption of IFRS 2 - Share-based payments, equity-settled share-based payment transactions are measured at fair value and the cost recognised as an expense in the income statement over the vesting period. In accordance with the transitional provisions of IFRS 2, the group has applied the standard retrospectively to all share options granted after 7 November 2002 that were unvested as at 1 January 2005. The share options granted are valued with reference to the market value of the share price and are expensed in the income statement, with a corresponding amount being taken to an equity reserve.

	SA GAAP	Change in depreciation	IFRS
	R000	R000	R000
BALANCE SHEETS			
Restatement at 1 April 2004			
ASSETS			
Property, plant and equipment	450 175	0	450 175
EQUITY			
Retained earnings	89 693	0	89 693
NON-CURRENT LIABILITIES			
Deferred tax	64 128	0	64 128
Restatement at 31 March 2005			
ASSETS			
Property, plant and equipment	610 362	2 912	613 274
EQUITY			
Retained earnings	144 069	(4 037)	140 032
Capital reserve		6 076	6 076
NON-CURRENT LIABILITIES			
Deferred tax	87 276	873	88 149

Notes to the Annual Financial Statements

for the year ended 31 March 2006

RECONCILIATION OF PROFITS FOR THE YEAR ENDED 31 MARCH 2005

Depreciation	98 178	(2 912)	95 266
Operating profit before financing costs	119 143	(3 164)	115 979
Profit before taxation	85 671	(3 164)	82 507
Taxation	23 793	873	24 666
Net profit for year-end	61 878	(4 037)	57 841

24. SEGMENT REPORT

The group is organised into two major operating divisions, namely opencast mining and earthmoving and second-hand equipment trading. Financial information about business segments is presented in the following report:

	Opencast Mining and Earthmoving	Second-Hand Equipment	Consolidated
	R000	R000	R000
2006			
Revenue			
External sale	612 197	4 271	616 468
Net profit/(loss) before taxation	126 821	(2 400)	124 421
Other information			
Segment assets	882 725	3 660	886 385
Segment liabilities	555 694	320	556 014
Capital expenditure	273 919	185	274 104
Depreciation / amortisation	123 114	197	123 311
	Opencast Mining and Earthmoving	Second-Hand Equipment	Consolidated
	R000	R000	R000

2005			
Revenue			
External sale	561 061	6 510	567 571
Net profit/(loss) before taxation	82 985	(478)	82 507
Other information			
Segment assets	705 707	3 527	709 234
Segment liabilities	455 792	1 090	456 882
Capital expenditure	239 031		239 031
Depreciation / amortisation	95 069	197	95 266

Notes to the Annual Financial Statements

for the year ended 31 March 2006

25. FINANCIAL INSTRUMENTS

25.1 Risk management activities

In the normal course of its operations, the group is exposed to currency, interest rate, liquidity and credit risk. In order to manage these risks, the group has developed a comprehensive risk management process to facilitate control and monitoring.

General corporate hedging unrelated to any specific project is not undertaken. The group also does not issue or acquire derivative instruments for trading purposes.

25.1.1 Credit risk

The group financial instruments do not represent a concentration of credit risk as the group deals with a number of major clients. Accounts receivable are regularly monitored and assessed and where necessary an adequate level of provision is maintained.

25.1.2 Foreign currency risk

The group has potential exchange exposure in respect of items denominated in foreign currencies comprising of transactional exposure in terms of imports incurred in currencies other than the Rand. The group does not currently hedge its exposure to foreign exchange rates.

25.1.3 Interest rate and liquidity risk

Fluctuations in interest rates impact on the value of short-term investments and financing activities giving rise to interest rate risk. In the ordinary course of business the group receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure that surplus funds are invested to maximise returns whilst ensuring that capital is safeguarded for the maximum extent possible by investing only with top financial institutions.

Contractual arrangements for committed borrowing facilities are maintained with several banking counterparties to meet the group's normal and contingency funding requirements.

Notes to the Annual Financial Statements

for the year ended 31 March 2006

25.2 Fair value of financial instruments

On-balance sheet financial instruments:

The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in an arm's-length transaction between willing parties.

The estimated values of the group's financial instruments are:

	31 March 2006		31 March 2005	
	Carrying Amount	Fair value	Carrying Amount	Fair value
	R000	R000	R000	R000
Financial assets				
Cash and cash equivalents	23 640	23 640	28 885	28 885
Trade and other receivables	66 636	66 636	57 188	57 188
Financial liabilities				
Trade and other payables	73 394	73 394	53 673	53 673
Long-term borrowings (including current portion)	361 344	361 334	314 585	314 585

The following methods and assumptions were used to estimate the fair value of each class of on-balance sheet financial instruments:

Accounts receivable, accounts payable, and cash and cash equivalents

The carrying amounts approximate fair values due to the short maturity of these instruments.

Long-term borrowings

The carrying amount is considered to approximate fair value.

26. DIRECTORS' EMOLUMENTS

2006

Executive Director	Basic	Expense Allowance	Medical Aid	Share Options	Provident	Bonus	Total
	R000						
J Holland	643	120	10	661	54	65	1 553
C Moorcroft	601	100	46	661	36	61	1 505
C Scharrighuisen	1 272		34	499	108	108	2 021
	2 516	220	90	1 821	198	234	5 079

Notes to the Annual Financial Statements

for the year ended 31 March 2006

2006

Non-executive directors

	Appointed	Director's Fees	Chairman's Fee	Medical Aid	Share Options	Expense Allowance	Total
T Scharrighuisen		40		40		477	557
TR Hendry		40			499		539
A Joffe*	28/09/05	40					40
EJH Stoyell	28/09/05	40					40
P Huysamer		40					40
DCM Gihwala	20/09/05	40	20				60
RK Jonah	20/09/05	40					40
		280	20	40	499	477	1 316

*Paid to Coronation Capital.

2005

Director	Basic	Expense Allowance	Medical Aid	Share Options	Leave Pay	Provident	Bonus	Total
TR Hendry (non-executive)				79				79
J Holland	511	120	9	79		43	56	818
C Moorcroft	449	99	45	79		27	47	746
AJ Reinecke**	389	16	26		248	32		711
C Scharrighuisen*	100		3					103
T Scharrighuisen (non-executive)		605	40					645
	1 449	840	123	237	248	102	103	3 102

*C Scharrighuisen appointed to the board 14 March 2005.

**AJ Reinecke resigned from the board 18 October 2004.

Details of directors' service contracts

Director J Holland's service contract endures for a period of five years renewable at the executive's sole discretion for a further five year period. The effective date of the service contract is 1 March 2005. His service contract stipulates compensation on termination of the contract of five years of the remuneration package.

Director C Scharrighuisen's service contract endures for a period of three years, expiring on 31 December 2008, renewable at the executive's sole discretion for a further one year period. His service contract stipulates compensation on termination of the contract of three years of the remuneration package.

Director C Moorcroft's service contract endures for a period of five years renewable at the executive's sole discretion for a further five year period. The effective date of the service contract is 1 March 2005. His service contract stipulates compensation on termination of the contract of five years of the remuneration package.

Information on Subsidiary Companies

for the year ended 31 March 2006

Name of subsidiary All (Pty) Limited unless otherwise stated	Issued Share Capital in Rands unless otherwise stated	% Held by Schamin		Shares at Cost R000		Owing to Schamin by Subsidiary R000		Main Business
		2006	2005	2006	2005	2006	2005	
		Non-operating subsidiaries	4 200	100	100	4	4	
Scharrighuisen Opencast Mining	100	100	100	21 004	21 004	90 592	92 545	A
Rynov Investments	100	100	100					C
Edencliff	1000	50	50	1	1			D
Caston Plant Sales	100	100	100					D
				21 009	21 009	90 592	92 545	

Main Business

- A Opencast mining and mining services
- B Non-operating
- C Property investments
- D Second-hand trading in plant and equipment

Shareholder Information

for the year ended 31 March 2006

	Number of Shareholders	%	Number of Shares Held	%
1. Analysis of Shareholders				
Range				
1 - 1 000	528	25.41	296 907	0.22
1 001 - 5 000	732	35.23	2 038 466	1.48
5 001 - 10 000	303	14.58	2 475 718	1.80
10 001 - 50 000	327	15.74	7 763 555	5.65
50 001 - 100 000	71	3.42	5 429 075	3.95
100 001 - and more	117	5.62	119 427 174	86.90
Totals	2,078	100	137 430 895	100

2. Major Shareholders Owning 5% or More of the Ordinary Shares in Issue

Coronation Capital	20 958 511	15.25
The Sankofa Trust	18 238 440	13.30
Rosedane Investments (Pty) Limited	10 017 663	7.20
Old Mutual Life Assurance	8 312 719	6.00

3. Shareholder Spread

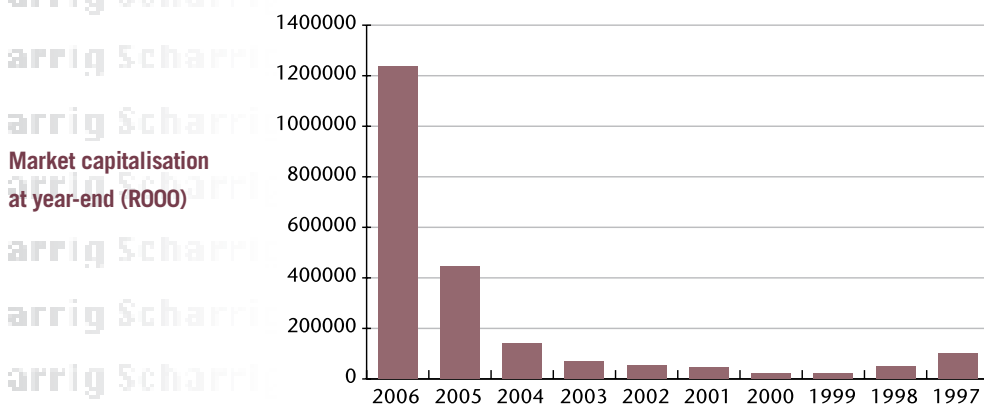
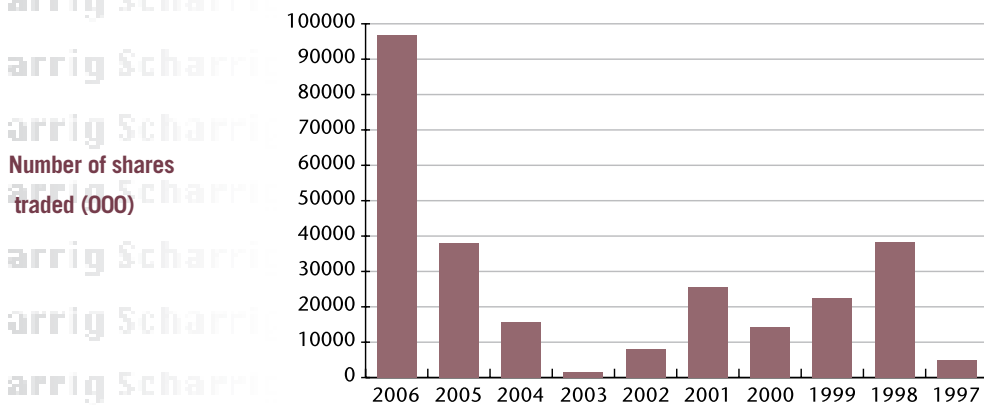
Public	2 071	99.66	106 287 114	77.34
Non Public	7	0.34	31 143 781	22.66
Holding 10% + Share scheme	1	0.05	20 958 511	15.25
Associates	1	0.05	2 705 200	1.97
Directors	1	0.05	5 553 871	4.04
Directors	4	0.19	1 926 199	1.40
Totals	2,078	100	137 430 895	100

4. Directors' Shareholdings

Director	Units		Total
	Direct	Indirect	
T Scharrighuisen		206 716	206 716
J Holland	300 000		300 000
C Moorcroft	349 000		349 000
TR Hendry		87 000	87 000
DCM Gihwala		9 622 708	9 622 708
Totals	649 000	9 916 424	10 565 424

JSE Performance

	2006	2005	2004	2003	2002	2001	2000	15 months		
								1999	1998	1997
Number of shares traded (000)	96 815	38 131	15 672	1 503	8 017	25 526	14 243	22 420	38 393	4 871
- % of total issued shares	70.45	27.75	12.2	1.17	6.25	18.4	10.2	16.1	27.6	3.6
Value of shares traded (R000)	435 700	84 155	12 563	714	3 528	6 152	2 231	7 551	26 090	6 110
Prices quoted (cents per share)										
- highest	925	375	150	56	60	37	38	72	112	260
- lowest	255	100	50	35	33	14	11	15	37	72
- closing	900	325	110	53	43	34	16	17	37	75
Market capitalisation at year-end	1 236 878	446 650	141 047	67 959	55 137	47 254	22 238	23 627	51 424	101 988
Price earnings ratio	12.99	6.97	4.76	3.12	6.62	7.9	5.3	(1.0)	2.7	7.5
Earnings yield	7.7	14.3	21.0	32.0	6.62	7.9	5.3	(1.0)	2.7	7.5
Dividend yield	1.33	2.93	2.27	5.66	5.23	3.7	0000	0000	10.8	5.3



Notice of Annual General Meeting

Scharrig Mining Limited

(Registration Number 1992/001973/06)

("Schamin" or "the company")

Share Code: SCN ISIN Code: ZAE000006474

Notice is hereby given that the annual general meeting of shareholders of Schamin will be held on Friday 10 November 2006 at 10:00 in the boardroom of Schamin, 28 Patrick Road, Jet Park, Boksburg for the following purposes:

To consider and, if deemed fit, to pass with or without modification, the following ordinary resolutions:

1. To consider and adopt the annual financial statements of the company and of the group for the year ended 31 March 2006, together with the reports of the directors and independent auditors.
2. To re-elect the auditors of the company.
3. To resolve that in terms of section 221 of the Companies Act, 61 of 1973, as amended ("the Act"), the company hereby extends, until the next annual general meeting, the directors' authority to allot and issue, at their discretion and in terms of the regulations of the JSE Limited, the unissued shares of the company.
4. To resolve that the directors have 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:
 - a) this authority shall not endure beyond the earlier of the next annual general meeting of the company or 15 (fifteen) months from the date of passing of this ordinary resolution;
 - b) there will be no restrictions in regard to the persons to whom shares may be issued, provided that such shares are to be issued to public shareholders (as defined by the JSE Limited ("the JSE") in its Listings Requirements) and not to related parties;
 - c) upon any issue of shares which, together with prior issues during any financial year, will constitute 5% (five percent) or more of the number of shares of the class in issue, the company shall, by way of paid press announcement in terms of section 11.22 of the JSE Listings Requirements, disclose the asset value of the company and earnings per share, the number of securities issued and the average discount to weighted average traded price of the securities over the 30 (thirty) days prior to the date that the price of such issue was determined or agreed by the company's directors;

Notice of Annual General Meeting (contd.)

- d) issues in aggregate in any one financial year may not exceed 15% (fifteen percent) of the number of that class of the company's issued shares (including instruments which are compulsorily convertible into shares of that class) at the date of application less any shares of that class issued, or to be issued during the current financial year plus any shares to be issued pursuant to an announced, irrevocable and fully underwritten rights offer or to be issued pursuant to any acquisition for which final terms have been announced;
 - e) the maximum discount at which securities may be issued is 10% (ten percent) of the weighted average traded price of those securities over 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors; and
 - f) a 75% (seventy-five percent) majority is required of votes cast by shareholders present or represented by proxy at the general meeting to approve the resolution.
5. To transact any other business as may be transacted at a general meeting.

Voting and proxies

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and speak and, on a poll, vote in such a shareholder's stead. A proxy need not be a shareholder of the company.

On a show of hands every shareholder holding ordinary shares who is present in person (or being a company is present by a representative or proxy not himself a shareholder) and who is allowed to vote at the annual general meeting shall have one vote. Upon a poll every member holding Schamin ordinary shares who is present in person or by proxy (or being a company is represented) shall have one vote for every Schamin ordinary share of which he is the registered shareholder.

Certificated and dematerialised shareholders who have elected "own-name" registration in the sub-register through a Central Securities Depository Participant ("CSDP") and who are unable to attend but wish to vote at the annual general meeting, must complete and return the attached form of proxy and lodge it with the transfer secretaries of the company.

IMPORTANT NOTICE OF DEMATERIALISED SHARES

Dematerialised shareholders who have not elected "own-name" registration in the sub-register through a CSDP and who wish to attend the annual general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.

Dematerialised shareholders who have not elected "own-name" registration in the sub-register through a CSDP and who are unable to attend, but wish to be represented at the annual general meeting, should timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.

Notice of Annual General Meeting (contd.)

Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at, posted or faxed to the transfer secretaries Link Market Services (Pty) Limited, 5th Floor, 11 Diagonal Street, Johannesburg 2000 (PO Box 4844, Johannesburg, 2001) to be received by no later than 10:00 on Wednesday 8 November 2006. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting should the shareholder subsequently decide to do so.

By order of the board.
D Wise (Ms)
Company Secretary
Boksburg



29 June 2006

Registered office
28 Patrick Road
Jet Park
Boksburg
1459

Transfer secretaries
Link Market Services (Pty) Limited
5th Floor
11 Diagonal Street
Johannesburg
2001

Administration

Scharrig Mining Limited
(Registration Number 1992/001973/06)

COMPANY SECRETARY AND REGISTERED OFFICE

D Wise (Ms)
28 Patrick Road
Jet Park
Boksburg
1459
(PO Box 30193, Jet Park, 1469)
Tel. (011) 397-3870

TRANSFER SECRETARIES

Link Market Services (Pty) Limited
5th Floor
11 Diagonal Street
Johannesburg
2001
(PO Box 4844, Johannesburg, 2001)
Tel. (011) 834-2266

BANKERS

Standard Bank
Corporate & Investment Banking
3 Simmonds Street
Johannesburg
2001
(PO Box 61344, Marshalltown, 2001)
Tel. (011) 636-9115

Nedcor Limited
Corporate Banking Division
1st Floor, F Block
135 Rivonia Road
Sandton
(PO Box 1144, Johannesburg, 2000)
Tel. (011) 294-4444

AUDITORS

Siyabala Incorporated
Chartered Accountants (SA)
Registered Accountants and Auditors
Unit 4 Ridge 63
8 Sinembe Crescent
La Lucia Ridge
Durban
(PO Box 5100 Sinembe 4019)

ATTORNEYS

Rossouws Attorneys
Atkinson House
Cnr Eloff and Albert Streets
Johannesburg
2001
(PO Box 1588, Johannesburg, 2000)
Tel. (011) 726-9000

SPONSOR

Vunani Corporate Finance
Vunani House
Freestone Park
135 Patricia Road
Sandown
2196
(PO Box 652419, Benmore, 2146)
Tel. (011) 263-9500

Shareholders' Diary

Financial year-end	31 March
Annual General Meeting	10 November 2006
Reports and profit statement	
Half-year interim report	November
Preliminary announcement of annual report	June
Annual financial statements published	September

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Form of Proxy

Scharrig Mining Limited

(Incorporated in the Republic of South Africa)

(Registration Number 1992/001973/06)

("Schamin" or "the company")

Share Code:SCN ISIN Code:ZAE000006474

This form is only for the use of registered holders of certificated ordinary shares and of dematerialised ordinary shares in their "own-name" at the annual general meeting to be held at 10:00 on Friday 10 November 2006 in the boardroom of Schamin, 28 Patrick Road, Jet Park, Boksburg, or any adjournment if required. Additional forms of proxy are available from the company's registered office.

This form is not for the use of holders of dematerialised ordinary shares in the company who have not selected "own-name" registration. Such shareholders should timeously inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the annual general meeting and request such CSDP or broker to issue them with the necessary authorisation to attend, or provide such CSDP or broker with their voting instructions should they not wish to attend the annual general meeting in person but wish to be represented thereat.

For use at the annual general meeting on Friday 10 November 2006 at 10:00.

I/We _____ of _____ (Address)

being the holder/s of _____ ordinary shares in Schamin, hereby appoint (see note 3)

1. _____ or failing him/her
2. _____ or failing him/her
3. the chairman of the annual general meeting as my/our proxy to attend and speak and vote for me/us on my/our behalf at the annual general meeting which will be held for the purpose of consideration, and if deemed fit, passing with or without modification, the ordinary and special resolutions to be proposed at the annual general meeting and at each adjournment and to vote for or against the ordinary and special resolutions or to abstain from voting in respect of the ordinary shares in the issued share capital of Schamin registered in my/our name/s, in accordance with the following instructions (see note 4).

Insert an "X" in the relevant spaces below or the number of ordinary shares 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 ordinary shares than you own in Schamin, insert the number of ordinary shares held in respect of which you wish to vote (see note 4).

ORDINARY RESOLUTIONS	Vote in Favour	Vote Against	Abstain
1. To adopt the annual financial statements for the year ended 31 March 2006			
2. To re-elect the auditors of the company			
3. To place the unissued shares in the authorised share capital under the control of the directors of the company			
4. To allow the directors of the company to allot and issue shares for cash			

Signed at _____ on _____ 2006

Signature _____

Please read the notes on the reverse side.

Notes to the Form of Proxy

1. This form of proxy is to be completed by only those members who are:
 - holding ordinary shares in a certificated form; or
 - recorded in the sub-register in electronic form in their "own-name".
2. Each member is entitled to appoint a proxy (who need not be a member of Schamin) to attend, speak and, on a poll, vote in place of that member at the annual general meeting.
3. An ordinary shareholder may insert the name or the names of one alternative proxy of the ordinary 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 signed by the ordinary shareholder. The person whose name stands 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.
4. Please insert an "X" or the number of ordinary shares in the relevant space 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 ordinary shares than you own in Schamin, insert the number of ordinary shares held in respect of which you wish 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 ordinary shareholder's votes exercisable at the annual general meeting. An ordinary shareholder or his/her proxy is not obliged to use all the votes exercisable by the ordinary shareholder or by his/her proxy, but the total of the votes cast or in respect of which abstention is recorded may not exceed the total number of votes exercisable by the ordinary shareholder or by his/her proxy.
5. Where there are joint holders of any ordinary shares, only that holder whose name appears first in the register in respect of such ordinary shares need sign this form of proxy.
6. Forms of proxy must be received by the transfer secretaries, Link Market Services (Pty) Limited, 5th Floor, 11 Diagonal Street, Johannesburg, 2000 (PO Box 4844, Johannesburg, 2001), by no later than 10:00 on Wednesday 8 November 2006.
7. The completion and lodging of this form of proxy will not preclude the relevant ordinary shareholder from attending the annual general meeting and speaking and voting in person at the annual general meeting to the exclusion of any proxy appointed in terms of this form.
8. 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 company or Link Market Services (Pty) Limited or waived by the chairman of the annual general meeting.
9. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Link Market Services (Pty) Limited.
10. Any alteration to this form must be signed in full and not initialled.
11. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairman is satisfied as to the manner in which the ordinary shareholder concerned wishes to vote.