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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 quality services 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 (The Johannesburg Stock Exchange)
“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 2006
“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 2007
“CCT”	Classic Challenge Trading cc
“EE”	Employment Equity



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 Acquired opencast contract mining company Frigate Mining.
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 contract mining companies Trojan and Norman 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
- 1997 Treve Hendry was appointed to the board of Scharrig Mining Limited.
- 1998 TURNOVER R272 178 000 for 15 months

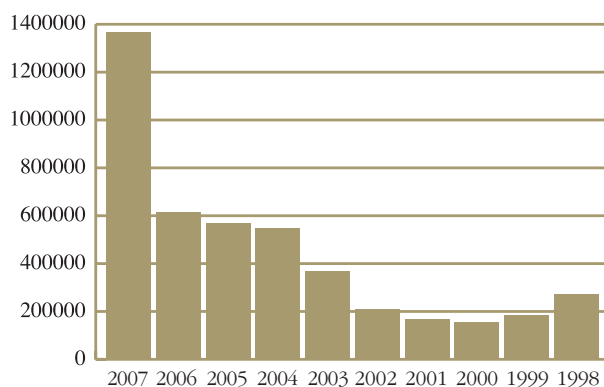


- 1999 Jason Holland was appointed as Financial Director. Clint Moorcroft was appointed as Operational Director.
TURNOVER R186 271 000
- 2000 Scharrighuisen Holdings Limited delisted in order to unlock value for shareholders. Nesta Glover was appointed as Company Secretary. Cas Scharrighuisen resigned 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 Sir Sam Jonah (KBE) was appointed as non-executive Chairman on 25 August 2006. Dines Gihwala accordingly stepped down as non-executive Chairman and was appointed as non-executive Deputy Chairman.
- The company entered into an agreement to acquire the business of Geosearch and Transbor, paving the way for Schamin's pan-African mining services vision.
- Nesta Glover resigned as Company Secretary and Debbie Wise was appointed.
TURNOVER R616 468 000
- 2007 Robin Berry was appointed as Chief Operating Officer on 1 January 2007.
TURNOVER R1 368 760 000

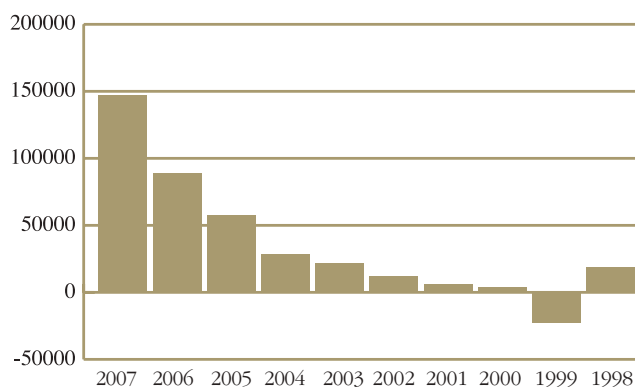
10 YEAR Review

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenue (R000)	1368760	616 468	567 571	549 298	370 584	212 443	169 816	158 332	186 271	272 178
Attributable earnings/(loss) (R000)	148 852	89 262	57 841	28 366	21 657	12 103	6 615	4 225	(22 768)	19 052
Earnings/(loss) per share (cents)	98.4	69.3	46.6	23.2	17.3	9.0	4.8	3.0	(16.4)	13.9
Headline earnings/(loss) per share (cents)	98.4	69.3	46.6	23.2	14.6	8.9	4.5	3.0	(15.6)	14.9
Tax rate (%)	30.7	28.3	29.9	22.2	41.7	33.1				5.2
Dividends per share (cents)	17.0	12.0	7.5	4.5	3.0	2.0	1.25			4.0
Dividend cover (times)	5.8	5.8	6.2	5.2	5.8	4.5	3.8			3.5
Net asset value per share (cents)	479	240	184	151	135	120	105	118	115	131
Total assets employed (R000)	2269351	886 385	709 234	545 874	443 668	295 333	246 440	251 879	287 912	318 335
Return/(loss) on shareholders' equity (%)	17.8	27.0	22.9	14.7	12.5	7.9	4.5	2.6	(14.3)	10.5
Gearing (%)	54	102	113	113	94	40	17	29	52	51
Liquidity										
- Current ratio	0.70	0.46	0.43	0.52	0.61	1.11	1.33	0.97	0.68	0.9
- Current ratio excluding current portion of long-term borrowings	1.09	1.62	1.77	1.64	1.32	1.41	1.33	1.75	1.39	2.25
- Acid test ratio	0.55	0.35	0.38	0.48	0.50	1.02	1.2	0.78	0.55	0.77

REVENUE (R000)



ATTRIBUTABLE EARNINGS / (Loss) (R000)



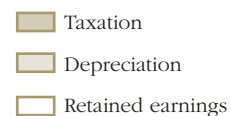
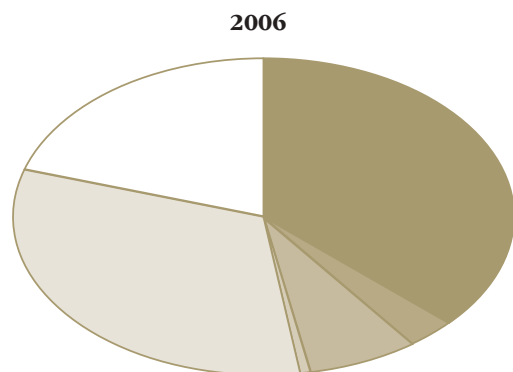
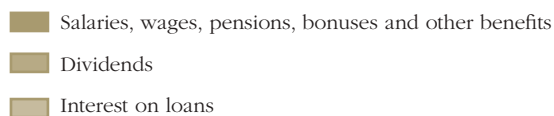
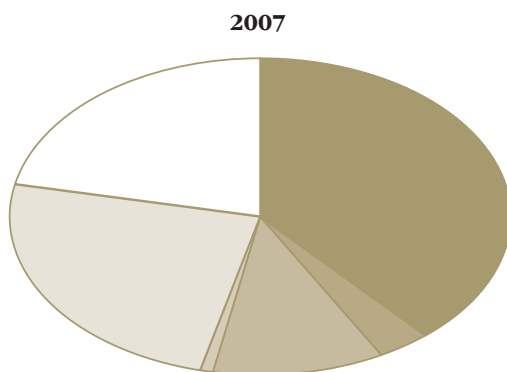
Value added statement

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	2007	2006
REVENUE	1 368 760	616 468
COST OF SERVICES SUPPLIED	762 503	269 131
	606 257	347 337
NON-OPERATING INCOME	19 173	
VALUE ADDED	625 430	347 337

Applied as follows:

To remunerate employees:		
– Salaries, wages, pensions, bonuses and other benefits	240 935	104 809
To reward providers of capital:		
– Dividends	21 411	11 897
– Interest on loans	69 391	27 448
To the State:		
– Taxation	5 083	2 507
To replace assets:		
– Depreciation	152 780	123 311
To expand the group:		
– Retained earnings	135 830	77 365
	625 430	347 337





Directorate and Management



SE (SAM) JONAH (KBE) (57)

NON-EXECUTIVE CHAIRMAN

Appointed 2006

Sir Sam is internationally recognised as one of Africa's leading businessmen. He has been decorated with several awards and honours, including an honorary knighthood by Her Majesty Queen Elizabeth II. Sir Sam joined Schamin in August 2006 as non-executive Chairman of the board.



**DCM (DINES) GIHWALA (54)
B.PROC H DIP TAX PRACTICE**

NON-EXECUTIVE DEPUTY CHAIRMAN

Appointed 2005

Dines is the executive chairman of Hofmeyr, Herbststein 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 (59)

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.



RC (ROBIN) BERRY (45)
BSc. ENGINEERING (MINING)

CHIEF OPERATING OFFICER

Appointed 2007

Robin joins the group from his former position of C.E.O operations of Anglo Coal SA. He brings a wealth of experience of over 20 years in the mining industry at both a managerial and operational level.

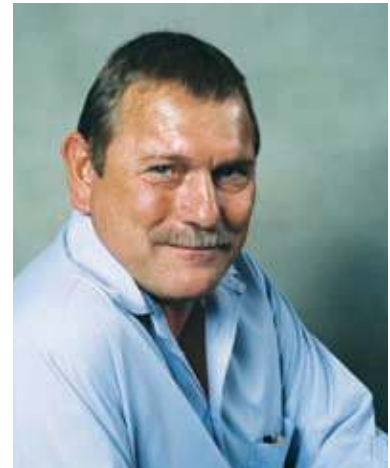


J (JASON) HOLLAND (39)
B.COM B.COMPT (HONS)
CA(SA)

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 (42)
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 1990.



Directorate and Management (continued)



TR (TREVE) HENDRY (41)
B.COM B.COMPT (HONS)
CA(SA)

NON-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 (38) 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 with Coronation Capital Limited, a wholly-owned subsidiary of Coronation Investments and Trading Limited.



RK (RICHARD) JONAH (31)
BA ECONOMICS & POLITICAL
SCIENCE

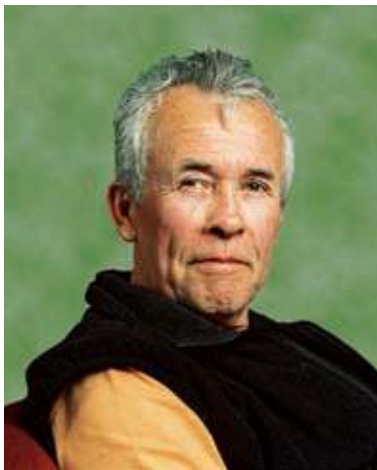
NON-EXECUTIVE DIRECTOR

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.

Management

1. **DEBBIE WISE** Company Secretary appointed 2006
2. **DANNY STICKLAND** Internal Auditor appointed 2004
3. **WYNAND MILLARD** Human Resource Manager appointed 2002



T (TONY) SCHARRIGHUISEN (62)

NON-EXECUTIVE DIRECTOR

Appointed 1999

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



**EHJ (HUGH) STOYELL (63)
PR. ENG. B.Sc (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 chairman and managing director of Duiker Mining (Pty) Limited, formally 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 (62)
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.



Chairman's Report

Dear Shareholder,

- I am very pleased to be making my first statement as non-executive Chairman of the board of Schamin for 2007. I am grateful to Dines Gihwala whose stewardship and continued support as Deputy Chairman ensure that the organisation is well positioned for the future.
- 2007 has been a remarkable year for Schamin. Our company has produced a pleasing set of results with healthy returns to shareholders, underscored by good operational management and performances, with organic and acquisitive growth.
- I am very pleased to say that we have embarked on our journey to becoming the mining services company of choice on the African continent.
- Contract mining operations continue to experience strong demand and this is expected to continue in the medium term. Additionally, we have made several important strategic acquisitions which are value enhancing.
- Performance in other divisions was robust and contributions from our new operations in exploration and opencast mining contributed significantly to the overall performance of the group. The annual results incorporate 10 months of trading from Benicon and 7 months of Geosearch.

FINANCIAL HIGHLIGHTS

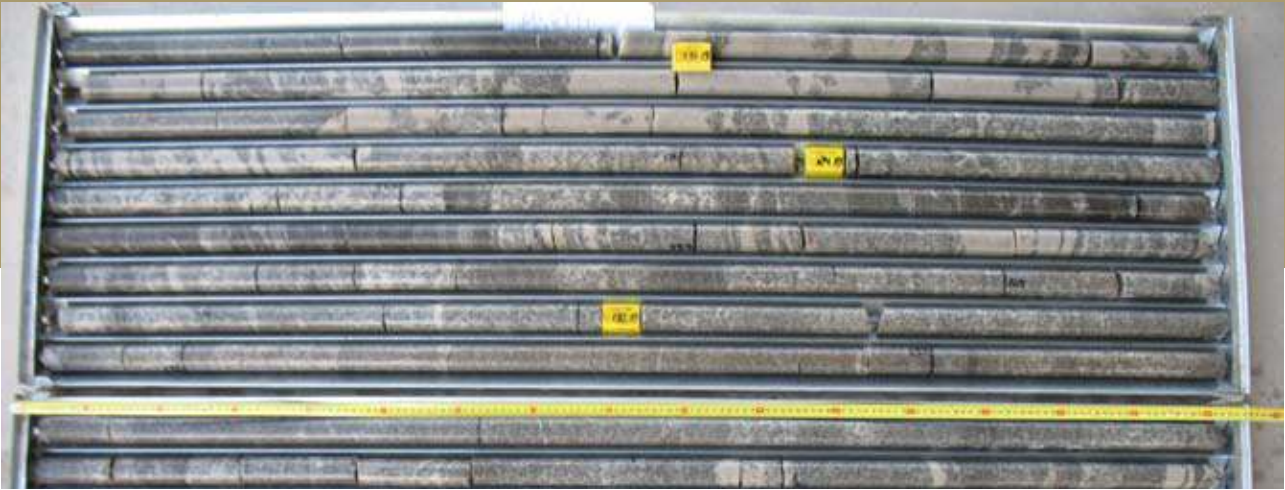
- The group produced a solid set of financial results with the revenue line increasing by 122% to R1,368 million up from R616.5 million in 2006. Operating profit was up significantly by 96% to R296.3 million from R151.9 million in 2006. This was due to good cost control measures, increasingly profitable contracts and strategic acquisitions in the core opencast mining business and in exploration.

MACRO-ENVIRONMENT

- Some commentators have described the current commodities boom as the most robust in decades.
- The price of Export thermal coal reached an average of US\$55 per ton (FOB Richards Bay) during the year and is expected to remain high in the medium term.
- Contract re-negotiations with key projects and clients have progressed well.
- Schamin negotiations achieved wage and conditions resolution early in the year and therefore avoided major disruptions that rippled across the mining sector.

ACQUISITIONS AND RESTRUCTURING

- During the year, Schamin advanced its stated growth strategy both organically and acquisitively. This is reflected by the solid performances from existing business and good contributions from newly acquired businesses.
- The Benicon acquisition announced in 2005 was integrated successfully into the group as part of the Opencast Division.
- JEF Drill & Blast, our specialist drilling and blasting operation was set up as a standalone offering in support of opencast mining. This was aligned with a shift towards outsourcing.
- We were pleased to secure 100% share ownership of Geosearch and welcomed Robin Berry to the board at group level. A key differentiator in this field is management experience and skills at operational level.



- Demand for exploration drilling is growing, fueled by high commodity prices and regulatory imperatives. The main growth area for our exploration drilling is in the southern Democratic Republic of Congo. Our broader knowledge base of operating environments across Africa will assist our contract services opportunities as we expand.
- The deep drilling division continues to operate ahead of expectations in the Rustenburg area and the acquisition of Geosearch opened new routes to an exciting growth segment while deepening the offering across Africa and the value chain.
- More recent acquisition activity includes CCT which positions us in hard rock opencast services and the ferrochrome business. Richie Crane Hire which is geared towards the impressive infrastructure and mining boom and most recently the Merafe Coal and Nkomati Anthracite joint ventures.
- The directors will proactively continue to identify value enhancing opportunities for the various divisions of the group across Africa.
- Through our equipment spares and trading we are now able to expedite internal value optimisation across divisions for our fleet and plant.
- Additional efficiencies have emanated from the integration of support services across the five divisions.

BEE

- Schamin/SCN is fully committed to the ideals of the Mining Charter and to achieving the associated sustainable economic transformation. We are cognisant of the need for broad transformation in the South African economy and we are committed to playing an active role through equity partnership, skills development, procurement and employment diversity.

DIRECTORATE & CORPORATE GOVERNANCE

- We welcomed Robin Berry to the board in January as Chief Operating Officer and look forward to his valuable contribution to both the executive and the board in the years ahead.
- The board of directors endorses and accepts full responsibility for the application of the principles necessary to ensure that effective Corporate Governance is practiced consistently throughout the group. We, as a board, intend to comply fully with the requirements of the King Code, in both letter and spirit and the directorate has proactively taken steps to ensure compliance.
- Management and the board are committed to the safety and health of our employees and of local communities. We will seek to rehabilitate the impact of opencast mining on the environment wherever necessary. Safety and rehabilitation remain top priorities.
- The business has attracted some of the best talent in the industry with significant new hires to executive and non-executive positions.

PROSPECTS

- A solid foundation for growth has been established. We are now poised for further expansion into Africa. We have successfully diversified our earnings stream geographically and we are seeking to vertically integrate further, looking at down stream opportunities.



Chairman's Report (continued)

- We would also consider other joint ventures and possibly mining prospects where this fits our vision and growth strategy. The exploration drilling will continue to provide opportunities leading to mining.

APPRECIATION

I would like to take this opportunity to thank the management and staff for their support and commitment to the group during Schamin's best year to date.

I would also like to thank the board for their advice and contributions. Their support, diligence and insights are greatly valued.

In conclusion, we thank our customers, suppliers and shareholders for all the loyal and ongoing support. We look forward to building on our exciting growth and to another great year ahead.

A handwritten signature in black ink, appearing to read 'Samuel Esson', with a large, stylized flourish at the end.

Sir Samuel Esson Jonah KBE, OSG

Non-Executive Chairman

21st June 2007



Managing Director's Report

INTRODUCTION

The year under review was an exciting period to manage the company. Scharrig Mining Limited continued, in line with its strategy, to maintain its positive growth trend and to post solid results and record significant strategic and operational highlights. The group grew its business organically and through acquisitions and enhanced its breadth of service provision, while also diversifying geographically.

FINANCIAL RESULTS

Revenue for the year increased by 122 % to R1 368,8 million from R616,5 million in the previous year. Despite abnormally high rainfall in February and March which adversely affected operations, a focus on operating efficiencies saw operating margins decrease only slightly to 21,66% from 24,6% in 2006.

Headline earnings per share rose significantly by 42 % to 98.4 cents. Cash generated was R280,5 million, compared with R273,1 million in the previous year, equating to 177 cents per share (2006: 211 cents). Net asset value per share increased to 468 cents from 240 cents.

Notwithstanding increased capital expenditure during the year, the group successfully reduced its debt to equity ratio to 54 % from 102 %, in line with its undertaking at the previous year-end.

Improved results have seen a final dividend of 10 cents per share declared to bring the total dividend for the year to 17 cents per share (2006: 12 cents).

CAPITAL EXPENDITURE

During the year Schamin continued to invest in capital equipment. All subsidiaries experienced a growth in their asset base as a result of the increased demand for their services.

ACQUISITIONS

Benicon

On 1 June 2006, Schamin's R53,9 million acquisition of Benicon Mining and Earthworks became effective. Benicon, a contract mining company with similar roots to Scharrighuisen Opencast Mining, and complimentary client base has been 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 traded ahead of expectations and made a meaningful contribution to Schamin's earnings during the year.

Benicon's exciting new contract pipeline and its fleet of medium sized draglines places the group in a strong position to capitalise on growth opportunities across the coal sector.



Managing Director's Report (continued)

Transbor and Geosearch International

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 provide approximately 20% of the hard rock core drilling in South Africa and clients include Anglo Platinum, Lonplats and AngloGold Ashanti.

The deal became effective from 1 October 2006 and the exploration drilling division under the banner of Geosearch, traded well ahead of expectations.

Geosearch is expected to continue benefiting from buoyant resources markets, the drive to find new mineral deposits across the African continent and the proving up of mineral resources in South Africa, increasing the overall demand for exploration drilling. In addition, with Geosearch's US Dollar-denominated earnings outside of South Africa, the revenue base will be further enhanced with their hard currency earnings streams.

JEF Drill and Blast

In November 2006, Schamin announced the acquisition of JEF Drill and Blast, a specialized drilling and blasting entity, to complement its own standalone drilling and blasting division, created at the start of the year under review.

The in-house unit has continued to grow during the year on the back of the growth in Opencast Mining's requirements. JEF Drill and Blast will further enhance Schamin's overall mining services offering and also broadens the group's client base.

OPERATIONS

Optimum Colliery

During the past year, operations at Optimum Colliery produced satisfactory volumes, on the back of increases in coal demand, with the main contract focus areas being topsoil stripping and parting removal.

Opencast overburden stripping operations averaged 850 000 cubic meters per month, with increased volumes planned going forward.

Rehabilitation of the mined-out areas still provides for a substantial portion of the contract workload at the Colliery.

Scharrighuisen Drill and Blast has retained the drilling contract for all the coal and parting drilling.

Klipfontein & Middelburg Mine Services

These contracts have continued to play an anchor role within the company's portfolio, with an additional tender being awarded to the company during the year.

Rehabilitation of disturbed areas of the pits reached record levels in the year and remains one of the primary contract areas going forward.

Topsoil stripping volumes continued to increase, with pre-strip and parting removal remaining at the core operations.



Douglas Colliery

Both the Naauwpoort pits performed well for the year, with coal volumes exceeding 130 000 tons per month. Planned contracts indicate that current scopes will increase in the year ahead.

Klipspruit Mine

Following the closure of mini-pit operations during the previous year, the establishment of the boxcut and the introduction of the mine's dragline, topsoil stripping, overburden removal and coaling operations have all exceeded the previous year's targets. The No 4 and No 2 Seams currently being mined require output targets of around 350 000 tons per month. Scharrighuisen Drill and Blast is responsible for the drilling of all blastholes on the Colliery.

Khutala Colliery

The scope of the A block contract and associated triple bench mining operation continued to increase over the past 12 months. Monthly coal output was maintained in excess of 500 000 tons, necessitating the removal 18 000 000 cubic meters of overburden over the year. The No 5, No 4 and No 2 coal seams are currently being mined as part of the contract.

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

Glisa Block C

The Glisa mini-pit was a new contract awarded during the previous year, which has now reached steady state production. Schamin, through its mining and drilling and blasting divisions, provides a full mining service to this operation. Coal volumes have continued to increase during the year and currently average 100 000 tons per month.

Middelkraal Mine

The most recent addition to Scharrighuisen Opencast Mining's contract base, the mining operations at the Middelkraal mine have continued to increase output in line with demand, to current average coal volumes of 450 000 tons per month. This target is set to further increase to 600 000 tons per month, in response to the ongoing expansion of the mine.

Nkomati Anthracite

In March 2007, Scharrighuisen Opencast Mining was awarded the opencast mining contract for the Nkomati Anthracite Mine. This contract is expected to ramp up to 100 000 tons of coal production per month, during the next year.



Managing Director's Report (continued)

PROSPECTS

Due to increased demand from Schamin's existing and potential new client base throughout the sectors in which mining services are provided, the group will continue to grow its capacity, broaden its service offering and increase its geographical footprint. The group has already begun the process of strengthening its resource base, through the recruitment of experienced and qualified personnel to support these growth aspirations.

With all operations and the acquisitions trading well, in many cases already ahead of budget, a continued improvement in operating performance is expected, going forward.

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

21 June 2007



Corporate Governance Report

During the past year, two workshops were held for the directors with regards to Corporate Governance. These workshops were held at the company's office and run by an expert in the field from Hofmeyr, Herbststein & Gihwala. These workshops proved very useful to the board and highlighted areas of importance as well as giving a broad based view of Corporate Governance.

BOARD OF DIRECTORS

At year-end the unitary board consisted of 12 directors as set out on pages 8 to 11 of the annual report. During the year, the board was reconstituted and enhanced both demographically and in terms of expertise. On 25 August 2006 Sir Sam Jonah was appointed as non-executive Chairman and DCM Gihwala was appointed as non-executive Deputy Chairman. RC Berry was appointed to the position of Chief Operating Officer (COO) on 1 January 2007.

At the date of this report the board accordingly comprises four executive directors – C Scharrighuisen (Managing Director), RC Berry (Chief Operating Officer), 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 eight non-executive directors, SE Jonah KBE (Chairman), DCM Gihwala (Deputy 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.

BOARD PROCESSES

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

Director	Ordinary Board Meetings
SE Jonah (KBE) * (Chairman) appointed 25 August 2006	3(4)
DCM Gihwala* (Deputy - Chairman)	4(4)
TR Hendry*	4(4)
J Holland (Financial Director)	4(4)
Dr P Huysamer*+	3(4)
A Joffe*	4(4)
RK Jonah*	3(4)
C Moorcroft	4(4)
C Scharrighuisen (Managing Director)	4(4)
T Scharrighuisen*	1(4)
EHJ Stoyell*+	4(4)

* non-executive + independent



Corporate Governance Report (continued)

A Board Charter is in place 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.

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

A Code of Ethics ("the Code") is in place 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

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.

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 appointed one new executive director and one new non-executive director which enhanced the skills set of the board. Sir Sam Jonah was appointed as non-executive Chairman and DCM Gihwala assumed a position of non-executive Deputy Chairman. Industry expertise was boosted by the appointment of RC Berry who has over 20 years' experience in the mining industry. Post year end, Gideon Louw has replaced Jason Holland as Financial Director of Schamin and Jonathan Best has joined the group as a non-executive director. On 31 April 2006 Tony Scharrighuisen resigned as a non-executive director of Schamin.

Board appointments to be 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 pages 60 and 63 of the annual report.

BOARD SUB-COMMITTEES

As part of its commitment to sound corporate governance Schamin has an audit and risk committee, and during the year a joint remuneration and nominations committee was formed. The audit and risk committee has a Charter governing its functions, levels of materiality and processes, which is reviewed annually in order to keep pace with regulatory requirements



Corporate Governance Report (continued)

and international best practice. The remuneration and nominations committee will be drafting a charter, 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 in 2005 and is governed by a formal Charter which is reviewed annually. 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 non-executive director A Joffe on account of his financial expertise, and further comprises non-executive director TR Hendry, a chartered accountant, independent non-executive director EHJ Stoyell, non-executive director RK Jonah and non-executive director DCM Gihwala.

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 ^	3(3)
TR Hendry	3(3)
EHJ Stoyell	3(3)
RK Jonah	3(3)
DCM Gihwala	3(3)
J Holland - by invitation	3(3)

^Audit and risk committee chairman

Remuneration Committee

During the year the group combined the remuneration and nomination committee and reconstituted the newly formed committee which is chaired by non-executive Chairman DCM Gihwala and further comprises non-executive directors RK Jonah, T Scharrighuisen, SE Jonah (KBE) and P Huysamer. Managing Director C Scharrighuisen attends by invitation and is obliged to recuse himself from deliberations in respect of his own remuneration.

No meetings have been held to date but one is scheduled for the early part of the new financial year.

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

The report of the independent auditors on page 30 sets out the responsibilities of the external auditors with regard to reviewing the financial statements and the group's compliance with both statutory and accounting standard requirements. The external audit is structured to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement.

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.

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.

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 fulfillment 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.

PROCUREMENT

Presently the group focuses on procurement from accredited BEE suppliers 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 manufactured locally 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. The group actively strives to identify new entrant BEE service providers and suppliers to procure goods and services for its businesses.

Employment Equity

The group is an equal opportunity employer that does not tolerate discrimination in any form. Throughout the group appointments are made in line with the group's employment equity policy, developed under the guidance of the group's Employment Equity Committee, following consultation with the human resources department, to ensure that compliance is achieved. 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.

Skills Development and Training

In support of the group's ongoing commitment to transformation, improved safety performance and efficiency driven productivity initiatives, Schamin retains the services of several training and skills development institutions. This ensures that, while ever increasing client and contract requirements are met, internally, the group can reap the rewards of improved performances and their positive impact on the bottom line.

Training courses:

- Operator evaluator course
 - OEM based certification
- Health and Safety training
 - COMSOC 1 and 2 for safety officers
 - First aid training
 - HIV/AIDS awareness
 - Risk assessments



Subsidised studies:

Support, in the form of subsidies for further and higher education is made available to employees of the group. The independent consultancy, contracted by Schamin in 2004, continued with its ongoing programme of group-wide skills development and training. In the interim, training has become entrenched as an operational practice, and will continue to be supported and guided by Schamin's EE policies.

The group focuses on succession planning by facilitating the advancement of historically disadvantaged South Africans within the organization, through formal leadership programmes that have been developed under the auspices and guidance of the aforementioned initiative.

Schamin promotes an entrepreneurial business environment amongst its operating divisions, through which, staff members, which it recognises as key to the group's ongoing success, can thrive.

Employee participation in the ownership of the group is facilitated through the Scharrig Share Incentive Scheme, details of which are set out in the Directors' Report.

While operational decisions are taken at the appropriate levels of management, the group's culture encourages participative management and aims to foster mutual trust. This in turn encourages employees to contribute to the development of 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.

Appropriately qualified Health and Safety Officers are appointed at each site on which group divisional companies operate. 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.

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 routine reporting, 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 an imperative, with employees being encouraged to identify, report and reduce potential risks.

All supervisors, safety officers, plant and site managers are required to have valid first aid certificates. This training is carried out at the medical facilities of the host mine.



Sustainability Report (continued)

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 the disease.

A formal HIV/AIDS policy has been finalised during the course of the year. The company actively supports client based, regional and national initiatives in this regard.

Environment

Schamin is highly conscious of the potential environmental hazards inherent in its activities. As a 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 operating sites have an ISO 14001 rating and compliance with environmental procedures is maintained by means of regular audits.

Further, the Red Card Incident identification System has been adopted. 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 in place, 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.

Stakeholder Communication

Schamin is committed to providing stakeholders with transparent, timely and reliable communication.

Financial and company announcements are released on SENS, published in the business press, placed 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 relevant Executive 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 2007 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

Independent Auditor's Report

To the members of Scharrig Mining Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the annual financial statements of Scharrig Mining Limited and group, which comprise the directors' report, the balance sheet as at 31 March 2007, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 62.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company and group as of 31 March 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Siyabala Inc.



Siyabala Incorporated

Director: J.A. Etchells

Chartered Accountants (S.A.)
Registered Auditors

Durban
29 June 2007

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, exploration drilling 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 R1 368 million, a 122% increase over the previous year. Headline earnings per share have increased to 98,4 cents from 69,3 cents, a 42% rise over the previous year, with R148,8 million attributable to ordinary shareholders.

On 21 June 2007 the board declared a final dividend of 10 cents per share, bringing the total dividend for the year to 17 cents per share (2006: 12 cents)

The annual financial statements of the company and the group for the year ended 31 March 2007 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 8 to 11.

DIRECTORS' REMUNERATION AND SHAREHOLDING

Details of the directors' remuneration are set out in note 27 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 27 to the annual financial statements.

COMPANY SECRETARY AND REGISTERED OFFICE

D Wise is the company secretary at the date of this report and her business and postal addresses, which are also the company's registered addresses, are set out on page 67 of this annual report.

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)	2007	2006
Net profit	129 258	79 056

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.

Directors' Report (continued)

POST BALANCE SHEET EVENTS

Merafe Joint Venture

Schamin announced the establishment of a joint venture with ferrochrome producer Merafe Resources, to produce coal in Mpumalanga.

The long term plans for the Joint Venture is to bring all three coal resources in the province into production by the second quarter of 2009.

Shareholders are referred to the press release dated 21st July 2007.

CCT

Schamin announced its acquisition of CCT, a hard rock opencast mining company based in the Steelpoort area. CCT have developed core competencies in chrome mining and opencast operations. This is a strategic acquisition in line with the growth plans, and establishing the company in hard rock mining.

Shareholders are referred to the press release dated 19th April 2007.

Jeff Drill & Blast

Schamin announced its acquisition of Jeff Drill and Blast on the 20th February 2007. The Competition Commission granted its unconditional approval for the acquisition of the business post year-end. Jeff Drill & Blast uses 28 specialist drilling rigs in the opencast mining sector, primarily in coal. The acquisition is expected to ensure that the drilling and blasting operations grow at a rate that will support the rest of the business.

Ritchie Crane Hire

Schamin announced its acquisition of Ritchie Crane Hire, which has contracts in the mining and construction sector in Gauteng, Mpumalanga and Limpopo. The acquisition is in line with the companies strategy to broaden its range of services and client base.

Shareholders are referred to the press release dated 29th March 2007.

Geosearch

Schamin announced the acquisition of a further 8 % in Geosearch. This acquisition was done by means of the issuing of Schamin Shares. This is a value enhancing transaction in line with the growth strategy as it increases our shareholding at an operational level.

Shareholders are referred to the press announcement dated 12th April 2007.

Changes to the board

With effect from 1st July 2007 Mr. Jonathan Best was appointed onto the board as a non- executive director. Jonathan brings a wealth of experience to the board and will also be taking up the position as chairman of the audit committee.

After many years of loyal service to Schamin, Mr. Tony Scharrighuisen retired from the board with effect from 30th April 2007.

Shareholders are referred to the SENS announcement dated 19th April 2007.

The board of directors announced that Mr. Jason Holland had resigned as a director of Schamin in order to focus his attention at the operational level of Scharrighuisen Opencast Mining, a subsidiary of Schamin, effective 15th July 2007.

Mr. Gideon Louw joins the board as Chief Financial Officer of Schamin effective from 1st August 2007. All appointments to the board are to be ratified by the shareholders at the upcoming AGM

Shareholders are referred to the SENS announcement dated 10th July 2007.

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	720 000	1 941 200	2 661 200
Options granted during the year	4 624 800	32 900	4 657 700
Lapsed		(164 000)	(164 000)
Exercised and delivered	(2 984 800)	(89 300)	(3 074 100)
Awards/options balance at end of year	2 360 000	1 720 800	4 080 800

The weighted average market price of shares exercised was R7.98 per share with a weighted average option price of 74 cents per share.

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 2007 is as follows:

Director	Share options at 1 April 2006		Share options granted during the year		Share options exercised and taken delivery of		Share options at 31 March 2007	
	Number	Average Strike Price (R)	Number	Strike Price (R)	Number	Strike Price (R)	Number	Average Strike Price (R)
TR Hendry	80 000	0.53	31 200	0.53	71 200	0.53	40 000	0.53
J Holland	80 000	0.53	31 200	0.53	71 200	0.53	40 000	0.53
	200 000	2.75			100 000	2.75	100 000	2.75
C Moorcroft	80 000	0.53	31 200	0.53	71 200	0.53	40 000	0.53
	200 000	2.75			100 000	2.75	100 000	2.75
	-		500 000	9.25	500 000	9.25	-	
C Scharrighuisen	80 000	0.53	31 200	0.53	71 200	0.53	40 000	0.53
			2 000 000	9.25	2 000 000	9.25	-	
R Berry	-		2 000 000	10.00			2 000 000	10.00

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 2007

R000	Note	Group		Company	
		2007	2006	2007	2006
REVENUE	3	1 368 760	616 468	137	120
OPERATING PROFIT before finance changes	4	296 360	151 869	19 606	10 248
NET FINANCE CHARGES	5	69 391	27 448	(22)	(11)
NET PROFIT before taxation		226 969	124 421	19 628	10 259
TAXATION	6	69 728	35 159	34	53
NET PROFIT after taxation		157 241	89 262	19 594	10 206
EARNINGS ATTRIBUTABLE TO OUTSIDE SHAREHOLDERS		8 389	-		
EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS		148 852	89 262	19 594	10 206
EARNINGS PER SHARE (cents)					
Attributable earnings	7.1	98.4	69.3		
Headline earnings	7.2	98.4	69.3		
Cash equivalent earnings	7.3	204.6	170.4		
Core Earnings	7.5	103.7	69.3		
DIVIDEND PER SHARE (cents)					
Interim (declared)	8	7.0	5.0		
Final (proposed)		10.0	7.0		
		17.0	12.0		
SHARES IN ISSUE AT END OF YEAR (000)		188 431	137 431		
WEIGHTED AVERAGE NUMBER OF SHARES (000)		151 352	128 814		

BALANCE SHEETS

as at 31 March 2007

R000	Note	Group		Company	
		2007	2006	2007	2006
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	9	1 399 575	766 969		
Intangible assets	10	227 785			
Deferred tax	17	1 266			
Long term loans	16			1 962	
Share Incentive Trust Loan	11			16 364	8 341
Interest in subsidiaries	12			508 995	111 601
		1 628 626	766 969	527 321	119 942
CURRENT ASSETS					
Inventories	13	137 752	29 140		
Trade and other receivables		338 462	66 636	24 338	924
Bank balance and cash		164 511	23 640		
		640 725	119 416	24 338	924
TOTAL ASSETS		2 269 351	886 385	551 659	120 866
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share capital and premium	14	517 843	93 032	542 408	109 583
Reserves	15	363 650	237 339	8 903	10 847
Ordinary shareholder funds		881 493	330 371	551 311	120 430
Outside shareholders funds		8 389			
Total shareholders' funds		889 882	330 371	551 311	120 430
NON-CURRENT LIABILITIES					
Long-term borrowings	16	322 855	178 169		
Deferred tax	17	183 274	121 255		
		506 129	299 424		
CURRENT LIABILITIES					
Trade and other payables		252 441	73 394	285	407
Vendor finance		284 586	-		
Current portion of long-term borrowings	16	309 353	183 175		
Taxation		26 960	21	63	29
		873 340	256 590	348	436
TOTAL EQUITY AND LIABILITIES		2 269 351	886 385	551 659	120 866

CASH FLOW STATEMENTS

for the year ended 31 March 2007

R000	Note	Group		Company	
		2007	2006	2007	2006
CASH FLOW FROM OPERATING ACTIVITIES		194 349	231 213	(25 445)	(2 608)
Cash generated from/(utilised by) operations	21.1	280 481	273 065	(25 934)	(2 595)
Interest received		1 622		22	11
Interest paid		(61 260)	(27 448)		
Dividends received				23 137	12 369
Dividends paid	21.2	(21 411)	(11 897)	(22 670)	(12 369)
Normal tax paid	21.3	(2 405)	(53)		(24)
Secondary tax paid	21.3	(2 678)	(2 454)		
CASH FLOW FROM INVESTING ACTIVITIES		(710 371)	(283 871)	(1 962)	
Purchase of property, plant and equipment					
– Rebuilt assets		(23 923)	(55 344)		
– Additions		(557 341)	(274 104)		
Proceeds on disposal of property, plant and equipment		19 110	45 577		
Net movement and loans receivable		(22 140)		(1 962)	
Purchases of businesses	21.4	(126 077)			
CASH FLOW FROM FINANCING ACTIVITIES		659 157	47 413	27 407	2 608
Proceeds / payments of long-term borrowings		234 355	46 759		
Net movement in treasury shares		24 352	654	(8 023)	655
Proceeds from issue of ordinary shares		400 450		432 825	
				(397 395)	1 953
NET INCREASE IN CASH AND CASH EQUIVALENTS		143 135	(5 245)		
Foreign currency translation reserve		(2 264)			
Cash and cash equivalents at beginning of year		23 640	28 885		
Cash and cash equivalents at end of year	21.5	164 511	23 640		
Cash flow per ordinary share (cents)		176.8	211.4		
Cash realisation rate (%)		79.1	124.6		

STATEMENTS IN CHANGES IN EQUITY

for the year ended 31 March 2007

R000

GROUP

	Share Capital	Share Premium	Capital Reserve	Treasury Shares	Foreign Exchange Translation Reserve	Retained Earnings	Non- distributable Reserve	Total
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
Dividend paid				285		(11 897)		(11 612)
Share options exercised				369				369
Balance at 31 March 2006	1 374	100 055	6 076	(8 397)		217 397	13 866	330 371
Profit for the year					(2 263)	148 852		146 589
Share options exercised			1 133	23 873				25 006
Share issue	510	432 315		(32 375)				400 450
Dividend paid				488		(21 411)		(20 923)
Balance at 31 March 2007	1 884	532 370	7209	(16 411)	(2 263)	344 838	13 866	881 493

COMPANY

	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Total
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
Profit for the year				19 593	19 593
Recognition of share-based payments			1 133		1 133
Dividends				(22 670)	(22 670)
Shares Issued	510	432 315			432 825
	1 884	540 524	7 209	1 694	551 311

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

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).

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.

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.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at their acquisition date, irrespective of the extent of any minority interest. The excess of the costs of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account. Application of the purchase method starts from the acquisition date, which is the date on which the acquirer effectively obtains control of the acquiree.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The company carries its investments in subsidiaries at cost. Provisions are recorded for long-term impairment in value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

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 Functional currency and translation of foreign currencies

1.4.1 Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in South African rand, which is the company's functional and presentation currency.

1.4.2 Transactions and balances in group entities

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain and loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

1.4.3 Consolidation of group entities

The results and the financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each profit and loss account are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the translation dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale. Goodwill and fair adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

1.5 Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Customer-related intangibles

These relate to customer contracts and relationships acquired in the company's subsidiaries. The intangible asset relating to these contracts and relationships is expected to be amortised over a 18 month period from the date of acquisition.

Impairment

The company tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

1.6 Property, plant and equipment

Property, plant and equipment are stated at revalued 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 25
Motor vehicles	5
Furniture, fittings and equipment	5 to 10
Rigs and compressors	3 with a 50% residual

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

1.6.1 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 (CONTINUED)

for the year ended 31 March 2007

1.7 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.

1.8 Loans and receivables

Loans and receivables, which include trade receivables, are measured at fair value.

1.9 Cash and cash equivalents

Cash and cash equivalents are measured at cost.

1.10 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balance, investments, receivables, trade creditors and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

1.11 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 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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

1.12 Revenue

The invoiced values of sales and services rendered excluding value added tax, discounts 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.

1.13 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.

1.14 Impairments

The carrying amount of the group's assets, other than inventories (refer accounting policy note 1.7) and deferred tax assets (refer accounting policy note 1.11) 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.

Impairment losses recognised for goodwill are not reversed in subsequent periods. Non-financial assets other than goodwill that have been impaired in past periods are reviewed for possible reversal of impairment at each reporting date.

1.15 Accounting for leases

Leases for property, plant and equipment where the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are capitalised at the inception of the lease at the lower of the cost of the asset and the fair value of the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. The interest element of the finance charge is charged to the profit and loss over the estimated useful life of the asset. Leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to income on a straight-line basis over the period of the lease.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

1.16 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.

1.17 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.

1.18 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.

1.19 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.

1.20 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.

1.21 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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

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.

1.22 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are expected to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below.

Depreciation and amortisation rates

The company amortises its assets over their estimated useful lives, as more fully described in the accounting policies for property, plant and equipment and intangible assets. The actual lives of these assets can vary depending on a variety of factors, including technological innovation and maintenance programmes.

Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of 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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

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 (CONTINUED)

for the year ended 31 March 2007

R000	Group		Company	
	2007	2006	2007	2006
3. REVENUE				
Group				
Revenue is derived from opencast contract mining, rehabilitation, earthworks, mining services and exploration drilling.				
Company				
Administration fees				
4. OPERATING PROFIT before finance charges				
After allowing for the following:				
Income				
Dividends received from subsidiary			23 137	12 369
Profit on disposal of property, plant and equipment	2 977			
Interest received	1 622			11
Profit on foreign exchange	19 173			
Expenses				
Cost of sales	822 357	334 104		
Auditors' remuneration				
Audit fees - current year	1 323			
Other accounting services	1 139	319		75
Property, plant and equipment				
Loss on disposal of property, plant and equipment		5 860		
Amortisation of customer related intangible	19 333			
Depreciation				
– plant and equipment	133 006	116 498		
– motor vehicles	19 061	6 652		
– furniture, fittings and equipment	685	133		
– buildings	28	28		
Scrapping of property, plant and equipment		1 005		
Staff costs	240 935	104 809		
Included in staff costs				
– defined contribution plan expense	6 559	5 426		
Operating lease payments				
– land and buildings	3 824	3 173		
– motor vehicles and equipment	3 757			
Future minimum lease payments				
– up to 1 year	6 071	3 592		
– 1 to 5 years	11 130	17 122		
– more than 5 years	-	22 025		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

R000	Group		Company	
	2007	2006	2007	2006
5. FINANCE CHARGES				
Interest received	(1 622)		(22)	(11)
Interest paid				
Suspensive sale agreements	50 666	26 833		
Bank overdrafts and other	20 347	615		
	69 391	27 448	(22)	(11)
6. TAXATION				
Foreign normal tax	8 161			
South African normal tax	18 118	53	34	53
Secondary tax on companies	2 678	2 000		
South African deferred tax	40 771	33 106		
	69 728	35 159	34	53
Reconciliation of rate of tax				
	%	%	%	%
Normal tax rate	29	29	29	29
Effective rate of additional taxes				
Secondary tax on companies	1.2	1.6		
Loss (utilised)/created	(3.1)	(2.3)		
Foreign taxes paid	3.6			
Permanent differences and differential tax rates			(28.8)	(28.5)
	30.7	28.3	0.2	0.5
Further tax charges				

Mining taxation income is determined after the deduction of all material mining capital expenditure. Such expenditure amounted to R560.9 million (2006: R276.3 million) in the year under review. Capital expenditure not set off against mining income amounted to R561.9 million (2006: R280.1 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	565 015	280 107
Applied to reduce deferred tax	561 646	280 107

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

R000	Note	Group		Company	
		2007	2006	2007	2006
7. EARNINGS PER SHARE					
7.1 Attributable earnings basis					
The calculation of earnings per share is based on attributable earnings of R148 852 (2006: R89 262) and weighted average number of shares in issue of 151 352 (2006: 128 814).		98.4	69.3		
7.2 Headline earnings basis					
The calculation of earnings per share is based on headline earnings of R148 852 (2006: R89 262) and weighted average number of shares in issue of 151 352 (2006: 128 814). This basis highlights the sustainable earnings per share reconciliation between earnings and headline earnings.		98.4	69.3		
Net profit for the year:		148 852	89 262		
Headline earnings attributable to ordinary shareholders		148 852	89 262		
7.3 Cash equivalent basis					
The calculation is based on attributable cash equivalent earnings of R309 701 (2006: R219 438) and weighted average number of shares in issue of 151 352 (2006: 128 814). This basis recognises the potential of the earnings stream to generate cash and is consequently an indicator of the underlying quality of earnings.		204.6	170.4		
It is derived as follows:					
Earnings attributable to ordinary shareholders		148 852	89 262		
Adjusted for:					
Non cash items		7.4	160 849	130 176	
Cash equivalent earnings			309 701	219 438	
7.4 Non cash items					
Depreciation and scrapping of property, plant and equipment			152 780	124 316	
Share based payment			1 133		
Net (profit)/loss on disposal of property, plant and equipment			(2 977)	5 860	
Amortisation of customer base			19 333		
Foreign exchange adjustment			(19 173)		
Interest discounting of Vendor finance			9 753		
			160 849	130 176	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

R000	Group		Company	
	2007	2006	2007	2006
7.5. CORE EARNINGS PER SHARE	103.7	69.3		

The calculation is based on core attributable earnings of R156 912 (2006: R89 262) and weighted average number of shares in issue of 151 352 (2006: 128 814). This basis recognises the earnings stream that is not affected by the adjustments required by International Financial Reporting Standards, and as such is under the direct control of management.

It is deemed as follows:

Earnings attributable to ordinary shareholders	148 852	89 262		
Adjust for:				
Amortisation of customer base	19 333			
Fair value adjustment on vendor liabilities	14 030			
Foreign exchange adjustment on vendor liabilities	(19 173)			
	14 190			
Tax effect of adjustment	(4 115)			
	10 075			
Attributable to outside shareholders	(2 015)			
Attributable to ordinary shareholders	8 060			
Core earning attribute to ordinary shareholders	156 912	89 262		

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. 20 of 7.0 cents per share paid on 28 August 2006 to members recorded on 25 August 2006	9 655		10 285	
Dividend no. 21 of 7.0 cents per share paid on 18 December 2006 to members recorded on 15 December 2006	11 756		12 385	
	21 411	11 612	22 670	12 369

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

9. PROPERTY, PLANT AND EQUIPMENT

R000

GROUP

	2007			2006		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Land and buildings	6 292	259	6 033	5 053	231	4 822
Plant and equipment	1 814 595	498 842	1 315 753	1 124 639	386 997	737 642
Motor vehicles	119 327	45 847	73 480	51 819	27 780	24 039
Furniture, fittings and equipment	8 471	4 162	4 309	4 717	4 251	466
	1 948 685	549 110	1 399 575	1 186 228	419 259	766 969

Certain assets are encumbered as set out in note 15.

GROUP

	Land and Buildings	Plant and Equipment	Motor Vehicles	Furniture, Fittings and Equipment	Total 2007	Total 2006
Movements of fixed assets						
Net book value at beginning of year	4 822	737 642	24 039	466	766 969	613 274
Additions	1 239	702 828	69 000	4 528	777 595	274 104
Disposals		(15 635)	(498)		(16 134)	(52 442)
Depreciation	(28)	(133 006)	(19 061)	(685)	(152 780)	(123 311)
Rebuilt assets		23 923			23 923	55 344
Net book value at end of year	6 033	1 315 753	73 480	4 309	1 399 575	766 969

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.

R000

Group

Company

2007

2006

2007

2006

10. INTANGIBLE ASSETS

Customer-related intangibles

Fair value on acquisition of subsidiaries	58 000
Amortisation for the period	(19 333)
	38 667

Goodwill

Fair value on acquisition of subsidiaries	189 118
	227 785

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

R000	Group		Company	
	2007	2006	2007	2006
11. SHARE INCENTIVE TRUST LOAN				
An analysis of the Scharrig Share Incentive Trust Loan is as follows:				
Balance at beginning of loan period			8 341	8 996
Loan repaid - dividends			(479)	(285)
Shares issued to Trust			32 375	
Share options exercised			(23 873)	(370)
Balance at end of year			16 364	8 341
The unallocated shares are under the control of the trustees of the scheme.				
12. INTEREST IN SUBSIDIARIES				
Share at cost			21 109	21 009
Amounts owing by subsidiaries			487 886	90 592
			508 995	111 601
13. INVENTORIES				
Work-in-progress	6 410	3 500		
Consumables	88 559	23 230		
Spares	42 783	2 410		
	137 752	29 140		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

R000	Group		Company	
	2007	2006	2007	2006
14. SHARE CAPITAL AND PREMIUM				
Authorised share capital				
260 000 000 (2006: 160 000 000) ordinary shares of 1 cent each	2 600	1 600	2 600	1 600
Issued share capital				
188 430 895 (2006: 137 430 895) ordinary shares of 1 cent each				
Balance at beginning of year	1 374	1 374	1 374	1 374
Shares issued	510		510	
Balance at end of year	1 884	1 374	1 884	1 374
Share Premium				
Balance at beginning of year	100 055	100 055	108 209	108 209
Shares issued	432 315		432 315	
Balance at end of year	532 370	100 055	540 524	108 209
Treasury Shares				
Balance at beginning of year	(8 397)	(9 051)		
Shares issued	(32 375)			
Share options exercised	23 873	369		
Dividends Paid	488	285		
	(16 411)	(8 397)		
Total share capital and premium	517 843	93 032	542 408	109 583
Reconciliation				
Share capital and premium as per company	542 408	109 583		
Goodwill write-off in 1996	(953)	(953)		
Share buy-back				
– 5 553 871 Shares held by subsidiary in holding company (2006: 5 553 871)	(7 256)	(7 256)		
3 067 100 Shares held in Share Incentive Trust (2006: 2 661 200)	(16 356)	(8 342)		
Group share capital and premium	517 843	93 032		

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

R000	Group		Company	
	2007	2006	2007	2006
15. RESERVES				
Non-distributable reserves				
Foreign exchange translation reserves	(2 263)			
Reserves on acquisition of subsidiaries	13 866	13 866		
Capital reserve share-based payment	7 209	6 076	7 209	6 076
Distributable reserves				
Retained earnings	344 838	217 397	1 694	4 771
	<u>363 650</u>	<u>237 339</u>	<u>8 903</u>	<u>10 847</u>
16. LONG-TERM BORROWINGS				
Secured				
Suspensive sale agreements				
Amount owing in respect of plant, vehicles and equipment with book values amounting to R807.1 million (2006: R484.8 million)				
	632 208	361 344		
The effective average interest rate applicable to these liabilities is 1.5% below prime.				
Aggregate repayments due as follows:-				
Year ended 31 March				
– 2008	340 868			
– 2009	249 484			
– 2010 and later	124 858			
Deferred finance charges	(83 002)			
	<u>632 208</u>			
Unsecured				
Indefinite interest free loans				
		-		
Less: Suspensive sale portion payable within twelve months reflecting under current liabilities				
	(309 353)	(183 175)		
	<u>322 855</u>	<u>178 169</u>		
Non-current assets				
	-	-		
Non-current liabilities				
	322 855	178 169		
	<u>322 855</u>	<u>178 169</u>		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**for the year ended 31 March 2007**

R000	Group		Company	
	2007	2006	2007	2006
17. DEFERRED TAX				
Balance at beginning of year	121 255	88 149		
Acquisition	19 982			
Originating temporary differences	40 771	33 106		
Balance at end of year	182 008	121 255		
The balance comprises:				
Accelerated wear and tear for tax purposes on property, plant and equipment	336 658	204 942		
Other	(2 986)	(694)		
Customer related intangibles	11 213			
Assessable losses	(162 877)	(82 993)		
	182 008	121 255		
Deferred tax asset	1 266			
Deferred tax liability	183 274	121 255		

18. BORROWING POWERS

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

19. VENDOR FINANCE

This relates to the final instalment on the amount owing from the purchase of 80% of the "Geosearch" acquisition.

20. CAPITAL COMMITMENTS

Capital expenditure contracted for in respect of plant and equipment	71 800	147 000
Capital expenditure authorised by the directors not contracted for in respect of plant and equipment	117 000	Nil

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

R000	Group		Company	
	2007	2006	2007	2006
21. NOTES TO THE CASH FLOW STATEMENTS				
21.1 Reconciliation of net profit before taxation to cash generated from operations				
Profit before taxation	226 969	124 421	19 628	10 259
Adjustment				
(Profit)/Loss on disposal of property, plant and equipment	(2 977)	5 860		
Depreciation and scrapping of property, plant and equipment	152 780	124 316		
Amortisation of customer base	19 333			
Investment income and interest	(1 622)		(23 159)	(12 380)
Foreign exchange	(19 173)			
Finance charges	71 013	27 448		
Share-based payments	1 133		1 133	
Operating profit/(loss) before working capital charges	447 456	282 045	(2 398)	(2 121)
Changes in working capital	(166 975)	(8 980)		(474)
(Increase) in inventories	(57 880)	(19 253)		
(Increase)/decrease in trade and other receivables	(99 619)	(9 448)	(23 414)	(806)
Increase/(decrease) in trade and other payables	(9 476)	19 721	(122)	332
Cash generated from operations	280 481	273 065	(25 934)	(2 595)
21.2 Dividends paid				
Dividends charged to income statements	21 411	11 897	22 670	12 369
	21 411	11 897	22 670	12 369
21.3 Taxation paid				
Taxation at beginning of year	(21)	(475)	(29)	
Acquired	(3 065)			
Taxation charged to income statements	(28 957)	(2 053)	(34)	(53)
Taxation unpaid/(prepaid) at end of year	26 960	21	63	29
	(5 083)	(2 507)	-	(24)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

R000

21.4 Purchase of businesses	Geosearch	Benicon	Total
Property, plant and equipment	120 021	100 234	220 255
Inventory	26 967	23 765	50 732
Trade and other receivables	121 572	28 495	150 067
Bank and cash	32 017	(4 259)	27 758
Long term liabilities		(36 509)	(36 509)
Deferred tax	(19 982)		(19 982)
Taxation	(3 065)		(3 065)
Trade and other payables	(130 706)	(57 826)	(188 532)
	146 824	53 900	200 724
Intangibles purchased	247 118		247 118
	393 942	53 900	447 842
Less cash acquired	32 017	(4 259)	27 758
Less vendor finance	294 007		294 007
Net assets acquired (liabilities)	67 918	58 159	126 007

	Group		Company	
	2007	2006	2007	2006

21.5 Cash and cash equivalents

Cash on hand and balance with banks	164 511	23 640
-------------------------------------	---------	--------

21.6 Segment information

	Exploration and Drilling	Opencast Mining and Earthmoving	Drilling and Blasting	Equipment Trading & Spares	Consolidated
Cash flow from: 2007					
– operating activities	59 533	193 214	3 638	(62 036)	194 349
– investing activities	(111 769)	(550 405)	(46 958)	(1 239)	(710 371)
– financing activities		611 239	47 918		659 157
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)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

25. SEGMENT REPORT

The group is organised into four major operating divisions, namely opencast mining and earthmoving and equipment trading and spares, exploration drilling and drilling and blasting. Financial information about business segments is presented in the following report:

	Exploration Drilling R000	Opencast Mining and Earthmoving R000	Drilling and Blasting R000	Equipment Trading & Spares R000	Consolidated R000
2007					
Revenue					
External sale	293 254	919 654	42 264	113 588	1 368 760
Net profit/(loss) before taxation	59 823	171 347	(4 227)	26	226 969
Other information					
Segment assets	637 124	1 487 546	71 711	72 970	2 269 351
Segment liabilities	470 055	811 956	59 232	38 226	1 379 469
Capital expenditure	44 021	449 430	62 650	1 239	557 341
Depreciation / amortisation	13 817	135 801	2 975	187	152 780
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

26. FINANCIAL INSTRUMENTS

26.1 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

26.1.1 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.

26.1.2 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and new investments in foreign operations.

To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group use forward contracts when considered necessary. Foreign exchange risk arises when the future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through holding cash denominated in the relevant foreign currency.

26.1.3 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.

26.2 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 carrying amount of on-balance sheet financial instruments approximate their fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

R000

27. DIRECTORS' EMOLUMENTS

2007

Executive Director	Basic	Expense Allowance	Medical Aid	Share Options	Provident	Bonus	Total
J Holland	704	120	9	1 424	60	70	2 387
C Moorcroft	754	100	46	1 424	27	75	2 426
C Scharrighuisen	1 374	-	38	929	117	117	2 575
RC Berry (Appointed 01-01-2007)	390	60			33		483
Total	3 222	280	93	3 777	237	262	7 871

2007

Non-executive directors	Appointed	Director's Fees	Chairman's Fee	Medical Aid	Share Options	Expense Allowance	Total
T Scharrighuisen		120		38			158
TR Hendry*		120			929		1 049
A Joffe**		120					120
EHJ Stoyell		120					120
P Huysamer		120					120
DCM Gihwala		120	30				150
RK Jonah		120					120
SE Jonah	25-08-2006	60	30				90
Total		900	60	38	929		1 927

* Paid to Argent Industrial Limited

** Paid to Coronation Capital

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2007

R000

2006

Director	Basic	Expense Allowance	Medical Aid	Share Options	Provident	Bonus	Total
TR Hendry (non-executive)				499			499
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
T Scharrighuisen (non-executive)		477	40				517
Total	2 516	697	130	2 320	198	234	6 095

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 2007

Name of subsidiary All (Pty) Limited unless otherwise stated	Issued Share Capital in Rands unless otherwise stated	% Held by Schamin		Shares at Cost		Owing to Schamin by Subsidiary		Main Business (R000)
		2007	2006	2007	2006	2007	2006	
		Non-operating subsidiaries	4 200	100	100	4	4	
Scharrighuisen Opencast Mining	100	100	100	21 004	21 004	306 602	90 592	A
Rynov Investments	100	100	100					C
Edencliff	1000	50	50	1	1			D
Caston Plant Sales	100	100	100					D
Geosearch Holdings	120	80	-			127 385		E
Benicon Opencast Mining	120	100	-			39 718		A
Benicon Sales	100 000	100	-	100		14 181		D
Scharrighuisen Drilling and Blasting	100	100	-					F
				21 109	21 009	487 886	90 592	

Main Business

A Opencast mining and mining services

B Non-operating

C Property investments

D Equipment trading and spares

E Exploration drilling

F Drilling and blasting

Shareholder Information

for the year ended 31 March 2007

	Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholders
1. Analysis of Shareholders				
Range				
1 - 1 000	826	24.50	484 418	0.26
1 001 - 5 000	1 255	37.22	3 445 513	1.83
5 001 - 10 000	476	14.12	3 741 831	1.99
10 001 - 50 000	570	16.90	12 658 404	6.72
50 001 - 100 000	104	3.08	7 664 809	4.07
100 001 - and more	141	4.18	160 435 920	85.14
Totals	3 372	100.00	188 430 895	100.00

2. Major Shareholders (Owning 5% or more of the Shares in Issue)

Sankofa Trust Pty Ltd	33 238 440	17.64
Coronation Capital	20 958 511	11.12
Old Mutual Asset Management	10 539 244	5.59

3. Shareholder Spread

Public	3 365	99.79	122 117 054	64.81
Non Public	7	0.21	66 313 841	35.19
Holding 10% +	2	0.06	54 196 951	28.76
Share scheme	1	0.03	3 067 100	1.63
Associates	1	0.03	5 553 871	2.95
Directors	3	0.09	3 495 919	1.86
Totals	3 372	100.00	188 430 895	100.00

4. Directors' Shareholdings

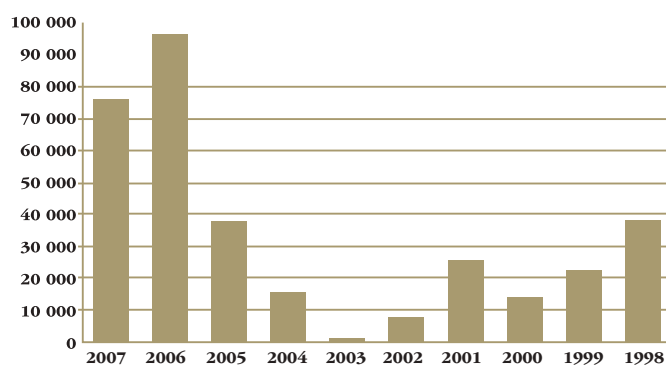
Director	Units		
	Direct	Indirect	Total
C Scharrighuisen	2 000 000		2 000 000
C Moorcroft	974 200		974 200
J Holland	521 719		521 719
TR Hendry		192 200	192 200
DCM Gihwala		9 012 821	9 012 821
SE Jonah		33 238 440	33 238 440
Totals	3 495 919	42 443 461	45 939 380

JSE Performance

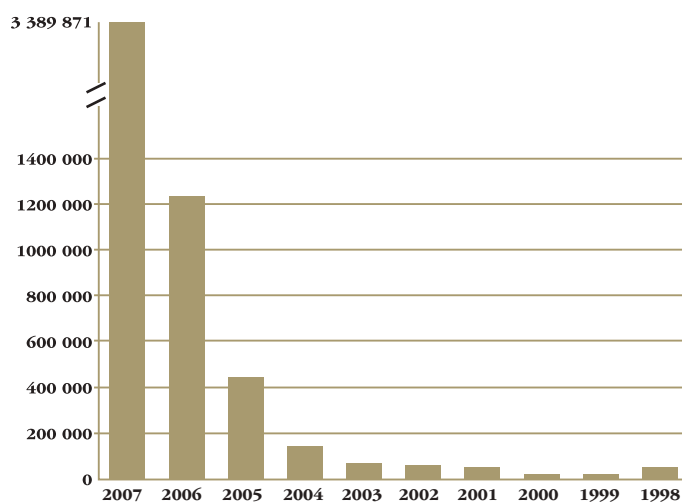
15 months

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Number of shares traded (000)	76 819	96 815	38 131	15 672	1 503	8 017	25 526	14 243	22 420	38 393
– % of total issued shares	40.76	70.45	27.75	12.2	1.17	6.25	18.4	10.2	16.1	27.6
Value of shares traded (R000)	973 849	435 700	84 155	12 563	714	3 528	6 152	2 231	7 551	26 090
Prices quoted (cents per share)										
– highest	1 845	925	375	150	56	60	37	38	72	112
– lowest	700	255	100	50	35	33	14	11	15	37
– closing	1 799	900	325	110	53	43	34	16	17	37
Market capitalisation at year-end	3 389 871	1 236 878	446 650	141 047	67 959	55 137	47 254	22 238	23 627	51 424
Price earnings ratio	21.99	12.99	6.97	4.76	3.12	6.62	7.9	5.3	(1.0)	2.7
Earnings yield	4.55	7.7	14.3	21.0	32.0	6.62	7.9	5.3	(1.0)	2.7
Dividend yield	0.78	1.33	2.93	2.27	5.66	5.23	3.7	0	0	10.8

Number of shares traded (000)



Market capitalisation at year-end (R000)





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 12 October 2007 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 2007, together with the reports of the directors and independent auditors.
2. 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.
3. 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;
 - 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.



Notice of Annual General Meeting (continued)

4. The appointment of Robin Berry as an executive director of Schamin be and is hereby confirmed.
5. The appointment of Jonathan Best as a non-executive director of Schamin be and is hereby confirmed.
6. The appointment of Gideon Louw as an executive director of Schamin be and is hereby confirmed.
7. 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.



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 10 October 2007. 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 2007

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

ABSA
Corporate and Business Bank
2nd Floor, Block D, Eastgate Office Park
South Boulevard, Bruma
(PO Box 206, Bruma 2026)
Tel. (011) 621-6000

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

Hofmeyr, Herbstein & Gihwala Inc
6 Sandown Valley Crescent, Sandown, Sandton
(Private Bag X40, Benmore, 2010)
Tel. (011) 286-1100

Tabacks
26 Sturdee Avenue, Rosebank
(PO Box 3334, Houghton 2041)
Tel. (011) 219-6400

SPONSORS

Arcay Moela Sponsors (Pty) Ltd
3 Anerley Road, Parktown
(PO Box 62397, Marshalltown, 2107)

CORPORATE ADVISOR

Manhattan Equity Corporate Finance (Pty) Limited
43 Saxon Road, Sandhurst
(PO Box 55376, Northland, 2116)



Shareholders' Diary

Financial year-end	31 March
Annual General Meeting	12 October 2007
Reports and profit statement	
Half-year interim report	November
Preliminary announcement of annual report	June
Annual financial statements published	September





Sharrig Mining Limited

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 12 October 2007 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 12 October 2007 at 10:00.

I/We _____ of _____ (Address)

being the holder/s _____ 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 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 2007			
2. To place the unissued shares in the authorised share capital under the control of the directors of the company			
3. To allow the directors of the company to allot and issue shares for cash			
4. To appoint Robin Berry as executive director of Schamin			
5. To appoint Jonathan Best as a non-executive director of Schamin			
6. To appoint Gideon Louw as executive director of Schamin			

Signed at _____ on _____ 2007. 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 10 October 2007.
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.





THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, attorney, accountant or other professional advisor immediately.

ACTION REQUIRED

All shareholders

If you have disposed of all or any of your shares in Scharrig Mining Limited then this circular should be handed to the purchaser of such shares or to the stockbroker, banker or agent through whom you disposed of such shares.

Certificated shareholders and dematerialised shareholders with own name registration.

If you are a certificated shareholder or have dematerialised your shares with "own name" registration and you are unable to attend the general meeting of Scharrig Mining Limited shareholders to be held in the Boardroom, 28 Patrick Road, Jet Park, Boksburg at 09:30 on Friday, 12 October 2007, and wish to be represented thereat, you must complete and return the attached form of proxy and form of surrender in accordance with the instructions contained therein and lodge it with, or post it to, the offices of the transfer secretaries, namely Link Market Services South Africa (Proprietary) Limited, so as to be received by them no later than 09:30 on Wednesday, 10 October 2007.

Dematerialised shareholders other than those with own name registration

If you hold dematerialised shares in Scharrig Mining Limited through a CSDP or broker other than with "own name" registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the general meeting in order for your CSDP or broker to provide you with the necessary authorisation to do so, or should you not wish to attend the general meeting in person, you must timeously provide your CSDP or broker with your voting instruction in order for the CSDP or broker to vote in accordance with your instruction at the general meeting.



SCHARRIG MINING LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1992/001973/06)

Share Code: SCN ISIN: ZAE000006474

("Schamin" or "the Company")

CIRCULAR TO SCHAMIN SHAREHOLDERS

regarding

- the adoption of a new Long Term Incentive Plan;
- the adoption of a new Share Appreciation Rights Scheme; and
- the adoption of a new Deferred Bonus Plan

and incorporating

- a notice of general meeting of Schamin shareholders; and
- a form of proxy (blue) to be completed by certificated shareholders and dematerialised shareholders with own-name registration only.

Corporate advisor



Manhattan Equity Corporate
Finance (Pty) Limited

Sponsor



Arcay Moela Sponsors
(Pty) Limited

Attorneys

Routledge-Modise Inc.

This circular is available in English only and copies hereof may be obtained from the registered office of Schamin and from the transfer secretaries at the addresses as set out in the "Corporate Information" section of this circular.

Date of issue: 21 September 2007

CORPORATE INFORMATION

Secretary and registered office

Debbie Wise BComm (FIM)
28 Patrick Road
Jet Park
Boksburg
1469
(PO Box 30194, Jet Park)

Corporate advisor

Manhattan Equity Corporate Finance (Pty) Limited
43 Saxon Road
Sandhurst
2196
(PO Box 55376, Northlands, 2116)

Attorneys

Routledge-Modise Inc.

Transfer secretaries

Link Market Services South Africa (Pty) Limited
5th Floor
11 Diagonal Street
Johannesburg, 2001
(P O Box 4844, Johannesburg, 2000))

Sponsors

Arcay Moela Sponsors (Pty) Limited
Arcay House
3 Anerley Road
Parktown
2193
(PO Box 62397, Marshalltown)

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SALIENT DATES AND TIMES

2007

Last day to lodge forms of proxy for the general meeting by 09:30	Wednesday, 10 October
General meeting of shareholders to be held at 09:30 and results of general meeting announced on SENS on	Friday, 12 October
Results of general meeting announced in the press on	Monday, 15 October

Notes:

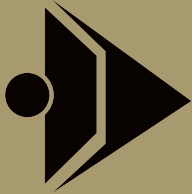
1. The dates and times provided for in this circular are subject to amendment. Any such amendments will be announced on SENS and published in the press.

DEFINITIONS

In this circular, unless otherwise stated or the context so requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa, words denoting one gender include the other and expressions denoting natural person include juristic persons and associations of persons:

“business day”	any day excluding a Saturday, Sunday or a South African public holiday;
“certificated shareholders”	shareholders who have not dematerialised their Schamin share certificates in terms of the requirements of Strate;
“this circular”	this bound document dated 21 September 2007 and all enclosures and annexures thereto, included with the Annual Report of the company for the year ended 31 March 2007;
“CIPRO”	the Companies and Intellectual Property Registration Office;
“common monetary area”	South Africa, the Kingdoms of Swaziland and Lesotho, and the Republic of Namibia;
“CSDP”	Central Securities Depository Participant;
“Deferred Bonus Scheme”	the proposed Scharrig Mining Limited Deferred Bonus Scheme;
“dematerialisation”	the process whereby documents of title to shares in a tangible form are dematerialised in terms of the requirements of Strate;
“the directors”	the directors of Schamin as at the date of this circular;
“documents of title”	share certificates and/or certified transfer deeds and/or balance receipts or any other documents of title acceptable to Schamin;
“existing scheme”	the share incentive scheme currently in operation in respect of the group as reflected in the trust deed;
“general meeting”	the general meeting of Schamin shareholders to be held at 09:30 on Friday, 12 October 2007 at 28 Patrick Road, Jet Park, Boksburg;
“the JSE”	the JSE Limited, registration number 2005/022939/06, a public company duly incorporated in accordance with the laws of South Africa, and licensed as a stock exchange in accordance with the Securities Services Act, 2004 (Act 36 of 2004);
“last practicable date”	the last practicable date prior to the finalisation of this circular, being Monday, 3 September 2007;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Long Term Incentive Plan”	the proposed Scharrig Mining Long Term Incentive Plan ;
“new schemes”	collectively, the Deferred Bonus Plan, the Long Term Incentive Plan and the Share Appreciation Rights Scheme;
“ordinary shares” or “Schamin shares”	ordinary shares of 1 cent each in the issued share capital of the company;
“participants”	participants under the new schemes;
“record date”	Friday, 12 October 2007, the date by which shareholders must be recorded in the Company’s share register in order to receive their replacement documents of title or have their safe custody accounts updated with the new name of Schamin by their CSDP or broker;

“Schamin” or “the Company”	Scharrig Mining Limited, registration number 1992/001973/06, a public company duly incorporated in accordance with the laws of South Africa and whose shares are listed on the JSE;
“SENS”	the Securities Exchange News Service of the JSE;
“Share Appreciation Rights Scheme”	the proposed Scharrig Mining Limited Share Appreciation Rights Scheme;
“shareholders” or “Schamin shareholders”	holders of Schamin ordinary shares;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Limited, registration number 1998/022242/06 a registered central securities depository in terms of the Custody and Administration of Securities Act, 1992 (Act 85 of 1992), as amended; and
“the trust deed”	the trust deed establishing the existing share incentive scheme;
“transfer secretaries”	Link Market Services South Africa (Pty) Limited, registration number 2000/007239/07, a company incorporated in accordance with the laws of South Africa.



SCHARRIG MINING LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1992/001973/06)
Share Code: SCN ISIN: ZAE000006474
("Schamin" or "the Company")

Directors:

Sir Sam Jonah (*Non-executive Chairman*)
DCM Gihwala (*Deputy non-executive Chairman*)
C Scharrighuisen (*Managing Director*)
RC Berry (*Chief Operating Officer*)
G Louw (*Chief Financial Officer*)
C Moorcroft (*Executive Director*)
TR Hendry (*Non-executive Director*)
Dr P Huysamer (*Non-executive Director*)
A Joffe (*Non-executive Director*)
RK Jonah (*Non-executive Director*)
EHJ Stoyell (*Non-executive Director*)
JG Best (*Non-executive Director*)

CIRCULAR TO SCHAMIN SHAREHOLDERS

1 INTRODUCTION AND RATIONALE

1.1 Proposed new schemes

Recent developments in the regulatory environment and best practice in local and global share schemes have given rise to the need to review the Company's existing scheme.

In line with best practice and emerging South African practice, the board recommends the approval and adoption of the new scheme.

The new schemes will include participation by executive directors and selected employees of Schamin and its subsidiaries, determined by the board. The purpose of the new schemes is to align the interests of the company and its shareholders, by attracting, retaining and incentivising selected employees.

2 DETAILS OF THE PROPOSED NEW SCHEMES

Salient features of the proposed schemes are set out as Annexures 1, 2 and 3 to this circular. The rules of the new schemes have been approved by the JSE.

Shareholders shall be asked to approve the new schemes at a general meeting of shareholders to be held on Friday, 12 October 2007 at 09:30 in the boardroom of the Company, 28 Patrick Road, Jet Park, Boksburg.

3 OPINIONS AND RECOMMENDATIONS

The directors of Schamin are of the opinion that the implementation and adoption of the proposed new share incentive schemes will be to the long term benefit of Schamin shareholders. Accordingly, the board of directors recommends that shareholders vote in favour of the resolutions to be proposed at the general meeting of shareholders.

The directors of Schamin who have direct and indirect interests in the issued share capital of the Company support the adoption of the new share incentive schemes and intend to vote in favour of in respect of all of their shares.

4 DIRECTORS' RESPONSIBILITY STATEMENT

The directors, collectively and individually, accept full responsibility for the accuracy of the information given in this circular, and certify that, to the best of their knowledge and belief, there are no other facts

that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and this circular contains all information required by law and the Listings Requirements.

5 EXPERTS' CONSENTS

The sponsor, corporate advisors, attorneys and transfer secretaries have all consented in writing to act in the capacity stated and to their name being used in this circular, and have not withdrawn their consent prior to the publication of this circular.

6 GENERAL MEETING

The general meeting of Schamin shareholders will be held at 09:30 on Friday, 12 October 2007 at 28 Patrick Road, Jet Park, in order to consider, and if deemed fit, pass, with or without modification, the resolutions necessary to implement the adoption of the new schemes. A notice convening such meeting is attached to and forms part of this circular.

A form of proxy (blue) for use by certificated and own-name registration dematerialised shareholders only, who are unable to attend the general meeting but wish to be represented thereat, is attached to and forms part of this circular. Duly completed forms of proxy must be received by the transfer secretaries, Link Market Services, to be received by no later than 09:30 on Wednesday, 10 October 2007.

Dematerialised shareholders who hold dematerialised shares in Schamin through a CSDP or broker and do not have an own-name registration, must advise their CSDP or broker timeously of their intention to attend and vote at the general meeting or be represented by proxy thereat in order for the CSDP or broker to provide the necessary authorisation to do so, or should shareholders not wish to attend the general meeting in person, must timeously provide their CSDP or broker with their voting instructions in order for the CSDP or broker to vote in accordance with their instructions at the general meeting.

7 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office at 28 Patrick Road, Jet Park, Boksburg, during normal business hours from Thursday, 11 October 2007 up to and including Friday, 12 October 2007:

- the memorandum and articles of association of Schamin;
- the proposed new share incentive schemes;
- a signed copy of this circular; and
- the original letters of consent received from the sponsor, corporate advisor and transfer secretaries.

By order of the Board

Sir Sam Jonah
Chairman

Robin C Berry
Chief Operating Officer

Boksburg
21 September 2007

ANNEXURE 1 - SALIENT FEATURES OF THE SCHARRIG MINING LIMITED LONG TERM INCENTIVE PLAN (“the Plan”)

1. “INTRODUCTION

The Plan will be established by Scharrig Mining Limited ("Schamin") in terms of which selected executive directors and employees of Schamin and its subsidiaries ("Group") will receive a conditional right to receive a cash award ("LTIP Award") equal to the market value of a number of notional Schamin issued ordinary shares on the date that the award becomes unconditional. The LTIP Award is to be applied towards the obligatory subscription and/or purchase of Schamin ordinary shares which shares shall rank pari passu with all other ordinary shares in the capital of the Company ("Shares"). A summary of the main terms of the Plan is set out below.

2. ELIGIBILITY

Executive directors and employees of Schamin as well as executive directors and employees of any subsidiary of Schamin which is designated by the directors of Schamin as being a Participating Company ("Participating Company") are eligible to participate in the Plan. Non-executive directors are not eligible to participate in the Plan.

3. OFFERS OF LTIP AWARDS

3.1 LTIP Awards will be offered to executive directors and employees of Participating Companies with the approval of the Remuneration Committee. Subject to any restrictions imposed by the King Code, the JSE Listing Requirements or any other laws or regulations applicable to the offering of LTIP Awards, LTIP Awards may only be offered within 60 business days starting from any of the following:

- 3.1.1 the day upon which the Plan is adopted by the Company in general meeting;
- 3.1.2 the day after the announcement of Schamin's annual results through SENS for any period;
- 3.1.3 any day on which the Remuneration Committee resolves that circumstances exist which justify the offer of LTIP Awards;
- 3.1.4 any day on which changes to the legislation or regulations affecting LTIP Awards are announced, effected or made; or
- 3.1.5 the lifting of any restrictions (imposed by the King Code, Listing Requirements or any statute, order, regulation or government directive including, without limitation, any Closed Period), which prevented the offering of LTIP Awards during any period or day specified above.

4. PERFORMANCE CONDITIONS

- 4.1 The offer of the LTIP Awards may be conditional upon the achievement of performance targets, as established by the Remuneration Committee and specified in the LTIP Award Certificates.
- 4.2 In addition to any performance targets referred to in clause 4.1 above, LTIP Awards will in all cases be conditional upon Participants being and remaining employed within the Group over a minimum employment period.
- 4.3 Save as provided in paragraph 11, if any performance targets referred to in paragraph 4.1 are not achieved or a Participant ceases to be employed within the Group during a minimum employment period referred to in paragraph 4.2, the Participant's LTIP Awards will automatically lapse and be of no further force or effect.

5. LIMITS

- 5.1 The number of (new) Shares which are to be issued under the Plan in any period of 10 years, commencing on or after the date of approval of the Plan by the Shareholders of Schamin, when added to the number of such shares which are to be issued under the Scharrig Mining Limited Share

Appreciation Rights Scheme ("SARS"), the Scharrig Mining Limited Deferred Bonus Scheme ("the Deferred Bonus Scheme") and any other employee share based schemes operated by the Group, must not exceed 15% of the issued ordinary share capital of Schamin from time to time.

- 5.2 The total number of (new) Shares which are to be issued and/or transferred to a Participant under the Plan in any period of 10 years, commencing on or after the date of approval of the Plan by the Shareholders of Schamin, when added to the number of such shares which are to be issued and/or transferred to the same Participant under SARS, the Deferred Bonus Scheme and any other employee share based schemes operated by the Group, must not exceed 2% of the issued ordinary share capital of Schamin from time to time.

6. VALUE

At the end of the minimum employment period referred to in paragraph 4.2 above, the volume weighted average price of the Shares as traded on the JSE over the 30 trading days ending on such date will be determined, to be used as the basis for calculating the value of the LTIP Awards granted to Participants.

7. SETTLEMENT

Subject to the provisions of the King Code and any requirements of the JSE, within 20 business days of a LTIP Award becoming unconditional (as determined by the Remuneration Committee), the Participating Company will settle the amount due to Participants in terms of the LTIP Award by the payment of the value of the award either in cash to the Participant or, at the election of the Participating Company, to a broker or other person specifically appointed by the Participating Company as agent for and on behalf of the Participant. The amount paid is to be applied exclusively towards the obligatory subscription and/or purchase of Shares. The Participating Company, with approval of the Remuneration Committee, shall determine and notify the Participant at the time of payment whether the payment is to be applied towards the subscription of new Shares or the purchase of existing Shares, or any combination thereof.

8. EMPLOYEES TAX

Participants shall be liable for their tax liability arising from participation in the Plan. Such liability arises when the LTIP Awards become unconditional. If Participants do not settle their tax liability before settlement of the amount due in terms of the LTIP Awards, then a sufficient number of Shares purchased or subscribed for in settlement of the LTIP Awards will be sold to discharge the tax liability.

9. TAKE-OVERS

On a take-over of Schamin, provided that a similar scheme is not implemented by the acquirer which contains materially similar terms and conditions as this Plan ("Alternative Plan") or if an Alternative Plan is implemented by the acquirer but an award in terms of the Alternative Plan is not accepted by Participants in exchange for LTIP Awards, a pro-rata portion of the LTIP Awards will be deemed to become unconditional as at the date of take-over.

10. TERMINATION OF EMPLOYMENT

10.1 In the event that a Participant's employment with the Group is terminated by reason of death, ill health, incapacity, redundancy, retirement, expiry of a fixed term employment contract or other cause considered appropriate by the Remuneration Committee ("good cause"), the Remuneration Committee may in its absolute discretion:

- 10.1.1 deem the whole or a portion of the LTIP Award to become unconditional within 3 months of the date of termination of employment. In exercising their discretion, the Remuneration Committee will take into consideration the extent to which any performance targets have been satisfied and the proportion of the minimum employment period which has expired;

or

10.1.2 allow the Plan to continue to apply to the whole or any portion of the LTIP Awards which were made to the Participant, as though he had not ceased to be an employee.

10.2 If a Participant's employment with the Group terminates for any reason which is not good cause, all that Participant's LTIP Awards, will lapse and have no further effect.

11. VARIATION IN SHARE CAPITAL, ADJUSTMENTS TO LTIP AWARDS

Following a variation in the share capital of Schamin, the Remuneration Committee may adjust the number of Shares comprising each LTIP Award in any way which the Remuneration Committee considers appropriate so that the value of the LTIP Awards granted to Participants are materially similar to the values applicable prior to the variation, provided that any such adjustments must be confirmed by Schamin's auditors as having been calculated on a reasonable basis.

12. AMENDMENTS TO THE PLAN

12.1 The directors of Schamin will be authorised to make amendments they consider appropriate to the rules of the Plan, subject firstly to the approval having been obtained from the JSE (where required) and subject further to Schamin in general meeting approving such amendments if the amendments relate to:

12.1.1 the persons who are eligible to be granted LTIP Awards;

12.1.2 the Plan and individual limits provided for above;

12.1.3 the determination of the values of the LTIP Award and the amounts payable to Participants in terms of the Plan;

12.1.4 the rights of Participants in respect of voting, dividends, transfer and other rights in and to the Shares subscribed for and/or purchased pursuant to the settlement of their LTIP Awards.

12.2 The directors of Schamin may make minor amendments to the Plan without prior shareholder approval to benefit the administration of the Plan, to take into account any change in legislation or accounting practice or to obtain and maintain favourable tax, exchange control or regulatory treatment, provided that the prior approval of the JSE is obtained to any such change, if and to the extent that such prior approval is requisite."

ANNEXURE 2 - SALIENT FEATURES OF THE SCHARRIG MINING LIMITED SHARE APPRECIATION AWARD SCHEME (“the Scheme”)

1. “INTRODUCTION

The Scheme will be established by Scharrig Mining Limited ("Schamin") in terms of which selected executive directors and employees of Schamin and its subsidiaries ("Group") will receive a conditional right to receive a cash award ("Share Appreciation Award") equal to the increase in the market value of a number of notional Schamin issued ordinary shares from the date of offer of the award to the date of exercise. The Share Appreciation Award is divided into 5 Tranches as provided in paragraph 4 below ("Tranches"). Any amount becoming payable to participants in terms of the Share Appreciation Award is to be applied towards the subscription and/or purchase of Schamin ordinary shares ("Shares") which Shares shall rank pari passu with all other ordinary shares in the capital of the company. A summary of the main terms of the Scheme is set out below.

2. ELIGIBILITY

Executive directors and employees of Schamin as well as executive directors and employees of any subsidiary of Schamin which is designated by the directors of Schamin as being a Participating Company ("Participating Company"), are eligible to participate in the Scheme. Non-executive directors are not eligible to participate in the Scheme.

3. 3. OFFERS OF SHARE APPRECIATION AWARDS

3.1 Share Appreciation Awards will be offered to executive directors and employees of Participating Companies with the approval of the Remuneration Committee. Subject to any restrictions imposed by the King Code, the JSE Listing Requirements or any other laws or regulations applicable to the Scheme, the Share Appreciation Awards may only be granted within 60 business days starting from any of the following:

- 3.1.1 the date upon which the Scheme is adopted by the Company in general meeting;
- 3.1.2 the day after the announcement of Schamin annual results through SENS for any period;
- 3.1.3 any day on which the Remuneration Committee resolves that circumstances exist which justify the offer of Share Appreciation Awards;
- 3.1.4 any day on which changes to the legislation or regulations affecting Share Appreciation Awards are announced, effected or made; or
- 3.1.5 the lifting of any restrictions (imposed by the King Code, Listing Requirements or any statute, order, regulation or government directive) including, without limitation, any Closed Period, which prevented the offering of Share Appreciation Awards during any period or day specified above.

4. TRANCHES

The Share Appreciation Awards will be divided into 5 equal Tranches of 20% each. Subject to any performance conditions referred to in paragraph 5.1, such Tranches will be conditional from the 1st to the 5th anniversaries (respectively) of the date of offer of the Share Appreciation Awards ("conditionality periods").

5. CONDITIONS

- 5.1 The offer of the Share Appreciation Awards (or any of the Tranches) may be conditional upon the achievement of performance targets, as established by the Remuneration Committee.
- 5.2 In addition to any performance targets referred to in paragraph 5.1, each Tranches will in all cases be conditional upon the Participants being and remaining employed within the Group for the duration of the conditionality periods applicable to that Tranche referred to in paragraph 4.
- 5.3 Save as provided in paragraph 12, if any performance targets are not achieved or if a Participant ceases to be employed within the Group whilst any Tranches are conditional, the Participant's rights and entitlements to the applicable Tranches will automatically lapse and be of no further force or effect.

6. LIMITS

- 6.1 The number of (new) Shares which are to be issued under the Scheme in any period of 10 years, commencing on or after the date of approval of the Scheme by the Shareholders of Schamin, when added to the number of Shares which are to be issued under the Scharrig Mining Limited Long-Term Incentive Plan ("LTIP"), the Scharrig Mining Limited Deferred Bonus Scheme ("the Deferred Bonus Scheme") and any other employee share based schemes operated by the Group, must not exceed 15% of the issued ordinary share capital of Schamin from time to time.
- 6.2 The total number of (new) Shares which are to be issued and/or transferred to a Participant under the Scheme in any period of 10 years, commencing on or after the date of approval of the Scheme by the Shareholders of Scharrig, when added to the number of Shares which are to be issued and/or transferred to the same Participant under LTIP, the Deferred Bonus Scheme and any other employee share based schemes operated by the Group, must not exceed 2% of the issued ordinary share capital of Schamin from time to time.

7. EXERCISE

Subject to the achievement of any performance targets referred to in paragraph 5 and provided the Company is not in a closed period, each Tranche may be exercised between the date of expiry of the conditionality period applicable to it and the 6th anniversary of the offer date.

8. VALUE

At the date of exercise of each Tranche the volume weighted average price of the Shares as traded on the JSE over the 30 trading days ("VWAP") ending on such exercise date will be determined, against which the VWAP ending on the date of offer of the Share Appreciation Award will be deducted, to determine the value of the Tranche in question.

9. SETTLEMENT

Subject to the provisions of the King Code and any requirements of the JSE, within 20 business days of each Tranche being exercised, the Participating Company will settle the value of that Tranche as determined in terms of paragraph 8 above, by the payment of the amount thereof either to the Participant or, at the election of the Participating Company, to a broker or other person specifically appointed by the Participating Company as agent for and on behalf of the Participant. The amount paid is to be applied exclusively towards the obligatory subscription and/or purchase of Shares. The Participating Company, with approval of the Remuneration Committee, shall determine and notify the Participant at the time of payment whether the payment is to be applied towards the subscription of new (unissued) Shares or the purchase of existing (issued) Shares, or any combination thereof.

10. EMPLOYEES TAX

Participants shall be liable for their tax liability arising from participation in the Scheme. Such liability arises when each Tranche becomes unconditional. If Participants do not settle their tax liability before settlement of the amount due in terms of each Tranche, then a sufficient number of Shares purchased or subscribed for in settlement of the Tranche in question, will be sold to discharge the tax liability.

11. TAKE-OVER

On a take-over of Schamin, provided that a similar scheme is not implemented by the acquirer which contains materially similar terms and conditions as this Scheme ("Alternative Scheme") or if an Alternative Scheme is implemented by the acquirer but an award in terms of the Alternative Scheme is not accepted by Participants in exchange for Share Appreciation Awards, a pro-rata portion of each Tranche (as determined by the Remuneration Committee) will become unconditional and will become capable of being exercised within 3 months of the take-over.

12. TERMINATION OF EMPLOYMENT

12.1 In the event that a Participant's employment with the Group is terminated by reason of death, ill health, incapacity, redundancy, retirement, expiry of fixed term employment contract or other cause considered appropriate by the Remuneration Committee ("good cause"), the Remuneration Committee may in its absolute discretion:

12.1.1 deem the whole or a pro-rata portion of any Tranche to become unconditional and to be capable of being exercised within 3 months of the date of termination of employment. In exercising their discretion, the Remuneration Committee will take into consideration the extent to which any performance targets have been satisfied and the proportion of the conditionality periods which have elapsed; or

12.1.2 allow the Scheme to continue to apply to the whole or any portion of any Tranche, as though the Participant had not ceased to be an employee.

12.2 If a Participant's employment with the Group terminates for any reason which is not good cause prior to the end of any conditionality period, then all applicable Tranches will lapse and have no further effect.

12.3 Any Tranches which have become unconditional prior to termination of employment and which have not been exercised, must be exercised within 7 days of termination of employment (or such longer period as the Remuneration Committee may allow in its discretion) failing which they will lapse

13. VARIATION IN SHARE CAPITAL, ADJUSTMENTS TO SHARE APPRECIATION AWARDS

Following a variation in the share capital of Schamin, the Remuneration Committee may adjust the number of Shares comprising each Share Appreciation Award in any way which the Remuneration Committee considers appropriate so that the value of the Share Appreciation Awards granted to Participants are materially similar to the values applicable prior to the variation, provided that any such adjustments must be confirmed by Schamin's auditors as having been calculated on a reasonable basis.

14. AMENDMENTS TO THE SCHEME

14.1 The directors of Schamin will be authorised to make amendments they consider appropriate to the rules of the Scheme, subject firstly to the approval having been obtained from the JSE (where required) and subject further to Schamin in general meeting approving such amendments if the amendments relate to:

14.1.1 the persons who are eligible to be granted Share Appreciation Awards;

14.1.2 the limits provided for in paragraph 6 above;

14.1.3 the determination of the values of each Tranche in terms of paragraph 8, and the amounts payable to Participants in terms of the Scheme;

14.1.4 the rights of Participants in respect of voting, dividends, transfer and other rights in and to the Shares subscribed for and/or purchased pursuant to the settlement of the Share Appreciation Awards.

The directors of Schamin may make minor amendments to the Scheme without prior shareholder approval to benefit the administration of the Scheme, to take into account any change in legislation or accounting practice or to obtain and maintain favourable tax, exchange control or regulatory treatment, provided that the prior approval of the JSE is obtained to any such change, if and to the extent that such prior approval is requisite."

ANNEXURE 3 - SALIENT FEATURES OF THE SCHARRIG MINING LIMITED DEFERRED BONUS SCHEME (“the Bonus Scheme”)

1. “INTRODUCTION

- 1.1 The Bonus Scheme will be established by Scharrig Mining Limited (“Schamin”) in terms of which selected executive directors and employees of Schamin and its subsidiaries (“Group”) will in lieu of a discretionary bonus or a percentage thereof referred to in paragraph 4 below, be offered the right to receive a cash award (“Deferred Bonus Award”) equal to the sum of:
 - 1.1.1 The product of the market value of a number of notional Schamin issued ordinary shares (“Bonus Shares”) (to be determined in terms of paragraph 4 below) as at the expiry of a specified employment period (“Employment Period”) and a multiple to be determined by the Remuneration Committee at the time of offer of the Deferred Bonus Award; and;
 - 1.1.2 The product of the aggregate of all dividends paid per Schamin ordinary share over the Employment Period and the number of Bonus Shares comprising the Deferred Bonus Award
- 1.2 The Deferred Bonus Award is to be applied towards the obligatory subscription and/or purchase of Schamin ordinary shares which shares shall rank pari passu with all other ordinary shares in the capital of the Company (“Shares”). A summary of the main terms of the Bonus Scheme is set out below.

2. ELIGIBILITY

Executive directors and employees of Schamin as well as executive directors and employees of any subsidiary of Schamin which is designated by the directors of Schamin as being a Participating Company (“Participating Company”) are eligible to participate in the Bonus Scheme. Non-executive directors are not eligible to participate in the Bonus Scheme.

3. OFFERS OF DEFERRED BONUS AWARDS

- 3.1 Deferred Bonus Awards will be offered to executive directors and employees of Participating Companies with the approval of the Remuneration Committee. Subject to any restrictions imposed by the King Code, the JSE Listing Requirements or any other laws or regulations applicable to the offering of Deferred Bonus Awards, Deferred Bonus Awards may only be granted within 60 business days starting from any of the following:
 - 3.1.1 the date after the adoption of the Bonus Scheme by the Company in general meeting;
 - 3.1.2 the day after the announcement of Schamin's annual results through SENS for any period;
 - 3.1.3 any day on which the Remuneration Committee resolves that circumstances exist which justify the offer of Deferred Bonus Awards;
 - 3.1.4 any day on which changes to the legislation or regulations affecting Deferred Bonus Awards are announced, effected or made; or
 - 3.1.5 the lifting of any restrictions (imposed by the King Code, Listing Requirements or any statute, order, regulation or government directive including, without limitation, any Closed Period), which prevented the offering of Deferred Bonus Awards during any period or day specified above.

4. BONUS SCHEME

The number of Bonus Shares comprising each Deferred Bonus Award will be determined by dividing the amount (or a lesser percentage of the amount as notified by the Participant in his discretion) that would have accrued to the Participant in question (had the Participant not accepted the Deferred Bonus Award) in respect of the Participant's discretionary bonus for the Schamin financial year immediately preceding the offer of the Deferred Bonus Award, by the volume weighted average share price of Shares as traded on the JSE for the 30 trading days (“VWAP”) ending on the applicable offer date referred to in paragraph 3.

5. LIMITS

- 5.1 The number of Shares which are to be issued under the Bonus Scheme in any period of 10 years, commencing on or after the date of approval of the Bonus Scheme by the Shareholders of Schamin, when added to the number of such shares which are to be issued under the Scharrig Mining Limited Share Appreciation Rights Scheme ("SARS"), the Scharrig Mining Limited Long-Term Incentive Scheme ("LTIP") and any other employee share based schemes operated by the Group, must not exceed 15% of the issued ordinary share capital of Schamin from time to time.
- 5.2 The total number of Shares which are to be issued and/or transferred to a Participant under the Bonus Scheme in any period of 10 years, commencing on or after the date of approval of the Bonus Scheme by the Shareholders of Schamin, when added to the number of such shares which are to be issued and/or transferred to the same Participant under SARS, LTIP and any other employee share based schemes operated by the Group, must not exceed 2% of the issued ordinary share capital of Schamin from time to time.

6. VALUE

- 6.1 At the end of the Employment Period ("Measurement Date"), the VWAP ending on such date will be determined.
- 6.2 The value of a Deferred Bonus Award will be the sum of.
 - 6.2.1 The product of
 - 6.2.1.1 the amount of the VWAP on the Measurement Date referred to in clause 6.1; and
 - 6.2.1.2 the number of Bonus Shares comprising the award referred to in clause 4; and
 - 6.2.1.3 the amount of the Multiple
and
 - 6.2.2 The product of
 - 6.2.2.1 the aggregate of all dividends paid per Schamin ordinary share over the Employment Period; and
 - 6.2.2.2 the number of Bonus Shares comprising the award referred to in clause 4.
- 6.3 As soon as practicable after the Measurement Date, the Remuneration Committee will determine and notify Participants of the amount due to them in terms of the Deferred Bonus Awards.

7. SETTLEMENT

Subject to the provisions of the King Code and any requirements of the JSE, within 20 business days of the determination and notification by the Remuneration Committee in terms of paragraph 6.3, the Participating Company will settle the amount due to Participants in terms of the Deferred Bonus Award by the payment of the value of the award either in cash to the Participant or, at the election of the Participating Company, to a broker or other person specifically appointed by the Participating Company as agent for and on behalf of the Participant. The amount paid is to be applied exclusively towards the obligatory subscription and/or purchase of Shares. The Participating Company, with approval of the Remuneration Committee, shall determine and notify the Participant at the time of payment whether the payment is to be applied towards the subscription of Shares or the purchase of Shares, or any combination thereof.

8. EMPLOYEES TAX

Participants shall be liable for their tax liability arising from participation in the Bonus Scheme. If Participants do not settle their tax liability before settlement of the amount due in terms of the Deferred Bonus Awards, then a sufficient number of Shares purchased or subscribed for in settlement of the Deferred Bonus Awards will be sold to discharge the tax liability.

9. TAKE-OVER

On a take-over of Schamin, provided that a similar scheme is not implemented by the acquirer which contains materially similar terms and conditions as this Bonus Scheme ("Alternative Bonus Scheme") or if an Alternative Bonus Scheme is implemented by the acquirer but an award in terms of the Alternative Bonus Scheme is not accepted by Participants in exchange for Deferred Bonus Awards, the Measurement Date will be accelerated so as to coincide with the date of take-over and settlement in terms of paragraph 8 will take place with effect from that date.

10. WITHDRAWAL AND TERMINATION OF EMPLOYMENT

10.1 Subject to paragraphs 10.2 and 10.3, if a Participant withdraws from the Bonus Scheme or if his employment with the Group terminates for any reason prior to the expiry of the Employment Period, then the Participants Deferred Bonus Award will automatically be cancelled, and the Participant will receive an amount equal to the product of:

10.1.1 The number of Bonus Shares comprising the award referred to in paragraph 4; and

10.1.2 The VWAP on the date of withdrawal or termination of employment (as applicable), whichever is the lower.

10.2 In the event that a Participant's employment with the Group is terminated by reason of death, ill health, incapacity, redundancy, expiry of a fixed term employment contract or other cause considered appropriate by the Remuneration Committee ("good cause") before the end of the Employment Period, the Remuneration Committee may in its absolute discretion allow the Bonus Scheme to continue to apply to the whole or any portion of the Deferred Bonus Award which was made to the Participant, as though he had not ceased to be an employee. . In exercising their discretion, the Remuneration Committee will take into consideration the proportion of the Employment Period which has expired.

10.3 In the event that a Participant's employment with the Group is terminated by reason of retirement (including early retirement) before the end of the Employment Period, the Bonus Scheme will continue to apply to the whole of the Deferred Bonus Award which was made to the Participant, as though he had not ceased to be an employee.

11. VARIATION IN SHARE CAPITAL, ADJUSTMENTS TO DEFERRED BONUS AWARDS

Following a variation in the share capital of Schamin, the Remuneration Committee may adjust the number of notional Shares comprising the Bonus Shares or the basis of calculating the value of the Deferred Bonus Awards in paragraph 6 above in any way which the Remuneration Committee considers appropriate (acting fairly, reasonably and objectively) so that the value of the Deferred Bonus Awards granted to Participants are materially similar to the values applicable prior to the variation, provided that any such adjustments must be confirmed by Schamin's auditors as having been calculated on a reasonable basis.

12. AMENDMENTS TO THE SCHEME

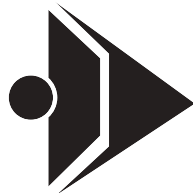
12.1 The directors of Schamin will be authorised to make amendments they consider appropriate to the rules of the Bonus Scheme, subject firstly to the approval having been obtained from the JSE (where required) and subject further to Schamin in general meeting approving such amendments if the amendments relate to:

12.1.1 the persons who are eligible to be granted Deferred Bonus Awards;

12.1.2 the limits provided for in paragraphs 5.1 and 5.2 above;

- 12.1.3 the determination of the values of the Deferred Bonus Award and the amounts payable to Participants in terms of the Bonus Scheme;
- 12.1.4 the rights of Participants in respect of voting, dividends, transfer and other rights in and to the Shares subscribed for and/or purchased pursuant to the settlement of their Deferred Bonus Awards.
- 12.2 The directors of Schamin may make minor amendments to the Bonus Scheme without prior shareholder approval to benefit the administration of the Bonus Scheme, to take into account any change in legislation or accounting practice or to obtain and maintain favourable tax, exchange control or regulatory treatment, provided that the prior approval of the JSE is obtained to any such change, if and to the extent that such prior approval is requisite.”

NOTICE OF GENERAL MEETING



SCHARRIG MINING LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1992/001973/06)
Share Code: SCN ISIN: ZAE000006474
("Schamin" or "the Company")

Notice is hereby given that a general meeting of shareholders of Schamin will be held at 09:30 on Friday, 12 October 2007 at 28 Patrick Road, Jet Park, Boksburg, in order to consider, and if deemed fit, pass with or without modification, the following special resolution:

ORDINARY RESOLUTION NUMBER 1

"Resolved that the Rules of the Scharrig Mining Limited Long Term Incentive Plan as tabled at this Annual General Meeting and for purposes of identification initialled by the chairperson, be and is hereby approved and adopted by the Company."

ORDINARY RESOLUTION NUMBER 2

"Resolved that the Rules of the Scharrig Mining Limited Share Appreciation Rights Scheme as tabled at this Annual General Meeting and for purposes of identification initialled by the chairperson, be and is hereby approved and adopted by the Company."

ORDINARY RESOLUTION NUMBER 3

"Resolved that the Rules of the Scharrig Mining Limited Deferred Bonus Plan as tabled at this Annual General Meeting and for purposes of identification initialled by the chairperson, be and is hereby approved and adopted by the Company."

ORDINARY RESOLUTION NUMBER 4

"Resolved that the directors of the company be and are hereby authorised to do all such things and sign all such documents and procure the doing of all such things and the signature of all such documents as may be required to give effect to and implement the provisions of all resolutions set out in the notice convening the general meeting at which this resolution will be proposed and considered."

VOTING AND PROXIES

All holders of Schamin shares will be entitled to attend and, apart from the controlling shareholders as defined in the definitions section of this circular, will be entitled to vote at the general meeting. On a show of hands every holder of ordinary shares who is present in person, or, in the case of a company, the representative appointed in terms of section 188 of the Act, shall have one vote.

A proxy, who need not be a Schamin shareholder, may be appointed to attend, speak and vote at the general meeting in the place of a shareholder who is entitled to attend and vote at the general meeting and who is not in a position to attend the general meeting.

A proxy may only be appointed by a Schamin shareholder who falls within one of the following categories:

- a certificated shareholder; or
- CSDP nominee companies, stockbrokers' nominee companies and dematerialised shareholders who have elected "own name" registration.

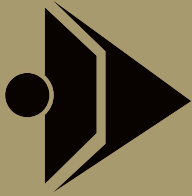
A form of proxy is attached for the convenience of such a shareholder. The form of proxy should be completed and returned so as to reach the transfer secretaries, Link Market Services, 5th Floor, 11 Diagonal Street, Johannesburg (P O Box 4844, Johannesburg, 2000) by 09h30 on Wednesday, 10 October 2007.

Dematerialised shareholders other than dematerialised shareholders with “own name” registration who are unable to attend the general meeting and wish to be represented thereat must provide their CSDP or stockbroker with their voting instruction in terms of the safe custody agreement entered into between themselves and the CSDP or stockbroker in the manner and time stipulated therein.

Dematerialised shareholders other than dematerialised shareholders with “own name” registration who wish to attend the general meeting must instruct their CSDP or stockbroker to issue them with the necessary authority to attend.

By order of the Board

Boksburg
21 September 2007



SCHARRIG MINING LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1992/001973/06)
Share Code: SCN ISIN: ZAE000006474
("Schamin" or "the Company")

FORM OF PROXY

This form of proxy is for use at the general meeting of Schamin shareholders to be held at 09:30 on Friday, 12 October 2007 at 28 Patrick Road, Jet Park, Boksburg **only by those shareholders who have not dematerialised their Schamin shares and those shareholders who have dematerialised their Schamin shares with own-name registration.** Shareholders who have already dematerialised their shares through a Central Securities Depository Participant must not complete this form of proxy, but should contact their CSDP or broker in order to advise them of their voting instructions in the manner stipulated in the custody agreement entered into between them and their CSDP or broker.

I/We

(FULL NAMES IN BLOCK LETTERS)

of

(ADDRESS)

being the holders of shares hereby appoint: (see note 3 overleaf)

- _____ or failing him / her,
- _____ or failing him / her,
- the chairperson of the general meeting of shareholders.

as my/our proxy to act for me/us on my/our behalf at the general meeting which will be held at 09:30 on Friday, 12 October 2007 for the purpose of considering and, if deemed fit, passing, with or without modification, and at any adjournment thereof; to vote for or against the said resolutions or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	For	Against	Abstain
Ordinary resolution number 1 (Long term incentive plan)			
Ordinary resolution number 2 (Share appreciation rights scheme)			
Ordinary resolution number 3 (Deferred bonus plan)			
Ordinary resolution number 4 (Directors authority)			

Signed at _____ on _____
2006

Signature _____

Assisted by me (where applicable) _____

Name	Capacity	Signature
_____	_____	_____

Each shareholder is entitled to appoint one or more proxy(ies) (who need not be shareholders of the Company), to attend, speak and vote in his/her stead at the general meeting.

Please read the notes on the reverse hereof.

Notes:

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the general meeting". The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that member in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy or the chairman of the general meeting, if the chairman of the general meeting is the authorised proxy, to vote or abstain from voting at the general meeting as the chairman of the general meeting deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy. If the total of votes entered exceeds the number exercisable, the chairman will reduce the numbers entered in each of the three columns pro rata in order to reduce the total to the number exercisable as reflected in the company's share register as at the closing time for the acceptance of proxies.
3. Forms of proxy must be lodged at, or posted to the company's transfer secretaries, Link Market Services, 5th Floor, 11 Diagonal Street, Johannesburg, 2001 (P O Box 4844, Johannesburg, 2000), to receive by no later than 09:30 on Wednesday, 2 September.
4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of the company or waived by the chairman of the general meeting.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
7. A minor must be assisted by his/her parents or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the company.
8. The chairman of the general meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the chairman of the general meeting is satisfied as to the manner in which a shareholder wishes to vote.

Certificated and own name registered dematerialised shareholders

If you are unable to attend the general meeting of Scharrig Mining Limited shareholders to be held at 09:30 on Friday, 12 October 2007, at 28 Patrick Road, Jet Park, Boksburg, and wish to be represented thereat, you must complete and return this form of proxy in accordance with the instructions contained herein and lodge it with, or post it to, the transfer secretaries, namely Link Market Services, detailed in note 3 above, to be received by them by no later than 09:30 on Wednesday, 10 September 2007.

Dematerialised shareholders

If you hold dematerialised shares in Schamin through a CSDP or broker and do not have own name registered dematerialised registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the general meeting or be represented by proxy thereat in order for your CSDP or broker to provide you with the necessary authorisation to do so, or should you not wish to attend the general meeting in person, you must timeously provide your CSDP or broker with your instructions as to how you wish your shares to be voted at the general meeting.