SCHARRIG MINING LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1992/01973/06)
Share Code: SCN ISIN Code: ZAE000006474
("Schamin" or "the Company")

Unaudited Interim Results
for the six months ended 30 September 2006

• EARNINGS PER SHARE ▲ 40% • OPERATING PROFIT ▲ 41% • DIVIDEND ▲ 40%

Abridged Consolidated Balance Sheet as at 30 September 2006

	Unaudited six months ended 30 Sept 2006 R000	Audited year ended 31 March 2006 R000
ASSETS		
Non-current assets		
Property, plant and equipment	**1 032 441**	766 969
	1 032 441	766 969
Current assets		
Inventories	**85 072**	29 140
Trade and other receivables	**146 067**	66 636
Bank balance and cash	**50 167**	23 640
	281 306	119 416
Total assets	**1 313 747**	886 385
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital and premium	**305 198**	93 032
Reserves	**285 911**	237 339
Ordinary shareholders' funds	**591 109**	330 371
Non-current liabilities		
Long-term borrowings	**250 783**	178 169
Deferred taxation	**145 017**	121 255
	395 800	299 424
Current liabilities		
Trade and other payables	**73 214**	73 394
Current portion of long-term borrowings	**252 397**	183 175
Taxation	**1 227**	21
	326 838	256 590
Total equity and liabiliies	**1 313 747**	**886 385**
Net asset value per share (cents)	**365**	**240**

Abridged Consolidated Cash Flow Statement for the six months ended 30 September 2006

	Unaudited six months ended 30 Sept 2006 R000	Unaudited six months ended 30 Sept 2005 R000	Audited year ended 31 March 2006 R000
Operating profit before working capital changes	**172 403**	138 101	282 045
Increase in working capital	**(97 786)**	(25 723)	(8 980)
Cash generated from operations	**74 617**	112 378	273 065
Interest paid	**(19 798)**	(15 022)	(27 448)
Dividend paid	**(9 952)**	(5 299)	(11 897)
Taxation paid			(2 507
Cash flows from operating activities	**44 867**	92 057	231 213
Cash flows from investing activities	**(335 833)**	(105 001)	(283 871)
Addition to property, plant and equipment	**(277 674)**	(105 001)	(283 871)
Acquisition of subsidiary	**(58 159)**		
Cash flows from financing activities	**317 493**	12 941	47 413
Issue of shares	**212 166**		654
Long-term liabilities	**105 327**	12 941	46 759
Net increase/(decrease) in cash and cash equivalents	**26 527**	(3)	(5 245)
Cash and cash equivalents at the beginning of period	**23 640**	28 885	28 885
Cash and cash equivalents at the end of period	**50 167**	28 882	23 640

Segmental Analysis for the six months ended 30 September 2006

	R000 Turnover	R000 Net income before taxation
Opencast mining services	394 521	80 782
Drilling and blasting services	19 112	(56)
Second hand equipment and spares trading	39 257	1 634
	452 890	82 360

Abridged Consolidated Income Statement for the six months ended 30 September 2006

	Unaudited six months ended 30 Sept 2006 R000	Unaudited six months ended 30 Sept 2005 R000	Audited year ended 31 March 2006 R000
Revenue	**452 890**	311 810	616 468
Operating profit before finance charges	**102 158**	72 518	151 869
Finance charges	**19 798**	15 022	27 448
Net profit before taxation	**82 360**	57 496	124 421
Taxation	**24 969**	17 878	35 159
Net profit after taxation	**57 391**	39 618	89 262
Earnings attributable to ordinary shareholders	**57 391**	39 618	89 262
Attritutable earnings per share (cents)	**43.5**	31.0	69.3
Headline earnings per share (cents)	**43.5**	31.0	69.3
Dividend per share (cents):			
Interim (proposed)	**7.0**	5.0	5.0
Final (declared)			7.0
	7.0	5.0	12.0
Shares in issue (000)			
– at end of period	**161 931**	137 431	137 431
– weighted average for the period	**132 043**	127 650	128 814
Reconciliation of headline earnings			
Earnings attributed to ordinary shareholders	**57 391**	39 618	89 262
Headline earnings attributed to ordinary shareholders	**57 391**	39 618	89 262

Statement of Changes in Equity for the six months ended 30 September 2006

	Share capital R000	Share premium R000	Capital reserve R000	Treasury shares R000	Accumulated profit R000	Reserve on acquisition of subsidiaries R000	Total R000
Balance at 30 September 2005	1 374	100 055	6 076	(8 866)	179 415	13 866	291 920
Dividends paid				155	(6 554)		(6 399)
Share options exercised				314			314
Profit for the six months ended 31 March 2006					44 536		44 536
Balance at 1 April 2006	1 374	100 055	6 076	(8 397)	217 397	13 866	330 371
Shares issued	245	206 380		(18 375)			188 250
Share options exercised				23 675			23 675
Recognition of share-based payment			1 133				1 133
Profit for the period ended 30 September 2006					57 391		57 391
Dividend paid				241	(9 952)		(9 711)
Balance at 30 September 2006	1 619	306 435	7 209	(2 856)	264 836	13 866	591 109

Benicon Opencast Mining

Benicon have experienced growth in the volumes moved and continue to expand their market share. Its monthly volumes have averaged in excess of 1 million cubic metres over the period under review and consequently Benicon trades ahead of expectations.

Drilling and blasting

There has been a movement towards the outsourcing of drilling and blasting operations by mine owners and it was decided to take advantage of this opportunity and enter this segment of the mining contracting business. The group invested R59 million in the drilling and blasting operation primarily in the acquisition of drill rigs and support equipment. Drilling and blasting complements the earthmoving operations and expands the groups earning potential and client base. This operation is in it's infancy and at present is in a break-even position. Management is confident that this will improve in the near future. For the period under review in excess of 800 000 metres was drilled for clients.

Geosearch

The Geosearch acquisition became unconditional with the approval of the Competition Commission and the South African Reserve Bank and will be consolidated into the group with effect from 1 October 2006. The operations of both the international and local arms of Geosearch are trading significantly above expectations.

Capital expenditure

The group has invested an amount of R277 million during the period under review. Of this an amount of R58 million was acquired as part of the fair value exercise on the Benicon acquisition. Benicon acquired plant to the value of R45 million to expand their operations in the period June to September 2006. The group invested a further R59 million in the establishment for the drilling and blasting operations.

The worldwide shortage of opencast mining equipment continues to impact the expansion opportunities of the group and as a result of this shortage Schamin has been aggressive in acquiring new and reasonably priced second hand mining equipment, which became available on the world market. As a consequence an amount of R87 million was invested in new equipment and R28 million on second hand plant.

Prospects

The mining operations continue to experience strong demand, which is expected to continue to the end of the current financial year and beyond. Benicon has been bedded down and is a meaningful contributor to the bottom line. Geosearch is expected to contribute significantly to the group's results.

Basis of presentation

The interim 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.The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34 – Interim Financial Reporting. The accounting policies have been applied consistently to all periods presented in the interim financial statements.

Dividend

An interim dividend of 7 cents per share has been declared by the board in respect of the six months ended 30 September 2006 payable on Monday 18 December 2006 to those shareholders recorded in the register of the company at the close of business on Friday 15 December 2006. The salient dates of the interim dividend are as follows:

Last date to trade cum dividend	Friday, 8 December 2006
Shares trade ex dividend	Monday, 11 December 2006
Record date	Friday, 15 December 2006
Payment date	Monday, 18 December 2006

No dematerialisation or rematerialisation of shares may take place between Monday, 11 December 2006 and Friday, 15 December 2006, both dates inclusive.

COMMENTS

Nature of operations

Schamin's vision is to be the mining services company of choice on the African continent. Schamin is currently one of the major players in the contract-mining sector primarily to the South African coal industry. With the recently completed acquisition of Geosearch Schamin has become one of the largest exploration-drilling contractors on the African continent.

Results

The results for the 6 months ended 30 September 2006 show another increase over the corresponding period. Turnover is up 45% and operating profit has increased by 41% from R72.5 million to R102.0 million. Headline earnings per share has increased by 40% to 43.5 cents from 31 cents per share. Net asset value per share has since 31 March 2006 increased by 52% from 240 cents per share to 365 cents per share.Turnover in September 2006 was significantly higher than March 2006, this resulted in an increased investment in working capital.

The groups debt to equity ratio has decreased to 77% from the 102% reported at 31 March 2006.

These interim results incorporate four months of trading from the Benicon acquisition that was made unconditional on 29 May 2006.

Operations

Scharrighuisen Opencast Mining

The Scharrighuisen operations have continued to expand. The abnormally high rainfall experienced in March continued into April and May and operations in those months were below budget but since then volumes have increased and the performance has been satisfactory. A new contract was started towards the end of the last financial year on behalf of Umcebo Mining Group. This contract has progressed to steady state mining and the volumes are exceeding budget. In respect of the contracts with BHP Billiton all minipits are running at acceptable volumes with the Khutala minipit being the benchmark operation with volumes stabilising at 1.5 million cubic metres per month. The top soil stripping and rehabilitation contracts are performing on target.

On behalf of the board

C Scharrighuisen
Managing Director

J Holland
Financial Director

Boksburg
30 November 2006

Directors: *Sir S E Jonah (Chairman)****,*** D C M Gihwala* *(Deputy Chairman),*
C Scharrighuisen *(Managing),* J Holland *(Financial),* T R Hendry*,
Dr P Huysamer*, A Joffe*, R K Jonah*, C Moorcroft, T Scharrighuisen*,
E H J Stoyell* **Non-Executive*

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