Central Rand Gold

Annual Report 2007

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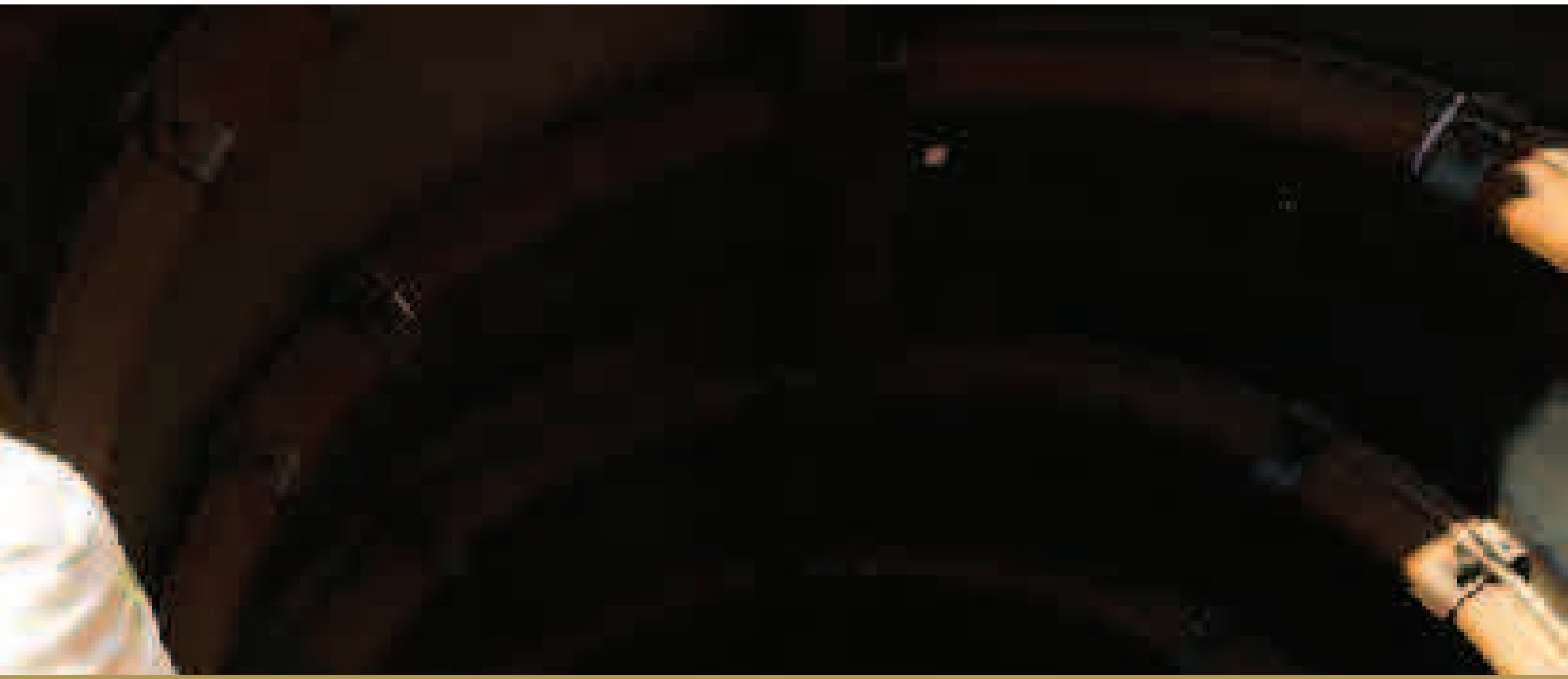
Forward Looking Statement



Cautionary statement

This document contains certain forward looking statements with respect to the financial condition, results of operations and business of the Central Rand Group. The words "intend", "aim", "project", "anticipate", "estimate", "plan", "believes", "expects", "may", "should", "will", or similar expressions, commonly identify such forward looking statements. Examples of forward looking statements in this annual report and financial statements include those regarding estimated ore reserves, anticipated production or construction dates, costs, outputs and productive lives of assets or similar factors. Forward looking statements involve known and unknown risks, uncertainties, assumptions and other factors set forth in this document that are beyond the group's control. For example, future ore reserves will be based in part on market prices that may vary significantly from current levels. These may materially affect the timing and feasibility of particular developments. Other factors include the ability to produce and transport products profitably, demand for our products, the effect of foreign currency exchange rates on market prices and operating costs, and activities by governmental authorities, such as changes in taxation or regulation, and political uncertainty.

In light of these risks, uncertainties and assumptions, actual results could be materially different from any future results expressed or implied by these forward looking statements which speak only as at the date of this report. Except as required by applicable regulations or by law, the group does not undertake any obligation to publicly update or revise any forward looking statements, whether as a result of new information or future events. The group cannot guarantee that its forward looking statements will not differ materially from actual results.

Vision and Mission

To become the largest and most profitable producer of gold and related minerals from a single mine in the world

"Central Rand Gold will set a new standard for environmentally safe, clean and non-intrusive mining in South Africa." ***- CEO Greg James***

"The glory days of gold mining return to the proud city of Johannesburg." ***- CEO Greg James***

Highlights

Central Rand Gold has recorded some significant highlights during 2007/8. These include:

- Primary listing on the London Stock Exchange and secondary listing on the Johannesburg Stock Exchange on November 8, 2007
- Highly successful public participation programme and public meetings with residents of the local communities
- Lodging of the Environmental Impact Assessment study on February 4, 2008
- Upgrade of an additional 1.8 million ounces of indicated and inferred resources to 35.6 million ounces
- Identification of the first three slots for initial surface mining

Central Rand Gold

Company Profile

Central Rand Gold Limited (CRG) is the holding company for a group of companies engaged in gold exploration in one of South Africa's most prolific mining areas.

With its primary listing on the main market of the London Stock Exchange, the company also has a secondary listing on the Johannesburg Stock Exchange.

CRG's operating subsidiary, Central Rand Gold SA (Proprietary) Limited, has title and contractual arrangements in place that give it access to eight contiguous prospecting rights in the Central Rand Goldfield. It is currently prospecting in an area south of the city of Johannesburg known as "the 3 Cs" – Consolidated Main Reef, Crown Mines and City Deep. Prospecting is also taking place at Langlaagte, the former farm where gold was first discovered on the Witwatersrand in 1886 by Australian prospector, George Harrison.

Central Rand Gold SA (Proprietary) Limited is 26% - owned by Puno Gold Investments (Proprietary) Limited, a consortium of diversified and broad-based Black Economic Empowerment (BEE) investors. This meets the ownership requirements of South Africa's BEE legislation relating to the mining industry.

The company's project area comprises a seven kilometre wide sequence of quartz pebble reefs where heavy minerals – including gold, pyrite and potentially uranium – have been concentrated to a greater or lesser extent. Although the area was extensively mined in the 1800's and 1900's, detailed analysis of previous mining operations suggests the potential existence of a further 120 million ounces of gold, recoverable through both surface and underground mining operations.

While previous mining operations lacked the technology to fully exploit mineral-bearing reefs, the application of modern mining methods will allow the financially viable recovery of gold (and by-products) from underground sources. Previously, lower grade ore was left behind and some highly prospective areas were undetected and ignored due to the lack of technically advanced exploration techniques.

Once CRG has fully mined the area using environmentally-conscious methods, the land will be rehabilitated so that it can become available for alternative forms of development.

The first Mining Right Application was lodged with the Department of Minerals and Energy in July 2007. This was followed by the Environmental Management Plan (EMP) and the Environmental Impact

Assessment (EIA) report being submitted in February 2008, both of which encompassed a variety of specialist studies and a comprehensive public participation process that included presentations, workshops and open days.

It is intended that CRG will begin gold production in early 2009 at an annualised rate of 100,000 ounces. This production rate is forecast to increase to around one million ounces a year by 2012. CRG's current resource base of 35.6 million ounces (refer to resource table below) of gold, as well as pyritic quartzite exploration targets, ensures a minimum projected mine life of 35 years.

In the early stages, mining operations are planned for three reef packages – the Main, Bird and Kimberley Reef packages. Other reef packages intersected within the prospecting right area will be explored for economically viable ore extraction.

Importantly, the mine design process has been approached with a view to achieving optimal gold resource extraction with minimal surface impact. This will be achieved via means of a trackless mining layout which lends itself to superior mining efficiencies and conditions than is available through conventional narrow reef mining.

It is envisaged that the major reefs will be exploited through slot, undercut and shallow mining as well as mining of deeper ore resources via underground mining.

The mining methods proposed by the company have been used successfully in Australia and elsewhere, and have been reconfigured to suit CRG's mine requirements. Initially, CRG intends to conduct surface mining to depths of 70 metres below surface and progress to underground mining at depths of between 170 metres and 300 metres, with deeper mining taking place in the future in a largely new underground network.

Significantly, the proposed mine design sets a new benchmark in South Africa – for environmentally responsible mining. Due to the proximity of mining activities to urban areas, every aspect of the mining operations has been, and will continue to be, subjected to rigorous environmental audits.

As portions of the proposed mining areas comprise disturbed land as a result of previous mining activities, CRG will strengthen historical workings and stabilise old shafts, making the area safer for local communities.

CRG intends making minimal demands on the urban infrastructure of Johannesburg. It is expected that Rand Water will initially supply water to the project, after which CRG will recycle and re-use this water. Where possible, CRG will also utilise the vast subsurface water supply available from old mine workings. CRG also intends to generate its own power for its operations, and will therefore not be reliant on the main grid for its energy requirements.

While use of explosives may be necessary, modern, low-noise blasting techniques will be utilised. CRG's proposed mining operations will be highly mechanised by implementing extra low-profile equipment and machinery. This equipment and machinery not only increases production, but also the safety of operators.

Taking a broader view on CRG's efforts to bring gold mining back to the city of Johannesburg, it is important to note that the company's operations will uplift the surrounding communities through job creation, education and social responsibility programmes aimed at generating sustainable economic improvement for thousands of people.

CRG has adopted a multi-skilling approach, opting to recruit and train its workforce from surrounding community groups rather than further afield, as has traditionally been the case in South African mining. As a result, CRG's labour will not require hostel-type accommodation, minimising disruptions to social and family life.

The development of the Central Rand Goldfields is an exciting project to which CRG is wholeheartedly committed.

Central Rand Gold's current resource estimates

Reef	Mt	g/t	Indicated Moz	Mt	g/t	Inferred Moz
Main Reef	39.4	6.3	8.0	16.2	7.3	3.8
Main Reef Leader	35.6	11.7	13.4	9.9	12.6	4.0
Pyritic Quartzite	-	-	-	0.9	45.0	1.3
South Reef	-	-	-	5.3	6.0	1.0
Bird Reef	4.5	4.1	0.6	14.7	4.2	2.0
Kimberley Reef	5.1	2.4	0.4	11.9	3.1	1.2
Total	**84.6**	**8.2**	**22.4**	**58.9**	**7.0**	**13.3**

Chairman's Report

In this the company's maiden annual report to shareholders, it is a privilege for me to reflect on the initial steps of Central Rand Gold's journey towards bringing gold mining back to the heart of Johannesburg, a city that was founded on gold in the 1880's and is still headquarters to several of the world's major gold mining companies.

From the outset, Central Rand Gold has been based on a multifaceted vision: to return gold mining to "Egoli" (the City of Gold), but in a way that minimises the impact on the environment, maximises the benefit to local communities, utilises the most modern and efficient mining methods, and aspires to the highest levels of corporate governance and operational excellence.

Essentially, we see ourselves as a small, entrepreneurial company that incorporates the management practices, professionalism, information systems and mining standards and methods of a much larger company. Our rationale, mindset and conduct is not speculative, it is mainstream, strategic and farsighted, based on a real desire to mine substantial unmined deposits that will bring rewards to all of our stakeholders, Johannesburg and South Africa at large. By applying the highest standards of environmental, mining and social responsibility, we are confident we will deliver a wide range of tangible improvements to the landscape, the economy and the people in the areas where our projects are situated.

The reception the company has received so far in its journey has been exceptional, especially in London where approximately £100 million (equivalent to around ZAR 1.5 billion) was raised up to and including the company's listings on the main boards of the LSE and the JSE on November 8, 2007. This was a strong vote of confidence in Johannesburg, South Africa and Central Rand Gold itself.

The company's recent share price performance has been disappointing, notwithstanding a high gold price since the IPO. Nevertheless, with a market capitalisation of around £220 million towards the end of April, the company was ranked in the top 130 companies on the JSE in terms of market capitalisation. I am confident that as we move towards gold production in 2009, we can expect a re-rating of our prospects in the investor community with a positive impact on the company's share price.

While shareholders have provided the company with a robust balance sheet through which it has been able to carry out its comprehensive exploration activities, upgrade its mineral resources, apply for the right to mine, and gradually build up to operational and mining readiness, much of the credit for the company being where it is today must go to Morris and Richard Viljoen, the geological academics on whose thesis Central Rand Gold's business case is based.

As Emeritus professors at the University of the Witwatersrand, they developed the notion of considerable unmined reefs remaining within the previously mined gold mining areas of Johannesburg. It is wonderful and encouraging to have them as shareholders of the company as we progress along the exploration curve to becoming a fully fledged gold mining entity.

With exploration drilling covering more than 46,500 metres to date – at a cost of more than £15 million (over ZAR 200 million) – we have already demonstrated our total commitment to resuscitating gold mining in Johannesburg. By any standards anywhere in the world, this initial drilling phase is incredibly comprehensive and shows how committed management, staff and shareholders are to making Central Rand Gold a successful gold miner.

As our CEO has stated in his report, we have defined our first three surface mining targets based on drilling, analytical conversion and empirical observations refined. This represents a very tangible step forward in our goal of becoming a fully fledged mining company in the very near future. Ongoing exploration and underground sampling is also continuing apace to ensure that we have a strong pipeline when we enter into our operational mining phase.

What is particularly gratifying is the enthusiasm with which our public participation initiatives have been embraced and received by leaders and members of local communities who are keen to become involved in our projects, work on our mines, supply goods and services to our mines and generally raise their standards of living as a result of us doing what we are doing. In a country such as South Africa, which still has huge income inequalities and a major unemployment problem, our significant investments and our ongoing mining presence will bring enormous direct and indirect financial relief to thousands of people.

Over the longer term, our shareholders will benefit, but it is vital to ensure that throughout the lifetime of our exploration and mining in the area, the environment and the local inhabitants are better off and not worse off as a result of our activities.

Though there is still much to be done before we are in gold mining mode and ramping up towards our optimal ore treatment rate, it is fitting to reflect on the achievements and progress to date and the foundation that has been laid for the future.

The recent 1.8 million ounce upgrade of our mineral resources to 35.6 million ounces of gold is a significant achievement, especially as around 30% of the increased resource is between the surface and 200 metres below the surface, in line with our objective of gaining access to early cash flows once we have received our mining right.

With a strong shareholder funded balance sheet and good internal resources to be able to continue doing what we have done so successfully to date, an excellent foundation has certainly been laid for future development and growth.

On Tuesday April 29, the directors formally welcomed Michael McMahon to the board as a non-executive director. A previous chairman of Impala Platinum, he is currently a non-executive director on the boards of Impala Platinum, Gold Fields and Murray & Roberts. His wealth of technical experience in the gold and platinum mining industries strengthens the CRG board and will prove extremely valuable as we move into the mining phase of our operations.

Rams Ramokgopa, an original board member of the Central Rand Gold group, announced his retirement at the end of April. He was instrumental in introducing Puno Gold Investments as our BEE partner and has played a valuable role in our operating company's affairs. I would like to thank him for his efforts and wish him well in his retirement and future activities.

When it comes to thanks, there are three specific groups of people to whom I would like to extend my sincere gratitude:

- my fellow non-executive directors – Nick Farr-Jones, Robert Kirkby and Miklos Salamon - who were instrumental in Central Rand Gold achieving its listings in London and Johannesburg. They worked tirelessly to reach this goal;
- management and staff, under the leadership of our CEO, Greg James, who have worked diligently to get our projects to such an advanced stage; and
- our BEE partners, Puno Gold Investments, who have played an important role in our progress to date.

It has been a pleasure working with all of our people who have put in an enormous amount of work towards realising the vision that we all share.

There is certainly much to look forward to as we work together towards ensuring that our company takes its place among South Africa's gold producers, and brings gold mining back to the vibrant city of Johannesburg.

Alastair Walton
Chairman

Chief Executive Officer's Report

Overview

It is indeed a great pleasure to be able to report back to shareholders on the first year of Central Rand Gold's operations and to provide some further insight into where the company is heading in these exciting times for the gold industry in South Africa and around the world.

Through the unstinting efforts of a small team of dedicated professionals, a tremendous amount has been achieved to date, establishing the foundations for a bright future for all stakeholders in Central Rand Gold.

From the outset, our intention has been to be a mining company with a difference – and we are confident that we are well on the way towards achieving this objective.

Central to this is our strong involvement with the communities in which our mining projects are situated. Constant consultation and regular meetings with community members and leaders have ensured a high level of "buy-in" from people living in our mining-focused areas.

Community leaders and members are particularly enthused by the fact that the company will be bringing many important benefits to areas in which mining has been dormant for many years – such as skills development, training and employment that will favourably impact living standards.

This community focus formed an important part of our Environmental Impact Assessment report which was submitted to the Department of Minerals and Energy on February 4, 2008.

A database of potential employees has been created and is constantly being updated to ensure that at peak production, when staff will number around 4,000, as many people as possible will be drawn from the local community living in close proximity to our mining operations.

Corporate progress

While most of our emphasis to date has been on exploration, excitement is building up as we move closer to becoming a mining company. If all goes according to plan, our first mining activity should take place in early 2009.

Importantly, Central Rand Gold remains on track to meet its forecast of producing its first 100,000 ounces of gold in 2009, achieving a production rate of 250,000 ounces of gold a year by 2010 and a production rate of one million ounces a year by 2012.

A huge amount of effort has gone into getting the company to its current position – from exploration to assay work, to community involvement, to Black Economic Empowerment, to our comprehensive Environmental Impact Assessment, to health and safety, to our Social and Labour Plan, to studying and fine-tuning world-class mining practices that will be implemented on our sites. Significantly, our staff and management complement is strongly representative of South Africa's vibrant multi-racial society.

In line with South Africa's Mining Charter and Black Economic Empowerment legislation, 26% of Central Rand Gold SA (Proprietary) Limited is owned by Puno Gold Investments (Proprietary) Limited ("Puno"), chaired by Monk Goocin. Although generally matters have been progressing as expected with our BEE partner Puno, there has recently arisen a dispute relating to technical breaches of the CRGSA shareholders agreement. The dispute surrounds the allocation of intercompany loans which fund the budget and work programme and the incurring of, and level of, certain costs. We have tried to settle any disagreements amicably, but so far without success. The next step, if so required, is for the parties to refer the matter to arbitration pursuant to the dispute resolution mechanism under the shareholders' agreement. We believe that ultimately our position will prevail. The directors believe that this will not have any material consequences in respect of the consolidated accounts of the group. Notwithstanding this position, we have pending the outcome of any dispute allocated 100% of the intercompany funding since execution of the shareholders' agreement from the company to CRGSA. This additional 26% of intercompany debt excluding interest amounts to ZAR 29.5 million (US$4.3 million) between June 2007 and December 31, 2007 and ZAR 12.2 million (US$1.6 million) between January 1, 2008 and March 31, 2008.

Our attitude has been and will continue to be that there are no short-cuts: everything we undertake has a methodology, a purpose and an end result.

To this end, we have been extremely thorough in everything we have undertaken – from our public participation process, to our environmental and health and safety initiatives, to our exhaustive exploration exercises and procedures.

There can be few mining companies that have engaged as closely as we have with communities while still in the exploration phase – every meeting has been worthwhile, ensuring that we can proceed with our projects in a spirit of participation and inclusiveness rather than separation and alienation.

Exploration activity/Resource upgrade

From an exploration point of view, the company's geological team has been very active in the field since October 2006, assembling an impressive array of drill results from more than 45,600 metres of drilling – 10,000 metres of which were drilled between October 2007 and February 2008.

Up until April 20 this year, no fewer than 167 diamond drill holes had been completed (including geotechnical holes), most of them with depths of 60-100 metres. No fewer than 2,102 reverse circulation holes (including soil sampling) had been completed, most of them with depths of up to 60 metres.

Over the same timeframe, a total of 89,575 assays had been sent for analysis and results for 69,893 had been received.

Importantly, this showed a welcome rise in the numbers of assay results received to 78% of the total submitted compared to the level of 50% stated in our prospectus. This has resulted in the purchasing of our own analytical assay laboratory being unnecessary at the moment.

The company's primary focus was to access the underground workings in order to ratify the paper resource generated from the desktop studies, ascertain the existing ground conditions in the old workings and embark on a major underground sampling programme in targeted areas to convert existing resources into mineable resources.

The company has located four shafts in good condition, and is in the process of equipping and accessing the old level developments. An underground sampling programme is currently underway, and early results are proving to be encouraging.

From a mineral resources point of view, a major milestone for the company was reached at the end of February 2008, when we were able to announce a significant upgrade of our indicated and inferred resources.

In our initial statement, we declared an indicated resource of 21.4 million ounces of gold and an inferred resource of 12.4 million ounces of gold, making a total of 33.8 million ounces.

On February 29, we upgraded the indicated resource by 932,000 ounces to 22.4 million ounces and the inferred resource by 828,000 ounces to 13.2 million ounces. Our total mineral resource rose by 1.8 million ounces to 35.6 million ounces. Importantly, of this increase, 530 000 ounces have been identified between surface and 200 metres below surface.

This upgrade underpins the confidence we have in the viability and sustainability of our exploration projects and supports the optimism we have in our ability to become a world-class, low-cost gold producer in the near future.

Chief Executive Officer's Report

More significantly, we also confirmed our first three mining targets from which our first gold will come once we receive our mining right. We refer to these as slots 4, 8 and 9. In our prospectus we had identified nine slots, so this is further evidence that we have refined our exploration understanding in order to maximise our early cash flows and test our mining concepts.

Our drilling programme is continuing, coupled with underground sampling, across all nine slots with the aim of further enhancing the current resource base in the Central Rand Goldfield.

It is important to note that while our initial mineral resource statement was based primarily on the Main Reef and Main Reef Leader sequences, our updated mineral resource (validated by independent competent persons Snowden Mining Industry Consultants and Dr Carina Lemmer in accordance with the JORC and SAMREC codes) is based on a wider area including the Bird Reef and Kimberley Reef packages.

Summary

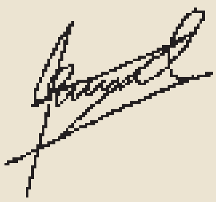
While much has been achieved in a short space of time, much still needs to be done before we become a fully-fledged mining company, producing gold on a sustainable, long-term basis.

With a strong balance sheet and a strong project pipeline, we can look to the future with confidence. As at December 31, our cash balance was US$151.3 million, compared to the US$135.6 million projected in our prospectus, most of the increase coming from our decision not to purchase our own assay laboratory.

As a budding gold producer, it is also worth noting the current state of the gold and currency markets which have moved quite dramatically in recent months. At the time our company was conceptualising its projects and activities, the gold price was at around US$650/ounce and the exchange rate was ZAR7=US$1. In mid-March, 2008, the gold price nudged above US$1,000 for the first time and the exchange rate had gone back above ZAR8=US$1.

My sincere thanks must go to everyone who has played a part in Central Rand Gold's exciting journey thus far.

With the continued commitment of all of our stakeholders – directors, management, staff, shareholders, BEE partners, suppliers and community members – I am confident that the company is well on the way to realising its undoubted potential.



Greg James
Chief Executive Officer

Directors' Report

The directors are pleased to present their report to shareholders of Central Rand Gold Limited together with the full financial statements for the year ended December 31, 2007.

Going concern

As at December 31, 2007 the group had accumulated losses of US$ 52.7 million.

The company's and the group's financial information has been prepared on a going concern basis for each of the years ended December 31, 2006 and December 31, 2007. This basis presumes that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Dual listed structure

Central Rand Gold Limited was admitted to the main market of the London Stock Exchange and the Johannesburg Stock Exchange on November 8, 2007. The listing on the London Stock Exchange is considered to be the company's primary listing and the Johannesburg Stock Exchange is a secondary listing.

Directors' responsibilities

Details are set out in the Directors' Responsibility Statement on page 24.

Activities and business review

Central Rand Gold Limited is the holding company for a group of companies engaged in gold exploration in one of South Africa's most historic mining areas south of the city of Johannesburg. This area is comprised of eight contiguous new order prospecting rights represented by eleven separate tenements. The group intends to begin mining activities by the end of the first quarter of 2009. Further details of the group's results, operations and principal activities, likely future developments, significant changes during the year and post balance sheet events are set out in the Company Profile, the Chairman's Statement and the CEO's report on pages 6 to 12. Principle risks relating to the group's activities are set out in the Corporate Governance and Sustainability Report on page 22.

Dividends

No dividends were declared or paid during the year under review.

continued

Directors' Report

Directors

The directors are pleased to announce the appointment of John Michael McMahon to the board of directors as a non-executive director on April 29, 2008. On the same day, the directors also accepted the resignation and retirement of Sedupe Josiah (Rams) Ramokgopa. The names of the directors together with their biographical details and the period of each directorship are shown on pages 16 to 19. Details of board meetings and directors' attendance at board meetings are laid out in a table on page 19.

Remuneration of directors and executives

Details relating to the Remuneration Committee appear on page 21. Details of remuneration paid to directors appear in Notes 17 and 27 to the group and company financial statements on pages 48 and 57 to 58 respectively.

Secretaries

The company recognises the need for a full time company secretary. As of January 7, 2008, Bethuel Ngwenya was appointed to this position.

Indemnities and insurance

The company maintains directors' and officers' liability insurance to cover claims made against directors and officers of the company arising out of actions taken in relation to the company's business.

Employment policies and communication

Owing to the ongoing growth of the group, the number of individuals employed has expanded rapidly. The number of employees within the group has risen from 29 as at December 31, 2006 to 61 employees as at December 31, 2007. Since the 2007 year end, the group's staffing complement has increased by an additional 59 per cent. as demonstrated in the table below. Central Rand Gold's employment policies are set out in the company's Human Resources Policies. Central Rand Gold is committed to equality of opportunity for all and the principles of employment equity as defined by the South African government.

Department	December 31, 2006	December 31, 2007	March 31, 2008
Executive Directors	4	4	4
Non-Executive Directors	4	4	4
Non-Executive Directors of Subsidiaries and alternates	0	4	4
Risk & Loss	2	2	3
Geology	7	15	23
Procurement	0	0	4
Finance	2	9	12
HR	1	2	2
Mining	1	4	7
Technology	2	7	11
Legal	1	2	2
Company Secretary	0	0	1
Community Liaison	0	0	2
Enviromental	0	1	1
Metallurgical	0	0	2
Support	5	11	13
Internal Audit	0	0	2
	29	**65**	**97**

The group actively promotes a healthy and safe working environment through regular training of and communication with employees.

Post retirement benefits are arranged for employees of Central Rand Gold SA (Proprietary) Limited The benefits are organised through a defined contribution pension plan administered by Pogir Bastion Employee Benefits (Proprietary) Limited (an authorised financial services provider, License Number 2119) in South Africa.

The group provides clear and timely communication with its employees concerning business performance and corporate developments. It endeavours to maintain effective channels of communication through an internal communication team, which manages the release of information to employees across the group's businesses. Information is released through a number of forums including electronic paper newsletters and bulletins and the group's intranet.

Corporate governance

A full report on corporate governance can be found on pages 16 to 23.

The directors are of the opinion that as far as possible the company has complied with the principles as set out in the Combined Code on Corporate Governance published in 2006 by the Financial Reporting Council so far as it is considered appropriate having regard to the size and nature of the group's activities.

Governmental regulations

The South African Mineral and Petroleum Resources Development Act 2002 and the Empowerment Charter for the South African Mining Industry targets the transfer (for fair value) of 26 per cent ownership of existing South African mining assets to historically disadvantaged South Africans (HDSAs) within ten years.

Central Rand Gold's operating company has complied with this requirement and is also constantly working to comply with the charter's "scorecard" on other broad-based Black Economic Empowerment issues such as employment, training and procurement.

The company anticipates that the government of South Africa will continue working towards the introduction of a royalty payment regime in respect of mining tenements, expected to become effective during 2009.

Legal proceedings

Neither Central Rand Gold Limited nor any of its subsidiaries are defendant in any proceedings which the directors believe will have a material effect on either the company's financial position or profitability.

Internal controls

The directors acknowledge their responsibility with the regard to the implementation and monitoring of internal controls. In this regard, the company moved progressively to establish an internal audit function with effect from January 7, 2007. The internal audit manager reports directly to the audit and risk management committee.

The board of directors has reviewed the company's internal controls at the time of the initial public offering and intend to do so at least on an annual basis.

Disclosure of information to auditors

The directors who were members of the board at the time of approving the Directors' Report are listed on page 17. Having made enquires of fellow directors and of the company's auditors, each of these directors confirms that :

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Moore Stephens LLP has expressed their willingness to continue in office.

G D James
Chief Executive Officer

R E M Vittino
Chief Financial Officer

Corporate Governance and Sustainable Development

Central Rand Gold strives to maintain the highest standards and quality in relation to corporate governance, environmental matters and sustainable development. To this end it pursues a policy of openness and transparency in all its dealings with legislators, affected communities and other stakeholders.

Corporate Governance, Compliance and Ethics

Central Rand Gold Limited (CRG) is a Guernsey incorporated company and it is also registered in South Africa as an external company. One of its subsidiaries, Central Rand Gold N.V, was incorporated in the Netherlands Antilles. CRG's operating subsidiary is Central Rand Gold South Africa and is registered in South Africa. CRG has a primary listing on the London Stock Exchange (LSE) and a secondary listing on the Johannesburg Securities Exchange (JSE).

Compliance

Legally, CRG complies with the company laws of its place of incorporation being Guernsey and the company laws of the place of its external registration being South Africa. By virtue of its LSE listing, CRG experiences the impact of UK company laws and because one of its subsidiaries, Central Rand Gold (Netherlands Antilles) N.V , is incorporated in the Netherlands Antilles, CRG is also impacted by the company laws of the Netherlands Antilles.

Governance

With the exception of the fact that the chairman of the board of directors is also the chairman of the Remuneration Committee, CRG is generally structured in accordance with the governance requirements of the Combined Code and it strives to comply with other corporate governance codes applicable to companies listed on the LSE. CRG also takes cognizance of the provisions of the 2nd King Report on Corporate Governance as applicable to companies listed on the JSE. Because of its primary listing on the LSE, codes of corporate governance applicable to companies listed on the LSE take precedence over other similar codes. Having listed on both the LSE and JSE on November 9, 2007 CRG is continuously reviewing its corporate governance position to ensure that it ultimately complies fully with ongoing corporate governance imperatives.

Board of directors

CRG has a unitary board led by an independent non-executive chairman. The board of directors is made up of eight directors, five of whom are independent non-executive directors. One of the independent non-executive directors is a senior director as required by the Combined Code. The directors have access to the services of an appropriately qualified and experienced company secretary.

The board is ultimately responsible for all matters relating to the running of the company. The board's role is to govern the company rather than to manage it. In governing the company, the directors act in the best interests of the company as a whole. It is the role of senior management to manage the company in accordance with the direction and delegations of the board and the responsibility of the board is to oversee the activities of management in carrying out these delegated duties.

The board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the company. The board also ensures that the company complies with all of its contractual, statutory and any other legal obligations, including the requirements of the LSE and the JSE. In summary, the principal functions and responsibilities of the board include the following: providing general leadership to the company; overseeing the development and implementation strategy; ensuring corporate accountability to the shareholders; putting in place control and accountability systems that ensure the company is progressing towards the goals set by the board and in line with the company's purpose; the agreed corporate strategy; legislative requirements and community expectations; ensuring robust and effective risk management compliance and control systems (including legal compliance) are in place and operating effectively; and being responsible for the appointment of the company's senior management.

Directors

CRG has a board that comprises directors who are appropriately qualified and experienced and who fully understand the business of the company. As per the company's Articles of Association, a third of the directors retire at the end of each financial year, and are eligible for re-appointment by the company at the general meeting.

Board of directors

Name	Nationality	Age	Position	Date of Appointment
Mr Alastair Walton	Dual Australian/British	50	Non-Executive Chairman	8 June 2007
Mr Gregory James	South African	43	Chief Executive Officer	8 June 2007
Mr Michael Sullivan	Australian	56	Chief Operating Officer	8 June 2007
Mr Riccardo Vittino	Australian	47	Chief Financial Officer	8 June 2007
Mr Nicholas Farr-Jones	Australian	45	Non-Executive Director	8 June 2007
Mr Robert Kirkby	Australian	60	Non-Executive Director	8 June 2007
Mr Miklos Salamon	British	53	Non-Executive Director	8 June 2007
Mr John Michael McMahon	British	61	Non-Executive Director	29 April 2008

On April 29, 2008 Sedupe Ramokgopa, Executive Director, tendered his resignation, which was accepted by the board.

Corporate Governance and Sustainable Development

Alastair John Mackenzie Walton
Non Executive Chairman
Alastair Walton is a career investment banker who retired in 2006 as Vice Chairman and Managing Director of Goldman Sachs JB Were, the Australian affiliate of the Goldman Sachs Group Inc. Prior to joining Goldman Sachs in Australia in 2001 he worked with Credit Suisse First Boston Inc. for 14 years in Tokyo, New York, Melbourne, Sydney, London and lastly Hong Kong, as Head of Investment Banking for Non-Japan Asia. He is President and a director of the European-Australian Business Council Limited, a director of Film Finance Corporation Australia Limited, appointed by the Australian Government, the Great Barrier Reef Foundation Limited and is a former member of the Australian Financial Sector Advisory Council, appointed by the Treasurer of Australia Hon. Peter Costello MP. Alastair has a Masters of Business Administration from the Columbia University Graduate School of Business, where he was a Dean's Scholar, a Bachelor of Economics (with specialisation in Accounting) from the Australian National University and is a Chartered Accountant.

Gregory David James
Chief Executive Officer
Gregory James is a Chartered Accountant and his expertise includes financial management, corporate finance, mergers and acquisitions and business turnarounds. While in South Africa, he held the position of Senior Audit Manager of PricewaterhouseCoopers Inc. In 1994, Gregory emigrated to Switzerland and joined Glencore International, one of the world's largest suppliers of commodities and raw materials to industrial consumers. At Glencore, he was the Chief Financial Officer for the Coal Division and later was appointed Head of Industrial Assets and Group Audit. Under his management, coal assets from Columbia, Australia and South Africa were added to Glencore's portfolio. Over an eight year period, Glencore became one of the world's largest producers of export thermal coal. Greg also facilitated the sale of coal mines in South Africa and Australia to Xstrata, prior to Xstrata listing on the LSE. In 2006, Greg returned to South Africa and established Greg James Investments (Proprietary) Limited, a diverse investment and consultancy company focused mainly on mid-tier mining and property companies. Greg obtained a Bachelor of Commerce degree and Higher Diploma in Accounting from Rhodes University.

Michael Allan Sullivan
Chief Operating Officer
Michael Allan Sullivan is a mining engineer with 34 years' experience covering surface hardrock, underground and alluvial mining with some of the largest mining operations in Australasia and Africa. A graduate of the Western Australian School of Mines, Mike completed his basic mining training in the Kalgoorlie gold mines before starting with Anglo American in Zambia. He has since worked with Nchanga Consolidated Copper Mines underground copper mines at Konkola Division, CSR's large scale alluvial tin mines in Indonesia, Seltrusts Open pit underground copper zinc silver mine in Western Australia, Renison Goldfields undergound tin mine and Mt Lyells' large scale underground copper/gold mine in Tasmania and, Lonrho Plc's hardrock and alluvial gold mines in Mozambique and Zimbabwe. Mike went on to become the resident manager on Horseshoe Lights' copper, gold, silver and Tuckabiana gold mines in Western Australia before acting as an operations consultant specialising in rectifying mining operations in need of systems management, often taking over the management of the mines in the process. Mike has held a number of senior managerial and directorship positions throughout his career and his time as a freelance consultant has enabled him to build a broad range of operational experiences.

Riccardo Maria Emanuele Vittino
Chief Financial Officer
Riccardo Vittino is a Certified Public Accountant with 20 years' experience in company secretarial and corporate management. His 18 year tenure at Helix Resources Limited saw his appointment from Chief Financial Officer, to Chief Operating Officer to Chief Executive Officer before he left in 2006. He has also held directorships with Diamond Venture NL and Platinum Australia Limited. He is a fellow member of the Australian Society of CPAs as well as the Australian Institute of Company Directors. Riccardo holds a Bachelor of Commerce degree from the University of Western Australia.

Nicholas Campbell Farr-Jones
Non-Executive Director
Nicholas is a commercial lawyer by training. In 1985, he joined Garland Seaborn and in 1995 he joined Société General Commercial Investment Bank Paris, where he was the sales director for precious metals, derivatives for Southern Africa. In 1999, Nicholas was appointed as a director for Commodities & Mining Finance at the Australian branch of Société General. Nicholas is a former Councillor of the City of Sydney and a director of the Wesley Mission, a part of the Uniting Church in Australia Trust, and in 1992 was awarded the Order of Australia for Services to Rugby. Nicholas holds a Bachelor of Law degree from the University of Sydney.

Robert Wynn Kirkby

Non-Executive Director

Robert Kirkby retired from his position as executive president of BHP Billiton Limited at the end of 2006 after 28 years with the company. He has held a number of senior positions at BHP Billiton Limited including Chairman of the Executive Committee, Member of the Office of the Chief Executive and member of The Forum for Corporate Responsibility as well as having served on the board of directors of a number of the company's joint ventures and subsidiaries. Robert holds an honours degree in Civil Engineering from James Cook University and has completed an Advanced Management Programme from Harvard Business School. He is a fellow of the Australian Academy of Technological Sciences and Engineering and a member of the Australian Institute of Mining and Metallurgy.

Miklos Salamon

Non-Executive Director

Miklos Salamon started his career in 1975 at De Beers Consolidated Diamond Mines Limited and then continued through Anglo American Limited's Gold Division and Shell Limited's Coal Division before he joined the Gencor Group Limited in 1985. Until 1997 this included being Managing Director of Trans-Natal Coal Corporation, Executive Chairman of Samancor Limited (the world's largest producer of Manganese and Chrome ores and alloys), Chairman of Columbus Stainless Steel unincorporated joint venture and Executive Director of Gencor Limited. He then became a founding Executive Director of Billiton plc and in 2003 was appointed an Executive Director of BHP Billiton plc until his retirement in October 2006. The latter period included global responsibility for the aluminium, copper and nickel businesses as well as the BHP Billiton Group's health, safety, environment and community affairs, capital project services, purchasing and operating excellence. From September 2007, Miklos Salamon has been Co-President of a private equity fund, AMCI Capital, and also Chairman of New World Resources. He is also a non-executive director of Gem Diamonds B.V. Miklos holds a Bachelor of Science Mining Engineering degree from The University of the Witswatersrand as well as Masters of Business Administration from the London Business School, University of London. He also has Mine Managers and Mine Overseers certificates of competency from the South African Department of Mines.

John Michael McMahon

Non-Executive Director

John Michael McMahon is a leading South African based mine development engineer, with an established track record of asset development, having worked in a variety of management roles and, latterly, at Board level in a number of major international mining companies. Michael has been a non-executive director of Gold Fields Limited since December 1999 and serves as non-executive director of Impala Platinum Holdings Limited and Murray & Roberts Holdings Limited. Previously, he was chief executive of Impala Platinum Holdings Limited from 1990 and executive chairman from 1993 through to 1998. He was an executive director of Gencor Limited from 1993 and executive chairman from 1997 through to 2002.

Board meetings

Schedule of board meetings attended

Name	05 June 2007	12 September 2007	31 October 2007
Mr Walton		✓	✓
Mr James		✓	✓
Mr Vittino		✓	✓
Mr Sullivan		✓	
Mr Ramokgopa		✓	
Mr Farr-Jones		✓	
Mr Salamon		✓	
Mr Kirby		✓	
Mrs Calderwood	✓		
Mr Sinclaire	✓		

In 2007 the board of directors met three times on June 5, September 12, and October 31. The June meeting was held in Guernsey and was attended by Mrs Calderwood and Mr Sinclair, who were directors of the company, but resigned on July 3, 2007. The meeting on September 12, 2007 was attended by all the directors of the company and it was held in Guernsey. The 31st October meeting was held in Guernsey and was attended by Mr. A. Walton, Mr. G. James and Mr. R. Vittino.

Corporate Governance and Sustainable Development

Directors' shareholdings

	Shares held directly and indirectly	
Directors	**Number of shares**	**% of issued share capital**
Alastair Walton	3,850,000[1]	1.56
Gregory James	750,000	0.30
Riccardo Vittino	1,600,000	0.65
Michael Sullivan	1,400,000	0.57
Nicholas Farr-Jones	200,000[2]	0.08
Robert Kirkby	775,000[3]	0.31
Miklos Salamon	575,000[4]	0.23

1 In addition to the shares listed in this table, Alastair Walton is entitled to subscribe for a further 750,000 shares on 8 November 2008, the first anniversary of admission, at a subscription price of £0.01 per share.

2 In addition to the shares listed in this table, Nicholas Farr-Jones is entitled to subscribe for a further 100,000 shares on 8 November 2008, the first anniversary of admission, at a subscription price of £0.01 per share.

3 In addition to the shares listed in this table, Robert Kirkby is entitled to subscribe for a further 275,000 shares on 8 November 2008, the first anniversary of admission, at a subscription price of £0.01 per share.

4 In addition to the shares listed in this table, Miklos Salamon is entitled to subscribe for a further 275,000 shares on 8 November 2008, the first anniversary of admission, at a subscription price of £0.01 per share.

Board committees

The committees of the board are the Remuneration Committee, Nomination Committee, Audit and Risk Management Committee and the Technical, Health, Safety and Evironment committee.

Key activities of CRG are monitored by the following committees

The Audit and Risk Management Committee, headed by non-executive director, Nicholas Farr-Jones (one of three non-executive directors on the committee), assists the board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing the group's annual financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the group's internal audit activities, internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half yearly reports remains with the board. The committee meets formally at least three times a year and otherwise as required.

The Technical, Health, Safety and Environmental Committee, chaired by non-executive director Miklos (Mike) Salamon, assists the board in formulating the group's health, safety and environment policies as they affect operations, including monitoring compliance with national and international standards and reviewing management's investigations of incidents or accidents that occur in order to assess whether policy improvements are required. The committee meets formally at least twice a year and otherwise as required.

The Nomination Committee, headed by CRG non-executive chairman Alastair Walton (among four non-executive directors on the committee), assists the board in reviewing the structure, size and composition of the board, including making recommendations with regard to any changes, giving full consideration to succession planning for directors and other senior executives of the company and identifying and nominating for board approval candidates to fill board vacancies as and when they arise. The Combined Code provides that the Nomination Committee should consist of at least three members who are all independent non-executive directors. The Committee meets formally at least twice a year and otherwise as required.

The Remuneration Committee, also headed by CRG non-executive chairman Alastair Walton (among four non-executive directors on the committee), assists the board in determining its responsibilities in relation to remuneration, including making recommendations to the board on CRG's policy on executive remuneration, determining the individual remuneration and benefits package of each of the executive directors and recommending and monitoring the remuneration of senior management below board level. The Combined Code provides that the Remuneration Committee should consist of at least three members who are all independent non-executive directors.

CRG's corporate governance policies also include:

- a policy on share trading (so as to ensure compliance with the Disclosure and Transparency Rules of the FSA (United Kingdom) and the South African Securities Services Act)
- a code of ethical conduct for employees
- a code of ethical conduct for the chief executive officer, principal financial officer and senior financial officers
- a policy governing actual or potential conflicts of interest

To the best of the company's knowledge, there is no known existing or potential conflicts of interest between CRG or its subsidiaries, and a director or senior manager of CRG or its subsidiaries. Furthermore, any of their outside business interests must be immediately notified to CRG. However, certain directors and senior managers serve as directors and/or senior managers of other companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of CRG. Directors who have a conflict of interests are required to disclose it to the company and to abstain from voting in connection with the matter.

Corporate Governance and Sustainable Development

Risk factors

Listed below are risks that the company deems to be pertinent to it and its subsidiaries. For further risks and uncertainties and expansion on those listed below, please refer to the company's November 8, 2007 prospectus available on the company's website.

Risks relating to the group's business:

- the group's exploration, mining and processing activities are dependent upon the consent from South Africa's Department of Minerals and Energy (DME) for the transfer of the Prospecting Rights from the Rand Quest Syndicate group to the Central Rand Gold group in terms of section 11 of South Africa's Mineral Resources and Petroleum Development Act of 2002;
- the grant of a New Order prospecting right for the Southern Deeps is dependent upon consent from the DME;
- the group's intended mining activities for the Consolidated Main Reef, Langlaagte, Crown Mines and City Deep tenements within the Central Rand Project are dependent on the granting of the FEIC Mining Right Application;
- the granting and continuance of necessary prospecting and mining rights by the DME cannot be guaranteed and such rights and/or ownership of material deposits could be challenged;
- the laws and regulations of South Africa relating to foreign investment, subsoil use, licensing, companies, tax, customs, currency, banking and competition are developing, and changes in the law could have a material adverse effect on the group's operations;
- the group's reported mineral resources are only statistical estimates that are based on limited sampling and consequently are uncertain because the samples may not be representative;
- the volume and grade of the ore the group recovers may not conform to current expectations;
- there is no guarantee that the group will be able to establish economic reserves and/or undertake gold mining on an economic basis;
- the actual costs of developing and operating mines may differ from the group's current estimates;
- the profitability of the group's operations and the cash flows generated by these operations will be affected by changes in the market price for gold;
- to date, the group has not recorded any revenues from mining operations and there can be no assurance that losses will not occur in the near future, or that the group will be profitable in the future;
- the preparation of consolidated financial statements requires the group to use estimates and assumptions, in particular, the assessment of whether economic quantities of reserves or resources have been found;
- the company expects that it will need to raise further funds to complete future development plans and there is no guarantee that such funds will be available;
- the holding company structure could cause restrictions on the company's ability to pay dividends due to the restrictions on the company receiving distributions from its subsidiaries;
- it is not always possible or economic to obtain insurance against all risks facing the group;
- currency fluctuations may affect the group's revenue and operating results from its operations;
- the group does not currently use commodity or derivative instruments to protect against a fall in gold prices;
- it is expected that the employees engaged in the mining operations once commenced, will be members of one or more labour unions;
- AIDS could pose risks to the group when it reaches the stage of staffing the mine(s); and
- the group may experience difficulties in sourcing and retaining the services of highly qualified management and technical personnel, suitably qualified and/or experienced personnel and appropriate equipment;
- the proximity to urban areas and the associated risks perceived by the inhabitants.

Community involvement

CRG intends to mine in derelict, open mining areas south and south west of the city of Johannesburg, a densely populated urban district. It takes seriously its responsibilities towards the surrounding communities in its working area.

CRG has had meetings with as many stakeholders as possible, involving groups from such as taxi owners, environmental groups, local government, Umkhonto weSizwe veterans, students, unions and business, amongst others. Open public meetings were also held in the communities within the tenements comprising CRG's first mining right application including Diepkloof, Orlando East and West, Maraisburg, Riverlea, City Deep, Fleurhof and specific areas within Meadowlands. CRG continues to consult with community members on an on-going basis and through this process has been able to fully understand and address their concerns and requirements.

CRG believes that it has gone beyond the letter of the law in involving and empowering the residents of the local communities. Preference is being given to the residents of the local communities with respect to employment and contracting opportunities. In situations where the local community does not possess the skills required, CRG has been instrumental in initiating joint ventures and partnerships with existing businesses that possess the skills base. In performing this, CRG has fully embraced the spirit of Broad Based Black Economic Empowerment and social upliftment. To date, CRG has already empowered many members of the local communities and will continue with its efforts in this regard.

It is significant that the communities living in the company's focused areas have generally shown considerable anticipation and enthusiasm for mining to take place in their vicinity.

Environmental considerations

CRG prides itself on initiating a mining operation that seeks to optimise the exploitation of gold from the renowned Witwatersrand Gold Field, whilst minimising the impact on the urbanised environment. The challenges of operating a gold mine in an urban setting require the implementation of a unique and sustainable approach towards protecting and managing the impact on the environment.

The innovative environmental management approach that CRG has embarked upon rehabilitation of an environmental footprint left by a century of gold mining within CRG's prospecting and mining areas. Pollution emanating from defunct and abandoned mines has a serious detrimental influence on natural ecosystems in the area and, furthermore, has a harmful effect on the health of people in neighbouring communities.

Revolutionary trackless mining techniques have facilitated the placement of process equipment and storage facilities, which are usually placed on surface, in the underground environment. Placement of such sources of pollution underground, effectively minimises the dissipation of harmful pollution plumes through atmospheric and aqueous pathways. Contrary to common mining practice, no permanent waste disposal facilities will be developed on surface. Underground mining voids will be sealed and backfilled with a treated stabilising tailings mixture, thus, effectively removing potentially harmful dust dispersion. By placing the waste and other pollution sources in sealed envelopes in the underground environment, the dispersion of hazardous effluents is impeded and the mitigation efforts are significantly simplified.

Through detailed investigation of all potential environmental impacts from the mine-development stage to post-closure, CRG has established mitigation measures to effectively minimise, monitor and manage these impacts. Leading environmental specialists were involved in the evaluation of surface and ground water impacts, air pollution, fauna, flora and soil studies, land use and land capability, visual impact assessment, radiological impacts, heritage value and socio-economic impacts.

Health and safety

Health and safety considerations form integral parts of Central Rand Gold's sustainable development plans.

Procedures have been compiled for, amongst others, the following: accidents; accidents and dangerous occurance investigations; medical examinations; flood prevention; underground refuge changer standards; self contained self rescuer procedures; a code of practice for the lamp room and a code of practice for the use and maintenance of the personal protective equipment.

Risk assessments primarily focused on the shaft access programme have been completed, although mini-risk assessments are seen as an ongoing activity. IRCA Global company has been contracted to effectively implement and control the company's occupational health and safety.

The company is pleased that the lost time injury frequency rate (LTIF) has remained at zero since the beginning of the project - a period spanning more than 600 000 man hours.

CRG is concerned with the well-being of all employees, especially with respect to serious or life-threatening diseases. CRG acknowledges the seriousness of life threatening diseases like HIV/AIDS as a medical reality, with both social and economic implications. In this regard, the company has established an HIV/Aids and serious illness policy document detailing the company's views and commitments with regard to assisting employees who may contract a life-threatening disease, providing consistent guidelines to managers, ensuring fair and consistent treatment of all employees with life threatening diseases, informing employees of their rights and benefits and providing and education framework.

These contributions were incorporated into an integrated environmental management programme that is currently being implemented.

The benefits of sound environmental management and monitoring are not only legally required, but also provide certain business benefits such as the improvement of operational efficiency, improvement of risk management, reduction of liabilities, avoidance of adverse publicity and ultimately the improvement of business performance.

Conclusion

The development of the Central Rand Goldfields is an exciting project for the people of Johannesburg since it involves the return of commercial-scale mining to the city.

The project will uplift the surrounding communities through job creation, education and social responsibility programmes aimed at generating sustainable economic improvement for thousands of people.

CRG's proposed mining activities require a completely novel and environmentally rigorous mining plan. CRG will set a new standard for environmentally safe, clean and non-intrusive mining in South Africa.

Directors' Responsibility Statement

Directors' Responsibilities and Approval

The directors are responsible for preparing the annual report and the financial statements in accordance with the applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The financial statements are required to give a true and fair view of the of affairs of the company and the group and of the profit and loss of the company and group for that period. In preparing these financial statements the directors are required to:

- make suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonably prudent;
- state whether applicable accounting standards have been followed, subject to material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and/or group will continue in business.

The directors are responsible for keeping proper accounting records that disclose the reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Guernsey Companies Act. They are also responsible for the safeguarding of assets of the group and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the financial information included on the company's website. Legislation governing the preparation and dissemination of the financial statements and other information included in the annual reports may differ from that legislation in other jurisdictions.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2008 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The directors who were members of the board at the time of approving the Directors' Report are listed on page 17. Having made enquires of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

The external auditors, Moore Stephens LLP adhere strictly to the criteria of objectivity and independence when carrying out the audit.

The annual financial statements set out from page 28 which have been prepared on the going concern basis, were approved by the board on 29 April 2008 and were signed on its behalf by:

G D James
Chief Executive Officer

R E M Vittino
Chief Financial Officer

Company Secretary's Confirmation

The company is registered in South Africa as an external company and is bound by the provisions of the South African Companies Act. Accordingly, in terms of section 268G(d) of the South African Companies Act, 1973, as amended, I hereby certify that the company has lodged with the Registrar of Companies in South Africa all such returns as are required to be lodged by a public company in terms of the said Companies Act, and that all such returns are true, correct and up to date.

R E M Vittino
Acting Company Secretary

Independent Auditor's Report

We have audited the group and parent company financial statements (the "financial statements") of Central Rand Gold Limited for the year ended 31 December 2007 which comprise the group and parent company income statements, balance sheets, statements of changes in equity and cash flow statements, and the related notes.

These financial statements have been prepared under the accounting policies set out therein. This report is made solely to the company's members, as a body, in accordance with Section 64 of The Companies (Guernsey) Law 1994. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with The Companies (Guernsey) Law 1994.

In addition we report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information and explanations we require for the purposes of our audit.

We read other information contained in the Annual Report and Accounts and consider whether it is consistent with the audited financial statements. This other information comprises the items listed in the contents on page 1. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs , of the state of the group's and the parent company's affairs as at 31 December 2007 and of the group's and the parent company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with The Companies (Guernsey) Law 1994.

Moore Stephens LLP
Registered Auditors
Chartered Accountants

St Paul's House,
Warwick Lane,
London EC4M 7BP
30 April 2008

Central Rand Gold

Balance Sheet

Group and Company Balance Sheet as at 31 December 2007 and 31 December 2006

		Group		Company	
	Note	**2007 US$**	2006 US$	**2007 US$**	2006 US$
NON CURRENT ASSETS					
Property, plant and equipment	2	3,045,316	2,128,321	-	-
Investment in subsidiaries	3	-	-	5,347,944	-
Loans receivable	4	6,279,167	-	41,834,032	-
		9,324,483	**2,128,321**	**47,181,976**	**-**
CURRENT ASSETS					
Prepayments and other receivables	5	1,139,639	893,963	905,571	-
Cash and bank balances	6	149,194,757	7,529,622	147,880,866	-
Security deposits and guarantees	7	2,072,757	277,908	859,960	
		152,407,153	8,701,493	149,646,397	-
TOTAL ASSETS		**161,731,636**	**10,829,814**	**196,828,373**	**-**
EQUITY AND LIABILITIES					
Share Capital	8	5,017,375	-	5,017,375	-
Share Premium	8	191,405,973	-	191,405,973	-
Share-based Compensation Reserve	10	18,152,511	-	18,152,511	-
Treasury Shares	9	(31,120)	-	-	-
Foreign Currency Translation Reserve	10	(9,311,702)	704,673	(8,012,979)	-
Merger Reserve	10	-	20,533,209	-	-
Accumulated Losses		(52,711,338)	(10,667,195)	(10,574,404)	-
		152,521,699	10,570,687	195,988,476	-
Minority Interest in equity		-	-	-	-
TOTAL EQUITY		**152,521,699**	**10,570,687**	**195,988,476**	**-**
NON CURRENT LIABILITIES					
Borrowings	11	105,271	-	-	-
Operating lease liability		38,226	-	-	-
		143,497	-	-	-
CURRENT LIABILITIES					
Trade and other payables	12	2,534,315	259,127	839,897	-
Loan payable	13	6,279,167	-	-	-
Provisions	14	125,212	-	-	-
Taxation payable	23	92,066	-	-	-
Borrowings	11	35,680	-	-	-
		9,066,440	259,127	839,897	-
TOTAL LIABILITES		9,209,937	259,127	839,897	-
TOTAL EQUITY AND LIABILITIES		**161,731,636**	**10,829,814**	**196,828,373**	**-**

The financial statements set out on pages 28 to 62 were approved by the board on 29 April 2008 and were signed on its behalf by:

G D James
Chief Executive Officer

R E M Vittino
Chief Financial Officer

The notes on pages 33 to 62 are an integral part of these financial statements.

Income Statement

Group and Company Income Statement for the years ended 31 December 2007 and 31 December 2006

		Group		Company	
	Note	**2007 US$**	2006 US$	**2007 US$**	2006 US$
Other income and gains	**15**	414,588	-	1,242,290	-
Employee benefits expense	**16**	(4,048,968)	(1,209,846)	-	-
Directors' emoluments	**17**	(10,083,856)	(2,643,058)	(4,848.298)	-
Other share-based payments	**18**	(10,957,934)	-	(8,441,466)	-
Depreciation	**2**	(525,007)	(135,973)	-	-
Operating lease payments	**19**	(621,952)	(160,521)	(101,015)	-
Exploration expenditure	**20**	(14,627,369)	(2,840,584)	(55,754)	-
Other expenses	**21**	(5,880,416)	(1,720,574)	(2,559,702)	-
Operating loss		(46,330,913)	(8,710,556)	(14,763,945)	-
Interest received	**22**	2,333,192	323,298	4,189,597	-
Finance costs	**22**	(494,776)	-	(56)	-
Loss before income tax		(44,492,497)	(8,387,258)	(10,574,404)	-
Income tax expense	**23**	(92,066)	-	-	-
Loss for the year		**(44,584,563)**	**(8,387,258)**	**(10,574,404)**	**-**
Loss is attributable to:					
Minority interest		(38)	-		
Equity holders of the parent		(44,584,525)	(8,387,258)		
		(44,584,563)	**(8,387,258)**		

Loss per share for loss attributable to the equity holders during the year (expressed in US cents per share)

Basic loss per share	**24**	(24.64)	(6.26)
Diluted loss per share	**24**	(24.48)	(6.25)

The notes on pages 33 to 62 are an integral part of these financial statements.

Statement of Changes in Equity

Group and Company Statement of Changes in Equity for the years ended 31 December 2007 and 31 December 2006

	Attributable to equity holders of the Company					
Group	**Ordinary Share Capital US$**	**Share Premium US$**	**Merger Reserve US$**	**Foreign Currency Translation Reserve US$**	**Share based Compensation Reserve US$**	**Treasury Shares US$**
Balance at 31 December 2005	**-**	**-**	**2,925,820**	**(54,174)**	**-**	-
Shares issued by subsidiary during the year	-	-	14,879,489	-	-	-
Foreign currency adjustments	-	-	-	758,847	-	-
Share based payments by subsidiary- consulting fees	-	-	2,727,900	-		
Loss for the year	-	-	-	-	-	-
Balance at 31 December 2006	**-**	**-**	**20,533,209**	**704,673**	**-**	**-**
Shares issued by subsidiaries during the year	-	-	9,869,165	-	-	-
Foreign currency adjustments	-	-	-	(10,016,375)	-	-
Share based payments by subsidiary- consulting fees	-	-	2,606,250	-	-	-
Shares issued during the year	245,135	18,110,090	-	-	-	-
Corporate reorganisation	3,392,223	29,452,262	(33,008,624)	-	-	(12,067)
Shares issued on listing	1,262,340	143,843,621	-	-	-	-
Treasury shares issued to Employee Share Trust	117,677	-	-	-	-	(117,677)
Treasury shares issued to directors and employees	-	-	-	-	-	98,624
Shares and options issued to employees and directors of subsidiary	-	-	-	-	18,152,511	-
Loss for the year	-	-	-	-	-	-
Balance at 31 December 2007	**5,017,375**	**191,405,973**	**-**	**(9,311,702)**	**18,152,511**	**(31,120)**

	Attributable to equity holders of the Company			
Group	**Accumulated Losses US$**	**Total US$**	**Minority Interest US$**	**Total US$**
Balance at 31 December 2005	**(2,279,937)**	**591,709**	-	**591,709**
Shares issued by subsidiary during the year	-	14,879,489	-	14,879,489
Foreign currency adjustments	-	758,847	-	758,847
Share based payments by subsidiary- consulting fees	-	2,727,900	-	2,727,900
Loss for the year	(8,387,258)	(8,387,258)	-	(8,387,258)
Balance at 31 December 2006	**(10,667,195)**	**10,570,687**	-	**10,570,687**
Shares issued by subsidiaries during the year	-	9,869,165	-	9,869,165
Foreign currency adjustments	-	(10,016,375)	-	(10,016,375)
Share based payments by subsidiary- consulting fees	-	2,606,250	-	2,606,250
Shares issued during the year	-	18,355,225	-	18,355,225
Corporate reorganisation	2,540,382	2,364,176	38	2,364,138
Shares issued on listing	-	145,105,961	-	145,105,961
Treasury shares issued to Employee Share Trust	-	-	-	-
Treasury shares issued to directors and employees	-	98,624	-	98,624
Shares and options issued to employees and directors of subsidiary	-	18,152,511	-	18,152,511
Loss for the year	(44,584,525)	(44,584,525)	(38)	(44,584,563)
Balance at 31 December 2007	**(52,711,338)**	**152,521,699**	**-**	**152,521,699**

Company	Ordinary Share Capital US$	Share Premium US$	Foreign Currency Translation Reserve US$	Share based Compensation Reserve US$	Accumulated Losses US$	Total US$
Balance at 31 December 2005 and 31 December 2006	**-**	**-**	**-**	**-**	**-**	**-**
Shares issued during the year	245,135	18,110,090			-	18,355,225
Corporate reorganisation	3,392,223	29,452,262	-	-	-	32,844,485
Shares issued on listing	1,380,017	143,843,621	-	-	-	145,223,638
Share based payments - employees and director's shares	-	-	-	18,152,511	-	18,152,511
Foreign currency adjustments	-	-	(8,012,979)	-	-	(8,012,979)
Loss for the year	-	-	-	-	(10,574,404)	(10,574,404)
Balance at 31 December 2007	**5,017,375**	**191,405,973**	**(8,012,979)**	**18,152,511**	**(10,574,404)**	**195,988,476**

The notes on pages 33 to 62 are an integral part of these financial statements.

Cash Flow Statement

Group and Company Cash Flow Statement for the years ended 31 December 2007 and 31 December 2006

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(44,492,497)	(8,387,258)	(10,574,404)	-
Adjusted for :				
Depreciation	525,007	135,973	-	-
Employment benefit expenditure (Share based payments)	20,708,141	2,727,900	12,717,858	-
Loss on disposal of fixed assets	375,259	-	-	-
Net (gain)/loss on foreign exchange	(315,618)	299,942	(989,438)	-
Other income	(4,027)	-	-	-
Interest received	(2,333,192)	(323,298)	(4,189,597)	-
Interest paid	494,776	-	(56)	-
Changes in working capital				
Increase in receivables	(245,676)	(821,652)	(905,571)	-
Increase in provisions	125,212			
Increase /(decrease) in trade and other payables	2,275,188	(193,622)	(839,897)	-
Cash flows used in operations	(22,887,427)	(6,562,015)	(4,781,106)	-
Interest received	2,333,192	323,298	4,189,597	-
Interest paid	(494,776)	-	(56)	-
Other income received	4,027			
Net cash used in operating activities	**(21,044,984)**	**(6,238,717)**	**(591,565)**	**-**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property, plant & equipment	(1,901,596)	(2,191,171)	-	-
Proceeds from disposal of property, plant and equipment	131,594	-	-	-
Increase in operating lease liability	38,226	-	-	-
Increase in investment in subsidiaries	-	-	(18)	-
Increase in loans receivable	-	-	(16,305,800)	-
Net cash (used in) investing activities	**(1,731,776)**	**(2,191,171)**	**(16,305,818)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	140,952	-	-	-
Increase in security deposits	(1,794,849)	(277,908)	(859,960)	-
Proceeds from issuance of shares	172,431,236	14,879,489	172,848,308	-
Net cash generated from financing activities	**170,777,339**	**14,601,581**	**171,988,348**	**-**
Net increase/(decrease) in cash and cash equivalents	148,000,579	6,171,693	155,090,966	-
Cash and cash equivalents at beginning of year	7,529,622	749,201	-	-
Effects of exchange rate movement on cash balances	(6,335,444)	608,728	(7,210,100)	-
Cash and cash equivalents at end of year	**149,194,757**	**7,529,622**	**147,880,866**	**-**

The notes on pages 33 to 62 are an integral part of these financial statements.

Notes to the Financial Statements

Central Rand Gold Limited (the "company") was incorporated in Guernsey on 12 July 2006 as Central Rand Gold Consols Limited and changed its name to Central Rand Gold (Guernsey) Limited on 8 December 2006 and to Central Rand Gold Limited on 9 February 2007. The company focuses on gold prospecting in the Central Rand Goldfield of South Africa with the goal of becoming a gold producer. The group was established on 15 June 2007 as a result of the restructuring of Rand Quest Syndicate Limited (RQS) and its subsidiaries (the 'RQS group').

The annual financial statements comprise the consolidated financial statements of the group and the stand alone financial statements of the company and were authorised by the board of directors on April 29, 2008

The company's registered office is situated at Sydney Vane House, Admiral Park, St Peter Port, Guernsey. Its principal place of business is Sydney Vane House, Admiral Park, St Peter Port, Guernsey.

1. Significant accounting policies

Statement of compliance

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

Basis of preparation

Pursuant to a corporate reorganisation on June 15, 2007, the company became the parent company of Central Rand Gold SA (Proprietary) Limited ("CRGSA"), a company incorporated in the Republic of South Africa, through a newly formed intermediate holding company, Central Rand Gold (Netherlands Antilles) N.V. ("CRGNV"), a company incorporated in the Netherlands Antilles.

On this date, CRGSA acquired the mineral rights and all other assets and liabilities of its former parent company, Rand Quest Syndicate Limited ("RQS"), and certain mineral rights from Central Rand Australia (Proprietary) Limited, ("CRA"), a wholly-owned subsidiary of RQS subject to Section 11 Applications, for the right to proceed with mining activities, being granted. Both RQS and CRA are incorporated in Australia. The consideration for the acquisitions was settled by inter-company loans payable by CRGSA to RQS and CRA which were then assigned by RQS and CRA to the company in exchange for RQS receiving 168,666,648 shares in the company. Under the provisions of IFRS 3: "Business Combinations", the abovementioned corporate reorganisation involves entities and businesses under common control, which are ultimately owned by the same parties both before and after and whose rights remained unchanged. Accordingly, the reorganisation is considered to be outside the scope of IFRS 3 and the group has applied the pooling of interests method, as described in the basis of consolidation, to prepare the consolidated financial statements.

Accounts have also been prepared under IFRS for the periods ended June 30, 2005, 2006 and 2007 for the purposes of the company's listing Prospectus. No other accounts have been prepared for previous periods. As the Johannesburg Stock Exchange regulations require the company accounts to be prepared on a calendar year, the financial statements have been prepared for the year ended 31 December 2007 and audited comparatives figures have been prepared for the previous 12 months.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning after January 1, 2007 or later periods, but which the group has not early adopted.

IAS 1 (Revised): Presentation of financial statements (effective 1 January 2009)

The objective of the revised standard is to prescribe the basis of presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities.

IAS 27 (Revised): Consolidated and Separate Financial Statements (effective 1 July 2009)

IAS 27 revised no longer refers to minority interest but non-controlling interest. The standard moves to a mandatory adoption of the economic entity model. The economic entity approach treats all providers of equity capital as shareholders of the entity, even when they are not shareholders in the parent company. Furthermore, the revised standard stipulates that a partial disposal of an interest in a subsidiary in which the parent company retains control does not result in a gain or loss but in an increase or decrease in equity under the economic entity approach. Purchase of some or all of the non-controlling interest is treated as a treasury transaction and accounted for in equity.

IFRS 3 (Revised): Business Combinations (effective 1 July 2009)

IFRS 3 revised (IFRS 3R) includes a change in the scope to which transactions it is applied. IFRS 3R includes amendments to the consideration of a business combination.

Notes to the Financial Statements

Consideration now includes the fair value of all interests that the acquirer may have held previously in the acquired business as well as changes to the recognition of contingent consideration. Transaction costs incurred as part of the business combination are no longer capitalised, but expensed to the income statement. IFRS 3R also introduces a option of recognising 'full goodwill' or 'partial goodwill' on a transaction basis. The standards also limits all adjustments after the twelve month period, including changes in deferred tax assets.

IFRS 8: Operating segments (effective 1 January 2009)

The standard requires the segmental disclosures to be reported based on the "management approach". The reporting would be based on the information that management uses internally for evaluating segment performance and when deciding to allocate resources to operating segments. IFRS 8 will supersede the current standard dealing with segmental reporting, IAS 14 – Segment Reporting.

IFRIC 11: IFRS 2 - Group and treasury share transactions (effective 1 March 2007)

The interpretation addresses how to apply IFRS 2 to share-based payment arrangements in three circumstances:

* Share-based payments in which an entity receives goods or services as consideration for its own equity instruments are to be accounted for as an equity-settled share-based payment, regardless of how the equity instruments are obtained.
* When a parent grants rights to its equity to employees of a subsidiary company and the transaction is accounted for as equity-settled in the consolidated financial statements, the transaction is to be accounted for as an equity-settled share-based payment by the subsidiary.
* When a subsidiary grants equity instruments in its parent company to employees, the subsidiary accounts for the transaction as a cash-settled share-based payment and the group accounts for these as equity-settled in the consolidated financial statements.

In addition to the above, the following standards and interpretations were in issue and not yet effective: IAS 23 - Changes relating to capitalisation of borrowing costs, IFRIC 12 - Service concession arrangements, IFRIC 13 - Customer loyalty programmes and IFRIC 14 - The limit on a defined benefit asset, minimum funding requirements and their interaction. The directors do not expect that these will have any impact on the financial statements.

Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including Special Purpose Entities) in which the group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies.

The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued, or liabilities assumed at the date of acquisition 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 values at the acquisition date, irrespective of the extent of any minority interest.

For transactions in which combining entities are controlled by the same party or parties before and after the transaction and that control is not transitory are referred to as common control transactions. There is currently no guidance under IFRS for the accounting treatment of such transactions. In terms of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the group may either apply IFRS 3 - Business Combinations or a similar framework. US GAAP uses the predecessor values with restatement of comparatives method for such transactions and the group has elected to apply this as the policy for common control transactions. Therefore no purchase price allocation is performed and any difference between the net asset value and the amount paid (i.e. the purchase consideration) is recorded directly in the merger reserve in equity.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. The interests of minority shareholders in the consolidated equity and results of the group are shown separately in the consolidated balance sheet and income statement, respectively. Where the losses attributable to the minority shareholders in a consolidated subsidiary exceed their interest in that subsidiary, the excess, and any further losses attributable to them, are recognised by the group and allocated to those minority interests only to the extent that the minority shareholders have a binding obligation and are able to fund the losses. Where the group previously did not recognise the minority shareholders' portion of losses and the subsidiary subsequently turns profitable, the group recognises all the profits until the minority shareholders' share of losses previously absorbed by the group has been recovered.

Minority interests are stated at the minority's proportion of the fair values of the identifiable assets and liabilities recognised. The group applies the parent company model in accounting for transactions with minority shareholders. Under the parent company method, the acquisition of a minority is treated as giving rise to additional economic interest held by the group, or by the parent company's equity shareholders. A purchase will generally result in additional goodwill. Disposal to a minority is treated as giving rise to gains and losses which are recognised in the income statement. This is because the group, through the parent company shareholders, are considered to have received or given up value.

When necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the group.

The company's financial statements account for subsidiaries at cost less any accumulated impairment losses.

Foreign currencies

Functional and presentation currency

The company's functional currency is British Pounds and the functional currency of its principal subsidiary, Central Rand Gold SA (Proprietary) Limited, is South African Rand.

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 United States Dollars (US$), which is the presentation currency of the company and the group in order to allow investors to compare the company's performance against other companies within the industry which generally present their financial statements in United States Dollars.

The company has changed its functional currency since June 30, 2007 from US$ to British Pounds. The reason for this change is because the funds raised on listing were in British Pounds and the majority of the company's expenditure is in British Pounds.

Transactions and balances

Foreign currency transactions are translated into the functional currency 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 income statement.

Group companies

The results and financial position of subsidiaries (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:

i) assets and liabilities are translated at the closing rate at the date of that balance sheet; and

ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as the foreign entity's assets and liabilities and are translated at the closing rate.

Property, plant and equipment

Property, plant and equipment are initially recorded at cost, being the purchase cost plus any cost to prepare the assets for their intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment are subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated in equal annual amounts over each asset's estimated useful life.

Notes to the Financial Statements

Depreciation is calculated on the straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives as follows:

Land	0%
Office equipment	20%
Plant and equipment	20%
Motor Vehicles	20%
Security equipment	20%
Leasehold improvements	20%
Furniture and fittings	16.67%
Computer equipment	33.33%
Computer software	50%

Major leasehold improvements are amortised over the shorter of their respective lease periods and estimated useful life.

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

Gains and losses on disposal of property, plant and equipment are determined as the difference between the carrying amount and the fair value of the sale proceeds, and are included in operating profit.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure in respect of each identifiable area of interest is expensed to the Income Statement as incurred.

Once mining activities commence, development expenditure will be capitalised as incurred and amortised over the estimated useful life of the area according to the rate of depletion of the economically recoverable reserves or over the estimated useful life of the mine, if shorter.

A regular review will be undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Accumulated capitalised costs in relation to an abandoned area of interest will be written off in full against profit in the year in which the decision to abandon the area is made.

Costs of site restoration are provided over the life of the facility starting from when substantial exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs will be determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates of the costs of site restoration will be accounted for on a prospective basis. In determining the costs of site restoration, there is expected to be uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs will be determined on the basis that the restoration will be completed within one year of abandoning the site.

Financial instruments

Financial instruments, as reflected on the balance sheet, comprise loan receivables, other receivables, cash and cash equivalents, finance leases and trade and other payables.

Initial recognition and measurement

Financial instruments are recognised on the balance sheet on trade date, when the group becomes a party to the contractual provisions of the financial instrument. Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement

Subsequent to initial measurement, financial instruments are measured at either fair value or amortised cost, depending on their classification.

Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that the group has the intent and ability to hold to maturity, other than those that meet the definition of loans and receivables or those that were designated as at fair value through profit or loss or available-for-sale. Held-to-maturity financial assets are measured at amortised cost, calculated using the effective interest rate method, less any cumulative impairment losses, with interest income recognised in profit or loss.

The group does not hold any financial assets or financial liabilities in this category at year end.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the group as at fair value through profit or loss or available-for-sale. Financial assets classified as loans and receivables are carried at amortised cost calculated using the effective interest rate method, less any cumulative impairment losses, with interest revenue recognised in profit or loss.

All of the group's financial assets are included in the loans and receivables category.

Financial liabilities
All financial liabilities, other than those at fair value through profit or loss are measured at amortised cost calculated using the effective interest rate method.

Measuring fair value of financial instruments
Where quoted market prices or rates are available, such market data is used to determine the fair value of financial assets and financial liabilities that are measured at fair value. If quoted bid prices are unavailable, the fair value of financial assets and financial liabilities is estimated using pricing models or discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market-related measures at the balance sheet date.

Derecognition
The group derecognises a financial asset (or group of financial assets) or a part of a financial asset (or part of a group of financial assets) when and only when:

- the contractual rights to the cash flows arising from the financial asset have expired; or
- it transfers the financial asset, including substantially all the risks and rewards of ownership of the asset; or
- it transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of ownership of the asset, but no longer retains control of the asset.

A financial liability (or part of a financial liability) is derecognised when and only when the liability is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or has expired.

The difference between the carrying amount of a financial asset or financial liability (or part thereof) that is derecognised and the consideration paid or received, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss for the period.

Offsetting financial instruments and related income
Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off and there is an intention of settling on a net basis or realising the asset and settling the liability simultaneously. Income and expense items are offset only to the extent that their related instruments have been offset in the balance sheet.

Impairment of financial assets

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence that a financial asset or group of assets is impaired includes:

- significant financial difficulty of the counterparty;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the counterparty will enter bankruptcy or other financial reorganisation.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date on which the impairment is reversed. The amount of the reversal is recognised in profit or loss for the period.

Notes to the Financial Statements

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that has been recognised directly in equity is removed from equity and recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is removed from equity and recognised in profit or loss is the difference between the acquisition cost (net of any principle repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss for the period.

Impairment of non-financial assets

The group evaluates the carrying value of assets with finite useful lives when events and circumstances indicate that the carrying value may not be recoverable. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Intangible assets not yet available for use are tested annually for impairment.

An impairment loss is recognised in the income statement when the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the fair value less cost to sell (the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties), or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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 the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss recognised for an asset, other than goodwill, in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the recoverable amount exceeds the new carrying amount. The reversal of the impairment is limited to the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. The reversal of such an impairment loss is recognised in the income statement in the same line item as the original impairment charge.

Leased assets

Finance leases

Lease agreements that transfer substantially all the risks and rewards of ownership are classified as finance leases at inception of the lease. The asset is capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments at inception of the lease, with an equivalent amount being stated as a finance lease liability. Finance lease liabilities are classified as non-current or current liabilities, as appropriate. Each lease payment is allocated between the liability and finance charges using the effective interest rate. Finance costs are charged to the income statement over the lease period.

The capitalised asset is depreciated over the shorter of the useful life of the asset or the lease term to its residual value.

Operating leases

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

Lease income from operating leases is recognised in income on a straight-line basis over the lease term. Straight-line recognition means that the payments over the lease term are aggregated and divided by the lease term in months in order to arrive at the monthly expense. The cumulative difference between the amounts recognised in the income statement and the cash flows, is recognised on the balance sheet.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Share capital

Ordinary shares are classified as equity and the shares are fully paid up.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are shown as a deduction in equity.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred when the relevant contracts are entered into. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Current and deferred income tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Goods and Services Tax (GST) and Value-Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST/VAT, except where the amount of GST/VAT incurred is not recoverable from the relevant taxation authorities. In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST/VAT.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST/VAT component of investing and financing activities, which are disclosed as operating cash flows.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating expenses.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Notes to the Financial Statements

Interest income and expenses

Interest income and expense are recognised in profit or loss using the effective interest method taking into account the expected timing and amount of cash flows. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. Included in interest income and expense is the amortisation of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Dividend income
Dividend income is recognised when the right to receive payment is established.

Employee benefits

Defined contribution plans
A defined contribution plan is one under which the group pays a fixed percentage of employees' remuneration as contributions into a separate entity (a fund), and will have no further legal or constructive obligations to pay additional contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans in respect of services rendered during a period are recognised as an employee benefit expense when they are due. The group does not have any defined benefit plans.

Equity compensation benefits
The group's holding company, Central Rand Gold Limited, operates an equity-settled, share-based compensation plan for employees of the company. The share option plan allows these employees to acquire shares of the parent at a price determined by the fair market value of the shares at the date of the grant. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the company where the services are performed. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the group reviews its estimates of the number of options that are expected to vest and recognises the impact of the revision to the original estimates, if any, in the Income Statement, with a corresponding adjustment to equity.

Leave accrual
Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to balance sheet date.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based compensation
The group's holding company operates a share option plan whereby the directors are awarded share options for shares in the holding company. Assumptions were made in the determination of the fair value of the options granted, using a variant of the binomial option pricing model. Refer to note 29 for assumptions used in the calculation of the fair value.

Change in accounting policy

The company has elected to change the accounting policy adopted in the financial statements for the periods ended 30 June 2005 to 30 June 2007 concerning the treatment of capitalisation of options on mineral properties. Option payments on mineral properties represent payments made by the company to secure an option to conduct the exploration programme over the mining tenements and the payment of a prospecting option agreement from a third party. These costs have been capitalised in previous periods. The company has however changed its accounting policy to expense these costs as incurred. The directors believe this policy is more appropriate as it applies a consistent treatment to the group's exploration costs in accordance with IFRS 6. The effect of this change on the results for the year was to increase the loss by US$568,966 (2006: Nil).

Group	Leasehold Improvements US$	Furniture and Fittings US$	Computer Equipment and Software US$	Exploration Assets US$	Total US$
2. Property, plant and equipment					
At 1 January 2006					
Cost	-	-	11,927	-	11,927
Accumulated depreciation	-	-	(337)	-	(337)
Net book amount	-	-	11,590	-	11,590
Year ended 31 December 2006					
Opening net book amount	-	-	11,590	-	11,590
Exchange differences	13,466	17,989	23,435	6,643	61,533
Additions	299,031	419,865	590,394	881,881	2,191,171
Depreciation charge	(14,761)	(17,750)	(73,282)	(30,180)	(135,973)
Closing net book amount	**297,736**	**420,104**	**552,137**	**858,344**	**2,128,321**
At 31 December 2006					
Cost	313,197	438,683	629,180	889,713	2,270,773
Accumulated depreciation	(15,461)	(18,579)	(77,043)	(31,369)	(142,452)
Net book amount	297,736	420,104	552,137	858,344	2,128,321
Year ended 31 December 2007					
Opening net book amount	297,736	420,104	552,137	858,344	2,128,321
Exchange differences	2,949	(2,375)	(3,056)	49,742	47,260
Additions	10,771	40,854	184,744	1,665,226	1,901,596
Disposals	(69,524)	(39,326)	(303,722)	(94,281)	(506,854)
Depreciation charge	(51,969)	(71,951)	(157,737)	(243,350)	(525,007)
Closing net book amount	**189,963**	**347,306**	**272,366**	**2,235,681**	**3,045,316**
At 31 December 2007					
Cost	214,662	388,199	353,518	2,444,790	3,401,169
Accumulated depreciation	(24,699)	(40,893)	(81,152)	(209,109)	(355,853)
Net book amount	189,963	347,306	272,366	2,235,681	3,045,316

Operating lease rentals amounting to US$621,952 (2006: US$160,521) relating to the lease of property are included in the income statement under operating lease payments.

The net carrying amount of assets held under finance leases comprises US$ 26,414 (2006: US$ Nil) relating to motor vehicles.

Land is situated at holding 59, Tedderfield Agricultural Holdings and the area is measured at 2.1444 hectares.

Exploration assets contain the following carrying values:

	2007 US$	2006 US$
Land	522,751	507,562
Plant and equipment	784,283	216,220
Motor vehicles	928,647	134,562
	2,235,681	**858,344**

Notes to the Financial Statements

	Company	
	2007 US$	2006 US$
3. Investment in subsidiaries		
Central Rand Gold (Netherlands Antilles) N.V at cost	4	-
Central Rand Gold Assay Laboratories (Proprietary) Limited at cost	14	-
Capital contribution to Central Rand Gold SA (Proprietary) Limited	5,347,926	-
	5,347,944	**-**

Refer to note 27 for details of related party balances and transactions.

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
4. Loans receivable				
Central Rand Gold (Netherlands Antilles) N.V.	-	-	35,554,865	-
Puno Gold Investments (Proprietary) Limited	6,279,167	-	6,279,167	-
	6,279,167	**-**	**41,834,032**	**-**

On 15 June 2007, as part of the restructuring, the group advanced a loan of ZAR 111,196,279 (US$ 16,457,049) to Central Rand Gold SA (Proprietary) Limited ("CRGSA") and a further loan of ZAR 39,068,963 (US$ 5,782,207) to Puno Gold Investments (Proprietary) Limited ("Puno"). The loan bears interest at South African prime lending rate plus 2% and is payable on demand as and when free cash flows as determined by the board of CRGSA are available.

Although generally matters have been progressing as expected with our BEE partner Puno, there has recently arisen a dispute relating to procedural breaches of the CRGSA shareholders agreement. The dispute surrounds the allocation of intercompany loans which fund the budget and work programme and the incurring of, and level of, certain costs. We have tried to settle any disagreements amicably, but so far without success. The next step, if so required, is for the parties to refer the matter to arbitration pursuant to the dispute resolution mechanism under the shareholders agreement. We believe that ultimately our position will prevail. The directors believe that this will not have any material consequences in respect of the consolidated accounts of the group. Notwithstanding this position, we have pending the outcome of any dispute allocated 100% of the intercompany funding since execution of the shareholders agreement from the company to CRGSA. This additional 26% of intercompany debt excluding interest amounts to ZAR 29,541,700 (US$4,278,795) between June 2007 and December 31, 2007 and ZAR 12,161,285 (US$1,611,646) between January 1, 2008 and March 31, 2008.

The terms and conditions of the loans to subsidiaries are included in Note 27 - related party transactions.

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
5. Prepayments and other receivables				
Other receivables	536,546	4,317	536,547	-
VAT/GST	232,143	392,052	83,839	-
Other loans and advances	206,841	26,792	227,405	-
Deposits	162,481	81,971	57,780	-
Loans to key management personnel	1,628	388,831	-	-
	1,139,639	**893,963**	**905,571**	**-**

	Group 2007 US$	Group 2006 US$	Company 2007 US$	Company 2006 US$
6. Cash and bank balances				
Cash at bank and on hand	28,506,978	7,529,622	27,193,087	-
Short-term bank deposits	120,687,779	-	120,687,779	-
	149,194,757	**7,529,622**	**147,880,866**	**-**
7. Security deposits and guarantees				
Security deposits	2,072,757	277,908	859,960	-
	2,072,757	**277,908**	**859,960**	**-**

Security deposits are held by certain banks as security for contingent guarantees given to third parties and are therefore restricted as to their use. Guarantees are held as follows:

	Group 2007 US$	Group 2006 US$	Company 2007 US$	Company 2006 US$
Guarantee given to banks for company credit cards	508,656	-	479,352	-
Guarantee for operating lease	82,549	80,151	-	-
Guarantee for rehabilitation on prospecting tenements	106,560	-	-	-
Guarantee for purchase of shares in Ferreira Estate Investment Company (Proprietary) Limited	1,065,600	-	-	-
Guarantees to the Department of Minerals and Energy	239,603	184,140	239,603	-
	2,002,968	**264,291**	**718,955**	**-**

	Number of shares	Merger Reserve US$	Ordinary shares US$	Share Premium US$	Total US$
8. Share capital and share premium					
At 1 January 2006	86,566,410	2,925,820	-	-	2,925,820
Issue of shares by Rand Quest Syndicate Limited during the year	72,000,238	15,836,844	-	-	15,836,844
Share-based payments by Rand Quest Syndicate Limited	6,200,000	2,727,900	-	-	2,727,900
Cost of share issue	-	(957,355)	-	-	(957,355)
At 31 December 2006	164,766,648	20,533,209	-	-	20,533,209
Issue of shares by Rand Quest Syndicate Limited during the year	13,533,002	9,869,165	-	-	9,869,165
Share-based payments by Rand Quest Syndicate Limited	2,500,000	2,606,250	-	-	2,606,250
Reorganisation of company	-	(33,008,624)	3,392,223	29,452,262	(164,139)
Issue of shares by Central Rand Gold Limited during the year	60,000,000	-	1,507,475	174,626,575	176,134,050
Treasury shares issued by Central Rand Gold Limited to Employee Share Trust	5,800,000	-	117,677	-	117,677
Cost of share issue	-	-	-	(12,672,864)	(12,672,864)
At 31 December 2007	**246,599,650**	**-**	**5,017,375**	**191,405,973**	**196,423,348**

Notes to the Financial Statements

	Company	
	2007 US$	2006 US$
Share capital and premium		
Opening balance	-	-
Issued to Rand Quest Syndicate Limited on restructuring	20,533,209	-
Issue of shares during the year	185,956,753	-
Share-based payments	2,606,250	-
Cost of share issue	(12,672,864)	-
At 31 December 2007	**196,423,348**	**-**
Ordinary shares in numbers		
Opening balance	-	-
Issued to Rand Quest Syndicate Limited on restructuring	164,766,648	-
Issue of shares for raising capital	73,533,002	-
Treasury shares reversed	5,800,000	-
Issue of shares other than for cash	2,500,000	-
At 31 December 2007	**246,599,650**	**-**

The total authorised number of ordinary shares is 1,000,000,000 shares (2006: unlimited shares) with a par value of £0.01 per share.

Share premium represents the excess between the consideration received for the issuance of the shares and the share's nominal value.

On 8 February 2007 Rand Quest Syndicate Limited ("RQS") issued 11,400,000 shares at A$ 1.25 per share.

On 18 April 2007 RQS issued 2,500,000 shares for no value as share-based compensation.

On 24 August 2007, Central Rand Gold Limited ("the company") issued 12,133,001 shares to certain investors for cash at a subscription price of £0.75 per share.

On 12 September 2007, the company issued 5,800,000 shares for cash to Carey Pensions and Benefits Limited, the trustees of the Central Rand Gold Benefit Trust, at a subscription price of £0.01 per share. These shares were issued to directors and management as set out in note 28.

In June 2007, RQS and its subsidiaries ("the RQS group") underwent a corporate restructuring (the "reorganisation") whereby the company incorporated under the laws of Guernsey, became the holding company for a group of companies (the "group") and the group's principal operating subsidiary is Central Rand Gold SA (Proprietary) Limited ("CRGSA")

CRGSA, acquired the material business and assets of the RQS group. The material business and assets of the RQS group included the interest in and/or contracts to acquire all of the RQS group's interests in its Prospecting Rights and its Prospecting Applications.

In consideration for the re-organisation, RQS received shares in the company on a one for one basis, which were subsequently distributed to its shareholders as a dividend. The reorganisation, approved unanimously by the shareholders of RQS at an extraordinary general meeting, was effected to comply with the requirements of the DME and to domicile the holding company's operations in Guernsey.

On November 8, 2007 the company listed on the Johannesburg Stock Exchange and the London Stock Exchange in a dual listing. The company issued 2,012,584 shares at a price of ZAR16.94 on the Johannesburg Stock Exchange and the company issued 57,987,416 shares at a price of £1.25 per share on the London Stock Exchange and listing costs amounted to US$12,672,864.

Ordinary shares
Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

Employee Share Option Plan
Details of the employee share option plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year are set out in note 29.

Employee Share Trust
Details of the employee share trust are set out in note 29.

	Number of Treasury Shares	Treasury Shares US$
9. Treasury shares		
At 31 December 2006	-	-
Acquired on corporate restructure	600,000	12,067
Shares transferred to Employee Share Trust	5,800,000	117,677
Treasury shares issued to directors and employees of the group	(4,865,000)	(98,624)
At 31 December 2007	**1,535,000**	**31,120**

The grants to the trust have been made for the beneficial entitlement of the directors, senior management of the group and key consultants of the group to whom the board deems it appropriate and in the company's interest to make such grants allowing the acquisition of shares on account of their key service provider status.

The share trust is considered to be controlled by Central Rand Gold Limited. The shares issued to the trust are therefore considered to be shares owned by the group on consolidation and are classified as treasury shares.

On 3 July 2007, 600,000 shares were issued to a trust to be held for future disbursements to Central Rand Gold Limited management. These shares were then transferred on 12 September 2007 to Carey Pensions for disbursement to employees and directors as agreed upon in the employees share scheme. The shares were issued for no value and the market value at the date of issue was £0.25 or A$ 0.625 share. These shares held no rights and were not eligible for dividends declared by the company.

On 12 September 2007, 5,800,000 shares were issued to Carey Pensions and Benefits Fund for cash. The shares were issued at the cost price of £0.01 per share. These shares were to be distributed to directors and senior management of the group in accordance with the Share Scheme detailed in note 29 - Share-based payments. These shares held no rights and were not eligible for dividends declared by the company.

On 12 September 2007, 1,375,000 shares were issued to directors in accordance with the share scheme. The shares were issued at US$ 0.01 per share for cash.

On 1 November 2007, a further 25,000 shares were issued from the trust to directors and senior management in accordance with the share scheme. The shares were issued for cash.

On 9 November 2007, a further 3,465,000 shares were issued to directors and senior management in accordance with the share scheme. The shares were issued for cash.

10. Other reserves

Merger reserve
The merger reserve represents the difference between the company's issued share capital and share premium and the issued share capital and share premium of the company's subsidiaries. Movements in the merger reserve are set out in the Consolidated Statement of Changes in Equity. The reserve was eliminated during the year ended 31 December 2007 following the capital reduction made by Rand Quest Syndicate Limited.

Share-based Compensation Reserve
The share based compensation reserve represents the share based payments for employees and directors in respect of share options issued by the company. The options issued give the holder the right to subscribe for shares in the company.

Notes to the Financial Statements

Foreign currency translation reserve
The foreign currency translation reserve arises from translating the results of the parent company and its subsidiaries from the different functional currencies into the presentation currency. The functional currency of each subsidiary is arrived at by taking into consideration what the main currency for trade and expenditure is used within the entity. The presentation currency for the group is US$ and was decided on because of the nature of the gold industry and the ease of costing comparability in US$ within the industry.

The functional currency of each of the companies within the group is:

Central Rand Gold Limited	British Pounds
Central Rand Gold (Netherlands Antilles) N.V.	US Dollars
Central Rand Gold South Africa (Proprietary) Limited	South African Rand
Central Rand Gold Assay Laboratories (Proprietary) Limited	South African Rand
Rand Quest Syndicate Limited	Australian Dollars

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
11. Borrowings				
NON-CURRENT				
Finance lease liability	19,228	-	-	-
Installment sale agreement liability	86,043	-	-	-
	105,271	**-**	**-**	**-**
CURRENT				
Finance lease liability	6,366	-	-	-
Installment sale agreement liability	29,314	-	-	-
	35,680	-	-	-
Total borrowings	**140,951**	**-**	**-**	**-**

A finance lease obligation is capitalised at an effective interest rate of 12.883% per annum. The lease term is 4 years with 40 months remaining, with no renewal options, and instalments payable monthly. The book value of the underlying asset is US$26,414 (December 2006: US$ Nil). This obligation is secured over the underlying assets.

Instalment sale agreement obligations are capitalised at effective interest rate of 11.5% to 13% per annum. The lease terms are 4 years with terms ranging from 39 months to 43 months remaining, with no renewal options, and instalments payable monthly. The book value of the underlying assets is US$ 150,247 (December 2006: US$ Nil). This obligation is secured over the underlying assets.

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
The maturity of the above obligations is as follows:				
Payable within 1 one year or on demand	35,680	-	-	-
More than one year but not exceeding five years	105,271	-	-	-
More than five years	-	-	-	-
	140,951	**-**	**-**	**-**

The carrying amounts of the group's borrowings are denominated in South African Rand.

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
12. Trade and other payables				
Trade payables	1,014,526	255,390	-	-
Other creditors	45,039	-	-	-
Amount due to former director of subsidiary company	137,225	-	-	-
Accruals	1,337,524	3,737	839,897	-
	2,534,314	**259,127**	**839,897**	**-**
13. Loan payable				
Puno Gold Investments (Proprietary) Limited	6,279,167	-	-	
	6,279,167	**-**	**-**	**-**

On 15 June 2007, as part of the restructuring, Central Rand Gold SA (Proprietary) Limited ("CRG SA"), a subsidiary, was advanced a loan of ZAR 39,068,963 (US$ 5,782,207) by Puno Gold Investments (Proprietary) Limited ("Puno"). The loan bears interest at South African prime lending rate plus 2% and is payable on demand as and when free cash flows as determined by the board of Central Rand Gold SA (Proprietary) Limited are available.

Although generally matters have been progressing as expected with our BEE partner Puno, there has recently arisen a dispute relating to procedural breaches of the CRGSA shareholders agreement. Please refer to note 5 for further details.

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
14. Provisions				
Provision for leave pay	125,212	-	-	
	125,212	**-**	**-**	**-**

The provision for leave pay was estimated for by taking the actual leave days due to staff members and calculating the amount they would have been paid should they leave the employ of the group based on their current rate of remuneration before deducting taxation and other charges against their gross remuneration.

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
15. Other income and gains				
Sundry income	24,814	-	-	-
Foreign exchange gains	389,774	-	1,242,290	-
	414,588	**-**	**1,242,290**	**-**
16. Employee benefits expense				
Wages and salaries	2,215,714	503,515	-	-
Pension costs - defined contribution plan	211,115	-	-	-
Share-based payments - Options	440,262	-	-	-
Share-based payments - Shares	1,181,877	706,331	-	-
	4,048,968	**1,209,846**	-	**-**

Notes to the Financial Statements

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
17. Directors' emoluments				
For services rendered	1,955,788	621,489	571,906	-
Share-based payments - shares	7,275,437	2,021,569	4,057,673	-
Share-based payments - options	852,631	-	218,719	-
	10,083,856	**2,643,058**	**4,848,298**	**-**
For further information refer to note 27				
18. Other share-based payments				
Share-based payments other than those issued to employees in terms of the employee share scheme and option scheme				
- Per agreements	2,172,368	-	2,172,369	-
- For consulting services rendered	6,269,097	-	6,269,097	-
- Termination benefits	2,516,469	-	-	-
	10,957,934	**-**	**8,441,466**	**-**
19. Operating lease payments				
Operating leases				
- Buildings	621,952	160,521	101,015	-
20. Exploration expenditure				
Exploration expenditure comprises the following items:				
Exploration expenditure				
- Assaying costs	2,412,077	45,778	-	-
- Consulting	4,874,695	1,575,257	55,754	-
- Environmental costs	458,809	102,628	-	-
- Geological preparation and drilling	4,189,420	331,821	-	-
- Mineral property options paid	692,105	614,362	-	-
- Equipment hire	652,935	9,474	-	-
- Consumables and small tools written off	419,775	26,407	-	-
- Other expenses	927,553	134,857	-	-
	14,627,369	**2,840,584**	**55,754**	**-**
21. Other expenses				
Foreign exchange losses	74,156	299,942	252,852	-
Loss on disposal of property, plant and equipment	375,259	-	-	-
Remuneration of auditor				
- Audit fees	176,320	4,910	103,712	-
- Prior year under provision	2,822	-	-	-
- Other services	319,764	-	260,401	-
Legal costs	508,276	283,145	170,953	-
Travel and accommodation	1,333,697	720,210	714,923	-
Telecommunications	221,377	37,440	4,065	-
Other expenses	2,868,745	374,927	1,052,796	-
	5,880,416	**1,720,574**	**2,559,702**	**-**

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
22. Interest received and finance costs				
Finance costs				
Finance charges under finance leases	12,709	-	-	-
Bank interest	56	-	56	-
Interest on other payables	2,140	-	-	-
Interest payable to Puno Gold Investments (Proprietary) Limited	479,871	-	-	-
	494,776	**-**	**56**	**-**
Interest received				
Bank accounts	1,851,125	323,298	1,510,058	-
Interest receivable from Puno Gold Investments (Proprietary) Limited	482,067	-	482,067	-
Interest receivable from Central Rand Gold (Netherlands Antilles) N.V. -	-	-	2,197,472	
	2,333,192	**323,298**	**4,189,597**	**-**

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
23. Income tax expense				
Current Taxation	**(92,066)**	-	-	-
Reconcilation of taxation expense				
Loss before tax	(44,492,497)	(8,387,258)	(10,574,404)	-
Taxation at standard rate	-	-	-	-
Taxation payable on deemed income in foreign subsidiary	(92,066)	-	-	-
Tax charge	**92,066**	**-**	**-**	**-**
Weighted average applicable charge	(0.21%)	0.00%	0.00%	0.00%

The group has an assessable loss carried forward in 2007 of ZAR 5,215,748 (US$ 752,893) and unutilised capitalised mining expenditure of ZAR 138,125,112 (US$ 20,442,517). These could result in a potential deferred tax asset of ZAR 38,675,031 (US$ 5,723,905), calculated at 28 percent. of the estimated taxable losses, at the balance sheet date derived from estimated tax losses available for offset against future profits and future mining profits. A deferred tax asset has not been recognised as there is uncertainty to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The assessed loss will not expire unless the group ceases trading.

24. Loss per Share

Reconciliation of loss used in calculating losses per share

a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the group by the weighted average number of ordinary shares in issue during the year.

Loss attributable to ordinary equity holders of the group	(44,584,525)	(8,387,258)
Weighted average number of ordinary shares used calculating basic loss per share	180,935,078	134,069,598
Basic loss per share (US cents per share)	**(24.64)**	**(6.26)**

Central Rand Gold

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b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The group has two categories of dilutive potential ordinary shares: 1) Share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the group's shares) based on the monetary value of the subscription rights attached to outstanding share options. The options were however anti-dilutive as the strike price of the options was higher than the average share price for the year. 2) Treasury shares. For the treasury shares, no value is taken into account as the shares hold no rights. The weighted average of the shares is taken into account to determine the dilution.

	Group	
	2007 US$	2006 US$
Diluted loss per share		
Loss attributable to ordinary equity holders of Central Rand Gold Limited used to calculate basic loss per share	(44,584,525)	(8,387,258)
Interest savings on treasury shares	-	-
Loss attributable to ordinary equity holders of Central Rand Gold Limited used to calculate diluted loss per share	**(44,584,525)**	**(8,387,258)**
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic loss per share	180,935,078	134,069,598
Adjustments for calculation of diluted loss per share:		
- Treasury shares	1,214,192	55,890
Weighted average number of ordinary shares used in calculating diluted loss per share	**182,149,270**	**134,168,228**
Diluted loss per share (US cents per share)	(24.48)	(6.25)

c) Headline loss per share

Headline loss per share is calculated by dividing the calculated headline loss of the group by the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Group	
	2007 US$	2006 US$
Loss attributable to equity holders of the group	(44,584,525)	(8,387,258)
Plus: Loss on disposal of property, plant and equipment	375,259	-
Loss used in calculating headline loss per share	(44,209,266)	(8,387,258)
Weighted average number of ordinary shares used calculating headline loss per share	**180,935,078**	**134,069,598**
Headline loss per share (US cents per share)	(24.43)	(6.26)

d) Diluted headline loss per share

Diluted headline loss per share is calculated by dividing the calculated headline loss of the group by the weighted average number of ordinary shares in issue during the year.

Loss attributable to equity holders of the group	(44,584,525)	(8,387,258)
Plus: Loss on disposal of property, plant and equipment	375,259	-
Profit used in calculating headline loss per share	(44,207,259)	(8,387,258)
Weighted average number of ordinary shares used in calculating diluted headline loss per share	**182,149,270**	**134,168,228**
Diluted headline loss per share (US cents per share)	(24.27)	(6.25)

25. Financial instruments

The group's accounting policies for financial instruments are stipulated in the financial instruments accounting policy note. The main purpose of non-derivative financial instruments is to raise finance for the group's operations. The group has not entered into derivative contracts during the current or prior year.

Credit risk
Credit risk arises from cash and cash equivalents, loan receivables and other receivables.

Credit risk on the group's cash and cash equivalents is minimized through ensuring funds are only placed with reputable financial institutions. Exposure to credit risk on other receivable balances is monitored as part of the Finance Department's daily procedures. The group does not have any material credit risk exposure to any one banking institution or to any single receivable or group of receivables.

The loan receivable from Central Rand Gold SA (Proprietary) Limited is payable on demand as and when free cash flows as determined by the board of Central Rand Gold SA (Proprietary) Limited arising from any mining operations are available. The likelihood of the loan being recovered is dependant on the definitive feasibility study being positive. The definitive feasibility study is the final documented outcome of the exploration and evaluation study on the feasibility of Central Rand Gold SA (Proprietary) Limited to commence with mining activities. All indications at this time are positive.

All other receivables are fully performing and are due within 30 days.

The group believes that no impairment allowance is necessary in respect of receivables as no objective evidence existed at year end to indicate that one or more events may have a negative effect on the estimated future cash flows expected from any individual balance.

The group's maximum exposure to credit risk is represented by the carrying amount of all the financial assets determined to be exposed to credit risk, excluding the value of any collateral or other security, and net of any provisions for impairment of those assets. In respect of financial guarantees granted by the group, the maximum exposure to credit risk is the maximum amount the group could have to pay if the guarantees are called on, namely US$ 2,002,968 as at December 31, 2007 (2006: US$ 264,291).

Liquidity risk
Liquidity risk is the risk that the group will be unable to meet its short-term funding requirements. The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Available liquid resources are as follows:

	Group	
	2007 US$	2006 US$
Cash at bank and on hand	149,194,757	7,529,622

The following are the contractual maturities of financial liabilities, including interest payments:

	Payable within 1 month or on demand US$	**More than 1 month but not exceeding 12 months US$**	**More than 1 year but not exceeding 3 years US$**
At 31 December 2007			
Finance leases	495	5,871	19,229
Installment sale agreements	2,281	27,032	86,043
Puno Gold Investments (Proprietary) Limited	6,279,167	-	-
Taxation payable	-	92,066	-
Provisions	-	125,212	-
Operating lease liability	889	9,779	27,558
Trade and other payables			
Trade payables	1,014,527	-	-
Sundry creditors	45,039	-	-
Accrued expenses	1,224,057	113,467	-
Settlement on termination of H Mason	137,225	-	-
	8,703,680	**373,427**	**132,830**
At 31 December 2006			
Trade and other payables			
Trade payables	255,390	-	-
Accrued expenses	-	3,737	-
	255,390	**3,737**	**-**

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Market risk

Interest rate risk
Interest rate risk is the risk of the group being exposed to fluctuations in future cash flows of financial instruments because of changes in market interest rates. The group is exposed to cash flow interest rate risk in respect of its floating rate financial assets, comprising cash and cash equivalents, loan receivables, loans payable, installment sales and finance leases. Cash flow interest rate risk is managed by the group by ensuring that the floating rate financial assets are at least equal to or greater than the floating rate financial liabilities. The group is primarily exposed to fluctuations in the South African prime interest rate.

A change of 100 basis points in the South African prime interest rate at the reporting date would have increased the loss before tax by US$ 160,390 (2006: US$ Nil). There would be no impact on equity other than retained earnings.

The analysis has been performed on the basis of the change occurring at the start of the reporting period and assumes that all other variables, in particular foreign currency rates, remains constant. The analysis is performed on the same basis for 2006.

Foreign exchange rate risk
The company's functional currency is British Pounds (£) and its presentation currency is US Dollars (US$). The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in South African Rand (ZAR) and Australian Dollars (AUD). The group seeks to minimize such risks using agreed policy parameters.

As the loan to Central Rand Gold N.V. Limited is a Rand denominated loan, the company exposes itself to foreign exchange risk. A strengthening of the Pound to the Rand will result in an amount lower than the amount advanced being repayable to the company. The risk is reduced by charging a premium of 2% on the interest payable on the loan.

Sensitivity analysis
This analysis considers the impact of changes in foreign exchange rates on profit or loss, excluding foreign exchange translation differences resulting from the translation of group entities that have a functional currency different from the presentation currency, into the group's presentation currency (and recognised in the foreign currency translation reserve).

A 10 percent strengthening of the US$ against the following currencies at 31 December would have increased the loss by the amounts shown below. There would be no impact on equity

The analysis has been performed on the basis of the change occurring at the start of the reporting period and assumes that all other variables, in particular interest rates, remains constant. The analysis is performed on the same basis for 2006.

	Group	
	2007 US$	2006 US$
US$:ZAR	5,895,589	-
US$:£	1,057,440	-
Net impact on profit or loss	**6,953,029**	**-**

A 10 percent weakening of the US$ against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Fair value
The aggregate net fair values of all current financial assets and financial liabilities, as well as non current receivables, installment sales and finance leases approximate the carrying amounts at the balance sheet date.

Capital risk management
The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The board of directors monitors the level of capital, which the group defines as total share capital and reserves (refer note 8). In order to maintain or adjust the level of capital, the group may issue new shares, adjust the amount of dividends paid to shareholders or return capital to shareholders.

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

The group is not subject to externally imposed capital requirements.

26. Commitments

a) Operating lease commitments - group and company as lessee

The group usually negotiates operating leases for a period of five years. The group's minimum future lease rentals payable under non-cancellable operating leases are as follows:

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
Payable - Minimum Lease Payments				
- not later than 12 months	404,550	160,638	50,532	-
- between 12 months and 5 years	557,863	701,474	-	-
- greater than 5 years	-	-	-	-
	962,413	**862,112**	**50,532**	**-**

Three month's notice was given in order to terminate the rental of the offices in London. The lease expires at the end of April 2008. The operating lease commitments shown above have taken this into account.

b) Purchase of shares in companies

Purchase price of Ferreira Estate and Investment Company Limited ("FEIC")	1,000,000	-	-	-
	1,000,000	**-**	**-**	**-**

The Purchase of FEIC is further discussed in d) below.

c) Rent payable on tenements for exploration ativities

Rent is payable on the following tenements for the year in order to continue exploration activities:

No. 1 Shaft	7,897	-	-	-
No. 2 Shaft	22,273	-	-	-
East Shaft	8,343	-	-	-
	38,513	**-**	**-**	**-**

The rentals are payable to Industrial Zone Limited.

d) Various contractual fees payable

Fees payable to iProp Limited for prospecting	500,000	-	-	-
Option fees payable to Gravelotte Mines Limited	100,000	-	-	-
	600,000	**-**	**-**	**-**

Fees payable to the Department of Minerals and Energy:

	Payable within 1 year US$	**Payable within 2 to 5 years US$**	**Payable after 5 years US$**
3C's	2,453	6,746	-
Langlaagte	178	400	-
AngloGold Ashanti	1,040	2,860	-
Village Main	455	1,250	-
	4,126	**11,256**	**-**

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The prospecting rights over the Simmer and Jack and Western Areas A,B and E have been granted but not formally notarised by South Africa's Department of Minerals and Energy. The company expects this notarisation to occur imminently.

The Southern Deeps area is still under application with the DME, however, should this be granted and notarised, the fees for the first year of prospecting will total US$5,518 (ZAR37,284)

Under the South African Mineral and Petroleum Resources Development Act 28 of 2002, the group requires Ministerial consent in terms of Section 11 Applications (which consent is stil outstanding) to:

(i) the cession to Central Rand Gold SA (Proprietary) Limited ("CRGSA") of the prospecting rights held by Gravelotte Mines Limited (once the option is exercised) and AngloGold Ashanti Limited;

(ii) the cession to CRGSA of the prospecting rights in respect of Vilage Main, Simmer & Jack and Western Areas;

(iii) to confirm a change of control in the shareholding in Ferreira Estate and Investment Company Limited; and

(iv) the cession to CRGSA of the prospecting rights for Southern Areas once granted to RQS.

The details of the groups currently explored tenements are:

Three C's area
This area covers the mining areas of the currently closed Consolidated Main Reef ("CMR"), Crown Mines and City Deep Goldmines, south of Roodepoort and Johannesburg.

CRGSA has a contractual right to conduct exploration in this area. In return for conducting the exploration programme, CRGSA has an option to acquire the entire shareholding of Ferreira Estate and Investment Company Limited ("FEIC"), the registered holder of the prospecting right from iProp Limited ("iProp").

CRGSA is required to spend not less than US$2,000,000 on exploration. Furthermore for a period of eight years following the effective date of the agreement, CRGSA shall pay to iProp a minimum amount of US$500,000 per annum, which shall reduce to US$100,000 per annum after the expiry of the eight year period which payments shall continue for the remainder of the agreement. The first payment was made on 29 March 2006.

CRGSA shall be deemed to have exercised the option to acquire FEIC once an application for a mining right has been lodged with the DME, CRGSA has spent not less than US$2,000,000 on exploration and ministerial consent in terms of section 11 of the Mineral and Petroleum Resources Development Act has been obtained to the change in shareholding in FEIC, whereupon CRGSA shall pay US$1,000,000 as consideration for the purchase of FEIC. A guarantee to this effect has already been put into place.

As a further consideration for the acquisition of the shares in FEIC, once the production threshold as detailed in the applicable phase two work programme has been reached, CRGSA shall pay to iProp US$8 per ounce of gold produced from the area on a quarterly basis.

Once all Exploration expenditure and mine development and associated costs are repaid by FEIC to CRGSA and the FEIC mining operations become profitable, CRGSA shall cease paying US$8 per ounce of gold and thereafter pay a quarterly net profit interest of 10%. for the remainder of the agreement. The various payments of US$500,000 and US$100,000 referred to above will be set off against the US$8 and net profit interests referred to being payable to iProp above.

Langlaagte area
This area covers the area between the CMR and Crown Mines, near to the Three C's Area.

CRGSA has a contractual right to conduct prospecting over this area. A term of the prospecting contract is that CRGSA has the sole and exclusive option to purchase the prospecting right from Gravelotte Mines Limited, the registered holder of the prospecting right. The purchase price for the prospecting right is US$250,000 and the option period runs from November 4, 2005 to November 3, 2010. Option fees of US$100,000 per annum are payable for the duration of the option.

In further consideration for the grant and exercise of the option, Central Rand Gold SA shall on a quarterly basis pay Gravelotte Mines Limited the sum of US$10 per ounce of gold mined from the prospecting area.

AngloGold Ashanti area
This area covers various farm subdivisions in the central Witwatersrand area and suburbs of Johannesburg, Germiston and Alberton.

Central Rand Proprietary Limited, formerly a wholly owned subsidiary of Rand Quest Syndicate Limited, concluded an agreement with Anglogold Ashanti Limited ("Anglogold") under which Anglogold would apply for a prospecting right and Central Rand Proprietary Limited would be entitled to take cession of the prospecting right once granted on payment of US$ 150,000 to recoup the costs of the application.

Under the reorganisation of the group the agreement with Anglogold was assigned to CRGSA.

If a decision to mine the area is taken and Anglogold and the parties agree that Anglogold has no future role in the project then CRGSA shall be required to pay US$8 per ounce of gold recovered from the area.

27. Related party transactions

Subsidiaries
The company's subsidiaries at 31 December 2007 were as follows:

Company Name	Country of Incorporation	Principal Activity	Percentage of Equity Held	Type of Holding
Central Rand Gold (Netherlands Antilles) N.V.	Netherlands Antilles	Investment Holding Company	100%	Direct
Central Rand Gold South Africa (Proprietary) Limited	Republic of South Africa	Exploration Gold	74%	Indirect
Central Rand Gold Assay Laboratories (Proprietary) Limited	Republic of South Africa	Assay Laboratory	100%	Direct

	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
The following transactions occurred with related parties:				
a) Key management personnel compensation				
Employee benefits	2,157,590	936,142	571,906	-
Share-based payments	8,128,068	2,703,544	4,276,392	-
	10,285,658	**3,639,686**	**4,848,298**	**-**
The following transactions occurred with related parties:				
Management and consulting fees paid to Orbital Research Exploration (Proprietary) Limited, a company associated with a former director of Rand Quest Syndicate Limited ("RQS") and Central Rand Gold (Proprietary) Limited ("Central Rand Gold SA")	-	353,035	-	-
Capital raising & commission fees paid to Felix Bay Capital, a company associated with a director, Mr G Farley	-	383,114	-	-
Consulting fees paid to DN Security (WA) (Proprietary) Limited, a company associated with a former director, Mr J Alefounder	89,625	-	89,625	-

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	Group		Company	
	2007 US$	2006 US$	**2007 US$**	2006 US$
b) Loans to related parties				
Loans to directors and key management personnel of the company (and their families):				
Beginning of year	388,831	68,260	-	-
Loans advanced during year	-	320,571	-	-
Loans repayments received	(387,203)	-	-	-
Interest charged	-	-	-	-
Interest receivable	-	-	-	-
End of the year	**1,628**	**388,831**	**-**	**-**
Loans to subsidiaries				
Beginning of year			-	-
Loans advanced during year			33,357,393	-
Loans repayments received			-	-
Interest charged			-	-
Interest receivable			2,197,472	-
End of the year			**35,554,865**	**-**

The loans advanced to directors are interest free and have no fixed terms of repayment.

Name of director	**Amount of loan US$**
2007	
Mr R Ramokgopa	1,628
2006	
Mr R Ramokgopa	1,583
Mr H Mason	369,641
Mr J Alefounder	16,181

Loans receivable from subsidiaries are unsecured and bear interest at South African Prime Lending Rate plus 2%.

No provision or impairment has been required in 2007 and 2006 for the loans made to directors and subsidiaries.

c) Directors' emoluments

No director has a notice period of more than one year.

No director's service contract includes predetermined compensation as a result of termination that would exceed one year's salary and benefits.

No directors have waived any of their emoluments in the current period.

The individual directors received the following remuneration and emoluments during the current financial year.

Company **Executive directors**	**Salary**	**Share Based Payments**	**Total**
	US$	**US$**	**US$**
2007			
G James	54,991	369,107	424,098
R Vittino	64,571	419,237	483,808
M Sullivan	25,348	419,237	444,585
S Ramokgopa	25,308	43,744	69,052
	170,218	**1,251,325**	**1,421,543**
Non-executive directors			
A Walton	210,329	1,794,908	2,005,237
N Farr-Jones	64,322	189,255	253,577
R Kirkby	67,838	520,452	588,290
M Salamon	59,199	520,452	579,651
	401,688	**3,025,067**	**3,426,755**

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Group	Salary US$	Share Based Payments US$	Total US$
Executive directors			
2007			
G James	470,827	1,500,245	1,971,072
R Vittino	327,114	1,716,115	2,043,229
M Sullivan	290,123	1,716,115	2,006,238
S Ramakgopa	201,884	170,526	372,410
	1,289,948	**5,103,001**	**6,392,949**
2006			
G James	142,031	974,250	1,116,281
R Vittino	118,543	97,425	215,968
M Sullivan	173,427	194,850	368,277
S Ramakgopa	78,320	-	78,320
	512,321	**1,266,525**	**1,778,846**
Non-executive directors			
2007			
A Walton	358,434	1,794,908	2,153,342
N Farr-Jones	114,571	189,255	303,826
R Kirkby	101,390	520,452	621,842
M Salamon	91,446	520,452	611,898
	665,841	**3,025,067**	**3,690,908**
2006			
A Walton	93,494	608,906	702,400
N Farr-Jones	15,674	48,713	64,387
R Kirkby	-	48,713	48,713
M Salamon	-	48,713	48,713
	109,168	**755,044**	**864,212**

Directors' interest in scheme shares of the Share Incentive Scheme
The directors of Central Rand Gold Limited are allowed to participate in the Share Incentive Scheme. Details in respect of their participation in scheme shares are as follows:

Name	Purchase Date	Number of Shares	Purchase Price	Release Period
A Walton	12-Sep-07	1,750,000	£ 0.01	1,000,000 on Admission 750,000 on 1st anniversary of Admission
G James	12-Sep-07	750,000	£ 0.01	375,000 on 12 Sept 2007 375,000 on Admission
R Vittino	12-Sep-07	1,000,000	£ 0.01	500,000 on 12 Sept 2007 500,000 on Admission
M Sullivan	12-Sep-07	1,000,000	£ 0.01	500,000 on 12 Sept 2007 500,000 on Admission
N Farr-Jones	12-Sep-07	200,000	£ 0.01	100,000 on 12 Sept 2007 100,000 on 1st anniversary of Admission
R Kirkby	12-Sep-07	550,000	£ 0.01	275,000 on 12 Sept 2007 275,000 on 1st anniversary of Admission
M Salamon	12-Sep-07	550,000	£ 0.01	275,000 on 12 Sept 2007 275,000 on 1st anniversary of Admission

Admission to the main market of the London Stock Exchange and Johannesburg Stock Exchange ocurred on November 8, 2007.

28. Segment reporting

The group operates predominately in one business and geographical segment being the acquisition of mineral rights and data gathering on the Central Rand goldfield of South Africa and related commercial activities. Accordingly, no analysis of segment revenue, results or net assets has been presented.

29. Share based payments

Grant of options in the company
Share options are granted to directors, selected employees and other third parties for various services. The options granted are summarized below.

Vesting	Strike Price	Allocation	Number of share options granted
One third per annum. Full vesting on third anniversary of grant date	One third at Placing Price, one third at 150% of Placing Price and one third at 200% of Placing Price	Directors	12,329,981
100 000 on grant date. Of the balance, one third exercisable on admission, a further one third on the first anniversary of admission and the balance on the second anniversary of admission	100 000 at Placing Price of the balance, Exercise price escalates in accordance with the vesting tranches. One third at Placing Price, one third at 150% of Placing Price and one third at 200% of Placing Price	Staff	1,283,000
No vesting conditions	150% of Placing Price	Drawbridge Macro Master Fund Ltd	3,000,000
No vesting conditions	Placing Price	Kaylan Trading Corp.	2,000,000
No vesting conditions	Placing Price	Harry Mason	2,000,000
No vesting conditions	Placing Price	Findlay & Co. Stockbrokers Ltd	2,000,000

The group has no legal or constructive obligation to repurchase or settle the options in cash.

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	2007	
	Average Price in £ Per Share	Number of Options
Movements in the number of share options outstanding and their related weighted average exercise price are as follows:		
At 1 January	-	-
Granted	1.71	22,612,981
Forfeited	-	-
Exercised	-	-
Expired	-	-
At 31 December		**22,612,981**

Out of the 22,612,981 outstanding options, 9,427,667 options were exercisable. No options have been excercised in 2007.
Share options outstanding at the end of the year have the following expiry date and exercise prices:

	Exercise price in £ per option	Number of Options 2007	2006
8 November 2010	1.25	6,000,000	-
8 November 2010	1.875	3,000,000	-
8 November 2011	1.25	4,537,660	-
8 November 2011	1.875	4,537,660	-
8 November 2011	2.5	4,537,661	-
		22,612,981	**-**

The weighted average fair value of options granted during the period determined using a variant of the binomial option pricing model was £8,751,536 (US$17,762,905) per option. The significant inputs into the model were the following:

	2007
Weighted average share price [£]	1.25
Weighted average exercise price [£]	£1.36 - £1.76
Weighted average expected volatility (%)	55%
Weighted average option life (years)	2.94
Weighted average dividend yield (%)	0%
Weighted average risk free interest rate (%)	4.80%

Volatility

IFRS 2 requires the consideration of historical volatility of the share price over the most recent period that is generally commensurate with the expected option term. The directors did not consider long-term historical volatility as the best measure of expected future volatility, as trading volumes and volatilities are changing continuously. The directors have used the 60 day rolling volatility to November 8, 2007 for a number of comparable companies, as this is considered the best measure of expected future volatility.

The average volatility for the comparable entities is 58%. The median volatility is 53%, which is similar to the average volatility shown above.

Refer to note 16 and 17, employee benefit costs and directors emoluments respectively, for the total expense recognised in the income statement for share options granted to directors and employees.

Description of options outstanding

Central Rand Gold Limited listed on the LSE and JSE Limited ("JSE") on November 8, 2007. New shares were placed on behalf of the company at 125p per share ("Placing Price") in the United Kingdom ("UK") and the European Union ("EU") and R16.94 per share in South Africa.

A number of options have been granted in terms of the Share Incentive Scheme and to third parties for various services. These are summarised hereafter. All options have effectively been granted at October 31, 2007, being the date of listing of Central Rand Gold Shares on the LSE.

Share Option Scheme ("the Scheme")

The Scheme was adopted by the board of directors on 12 September 2007 and accepted by the Trustees of the Employee Share Benefit Trust. One third of the options vest per annum, with full vesting on the third anniversary of date of grant. All options expire on the fourth anniversary of date of grant.

The exercise price escalates in accordance with the vesting tranches; one third at Placing Price, one third at 150% of Placing Price and one third at 200% of Placing Price.

The Scheme makes provision for the inclusion of an exercise condition ("Exercise Condition") in the grant of options. An Exercise Condition is an objective condition precedent to the exercise of an option. It is intended that the board will request the Trustees to ensure Exercise Conditions are included in all option grants which are compliant with relevant stock exchange rules, investor guidelines and corporate governance rules.

Vesting conditions other than market conditions, are not taken into account when estimating the fair value of the options at grant date. Market conditions upon which vesting is conditional are taken into account when estimating the fair value of the options, at grant date. The related expense will be recognised in so far as the other vesting conditions are met even if the market conditions are not met, i.e. the actual value of the equity instruments is not adjusted, only the number of actual equity instruments that vest. There is scope to adjust the option value based on an market related Exercise Condition. However, as this is not known at this stage, an assumption has been made that the Exercise Conditions are non-market conditions.

In addition, options over 1,283,000 shares have been granted on October 31, 2007 under the Scheme to employees on similar terms to those issued to the directors. Options over 100,000 shares have been granted which are immediately exercisable, have an exercise price equal to the Placing Price and expire on the fourth anniversary of grant; and (ii) options over 1,183,000 shares have been granted on terms that one third become exercisable on Admission, a further third on the first anniversary of Admission, and the final third on the second anniversary of Admission and expire on the fourth anniversary of grant.

Additional option agreements
A number of options have been granted to Kaylan Trading Corp. ("Kaylan") in consideration for fundraising activities and to Drawbridge Macro Master Fund Ltd ("Drawbridge") in connection with a subscription for shares. Three million options have been granted to Drawbridge, exercisable for three years and with a strike price of 150% of the Placing Price. Two million options have been granted to Kaylan are also exercisable for three years and with a strike price equating to the Placing Price.

In addition Central Rand Gold has granted two million options to both Harry Mason and Findlay & Co. Stockbrokers Limited ("Findlay & Co.").
The options granted to Findlay & Co. were in consideration of fundraising activities. The options granted to Harry Mason were granted for past services rendered. The final exercise date is the third anniversary of the grant date, with the strike price being the Placing Price.

The valuation of the additional options granted are:	**No.**	**£**	**$**
Drawbridge Macro Master Fund Ltd	3,000,000	1,070,296	2,172,369
Kaylan Trading Corp.	2,000,000	1,029,566	2,089,699
Harry Mason	2,000,000	1,029,566	2,089,699
Findlay & Co. Stockbrokers Ltd	2,000,000	1,029,566	2,089,699

Grant of shares in the company
A summary of the main features of share grants ("grants") made or to be made under the CRG Benefit Trust to the Directors, senior management and key consultants of the group is set out below, together with details of how the grants are intended to operate. The Grants have been or will be made by the Trustees of the CRG Benefit Trust at the direction of the Board as advised by the Remuneration Committee.

The number of participants beneficially interested in the grants made to date are seven (7) directors and nine (9) senior managers and two key consultants of the group.

The grants allow the award of shares to directors, senior management and consultants at nominal cost and vest on a contingent basis, namely the effluxion of time. The grants other than those to the directors which is set out in note 27 - Related parties, are as set out in the table below:

Name **Senior Management**	**Purchase** **Date**	**Number of** **Shares**	**Purchase** **Price**	**Release** **Period**
J McArdle	1-Nov-07	50,000	£ 0.01	25,000 on Admission 25,000 on 1st anniversary of Admission
B Venter	1-Nov-07	50,000	£ 0.01	25,000 on Admission 25,000 on 1st anniversary of Admission
W Epstein	1-Nov-07	50,000	£ 0.01	25,000 on 1 November, 25,000 on Admission
R Jonker	1-Nov-07	30,000	£ 0.01	15,000 on Admission 15,000 on 1st anniversary of Admission
C Neuwerth	1-Nov-07	30,000	£ 0.01	15,000 on Admission 15,000 on 1st anniversary of Admission
R Walther	1-Nov-07	30,000	£ 0.01	15,000 on Admission 15,000 on 1st anniversary of Admission
C Makhomu	1-Nov-07	30,000	£ 0.01	15,000 on Admission 15,000 on 1st anniversary of Admission
M Buckley	1-Nov-07	30,000	£ 0.01	15,000 on Admission 15,000 on 1st anniversary of Admission
M Baker	1-Nov-07	20,000	£ 0.01	10,000 on Admission 15,000 on 1st anniversary of Admission
Consultants				
G Mckenzie	1-Nov-07	250,000	£ 0.01	250,000 on Admission
K Kunene	1-Nov-07	30,000	£ 0.01	30,000 on Admission

Admission to the main market of the London Stock Exchange and Johannesburg Stock Exchange occurred on November 8, 2007.

Notes to the Financial Statements

Senior managers are required to remain in continuous employment in order to receive shares on the first anniversary of admission. The continuous employment condition also applies to all executive directors but does not apply to non-executive directors. This is because the company considers it important that non-executive directors maintain their independence.

Eligibility
The grants will be (and have been) made for the beneficial entitlement of (i) the directors: (ii) senior management of the group to and (iii) key consultants of the group to whom the board deems it appropriate and in the company's interest to make such grants allowing the acquisition of shares on account of their key service provider status. The company encourages and welcomes shareholdings by directors, senior management and key consultants, subject to their own individual personal financial circumstances, on the basis that it is attractive for the interests of directors, senior management and key consultants and the company to be aligned as closely as possible. Shares rather than options are the subject of the grants to non-executive directors in order to maintain their independence and so they are less likely to hold back the company from taking appropriate risks which may offer the most attractive returns, in line with current corporate governance guidance.

Participation limits
The Remuneration Committee and the board of the company intend that no more than 5 per cent. of the total issued shares of the company may in aggregate be the subject of a grant to a person when aggregated with any other scheme or plan undertaken through the trust.

Making an award
Awards further to the eight grants referred to above are not currently intended. However, if any such further grants are made, they will be made in accordance with the relevant rules of the LSE and the JSE. Hence no award would be made to any person during a period where dealings in shares by directors or certain employees of the group are not permitted, whether by the Listing Rules of the United Kingdom Listing Authority, or the rules of the JSE. Once these shares are transferred, the shares will be transferable pursuant to the company's memorandum and articles of association and the relevant rules of the LSE and the JSE.

Performance targets
The grants referred to above are not subject to performance targets. It is considered that where these grants are made to non-executive directors, the inclusion of performance targets would be contrary to the spirit of current corporate governance guidance. Where these grants are made to executive directors, senior management and key consultants the grants are a reward for their service to the development of the company to date and constitute an alignment to the wider shareholders interest.

Award price
The award price of all grants made is equal to the nominal value of the shares on the date of the grant.

Variation of share capital
The grants make no provision in connection with the variation of share capital of the company. Once the date of grant has passed, the shares will be transferred to the person to whom the grant is made and that person shall thenceforth be a shareholder and subject to all variations of share capital as a shareholder.

Dividend roll-up
If dividends have been paid in respect of the shares during the period prior to the date of grant, those dividends shall be paid to the trust and it shall be for the trustees of the trust to determine how such monies may be applied in their discretion taking into account any requests made by the board.

Amendments to grants
The grants are made on a stand alone and ad hoc basis. Accordingly, there is no grant plan as such. In the circumstances provisions for amendment of the grants are not considered necessary and hence no such provision is made.

Administration

Directors

Directors and Company Secretary	Alastair John Mackenzie Walton Gregory David James Michael Allan Sullivan Riccardo Maria Emanuele Vittino Nicholas Campbell Farr-Jones Robert Wynn Kirkby Miklos Salamon John Michael McMahon Bethuel Ngwenya	Non-Executive Chairman Chief Executive Officer Chief Operating Officer Chief Financial Officer Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Company Secretary
Guernsey Secretary and Registrar	**Artemis Corporate Services Limited** Sydney Vane House Admiral Park St Peter Port Guernsey	
Registered Office and Principal Place Of Business	**Sydney Vane House** Admiral Park St Peter Port Guernsey	
South African Office	6-10 Riviera Road Block C Houghton Johannesburg South Africa 2193	
UKLA Sponsor	**Evolution Securities Limited** 100 Wood Street London EC2V 7AN United Kingdom	
JSE Sponsor	**Macquarie First South Corporate Finance (Proprietary) Limited** Block D Macquarie First South Office Park 181 Jan Smuts Avenue, Parktown North Johannesburg 2193 PO Box 1773 Parklands 2121 South Africa	
Legal Advisers to the Company	as to English Law **Hunton & Williams** 30 St Mary Axe London EC3A 8EP United Kingdom as to Guernsey Law **Carey Olsen** PO Box 98 7 New Street St. Peter Port Guernsey GY1 4BZ	as to South African Law **Taback & Associates (Proprietary) Limited** 13 Eton Road Parktown Johannesburg PO Box 3334 Houghton, 2041 South Africa
Auditors	**Moore Stephens LLP** St Paul's House Warwick Lane London EC4M 7BP United Kingdom	
CREST and STRATE Transfer Agents	Jersey and UK **Computershare Investor Services** (Channel Islands) Limited Ordnance House 31 Pier Road St Hellier Jersey	South Africa **Computershare Investor Services 2004 (Proprietary) Limited** 70 Marshall Street Johannesburg South Africa

Central Rand Gold : Shareholder Analysis Tables

Register date: **31 Dec 2007**

Issued Share Capital: 246,599,650

Institutional Shareholder spread	No. of Shareholders	%	No. of Shares	%
1 - 1,000 shares	0	0.0	-	0.00
1,001 - 10,000 shares	19	13.67	110,694	0.04
10,001 - 100,000 shares	38	27.34	2,123,610	0.86
100,001 - 1,000,000 shares	41	29.50	17,337,325	7.03
1,000,001 shares and over	41	29.50	180,860,265	73.34
Total	**139**	**100**	**200,431,894**	**81.28**

Non - institutional ShareholderS	No. of Shares	%
Trading/Market Maker Account	14,017,373	5.68
Private Individuals	8,664,172	3.51
Central Gold South Africa Control Account	8,391,928	3.40
Director & Related Holding(s)	5,000,000	2.03
DBV (Delivery by Value) Account	4,666,230	1.89
Crest Clearing Account	125,381	0.05
Total	**40,865,084**	**16.56**

Unidentified Holdings	No. of Shares	%
Unidentified Holdings	5,302,672	2.15
Total	**5,302,672**	**2.15**

Reconciliation	No. of Shares	%
Institutional Shareholders	200,431,894	44.84
Non Institutional Shareholders	40,865,084	53.98
Unidentified Holdings	5,302,672	1.19
Total	**246,599,650**	**100**

Distribution of Shareholders	No. of Shares	%
Managed Fund	111,544,948	45.23
Private Individual	39,505,090	16.02
Company	30,955,558	12.55
Investment Company	15,014,434	6.09
Trading/MM Account	14,023,373	5.69
Pension Fund	8,108,791	3.29
Investment Trust	5,695,055	2.31
Director & Related	5,000,000	2.03
Retail-Private Client	3,779,810	1.53
DBV (Delivery by Value) Account	4,666,230	1.89
Insurance-Assurance	3,022,084	1.23
Bank-Building Society	934,423	0.38
Crest Clearing Account	125,381	0.05
Unidentified	4,224,473	1.71
Total	**246,599,650**	**100**

Beneficial Shareholders holding of 3% or more	No. of Shares	%
Yandal Investments	22,139,583	8.98
BlackRock Merrill Lynch Investment Mgr	15,134,943	6.14
JP Morgan Asset Management	12,451,358	5.05
Maple Leaf Capital	12,333,340	5.00
Fortress Investment Group	8,670,000	3.52
Williams de Broe	8,126,335	3.30
Plataurum	8,000,000	3.24
Total	**86,855,559**	**35.23**

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