SEPHAKU
HOLDINGS LTD

Interim Financial Results

for the 12 months ended 28 February 2010

Sephaku Holdings Ltd and its Subsidiaries

(Registration number 2005/003306/06)

Interim Financial Results for the 12 months ended 28 February 2010

General Information

Country of incorporation and domicile	South Africa	
Nature of business and principal activities	Mining and development	
Directors	L Mohuba	Chairman
	NR Crafford-Lazarus	Chief Executive Officer
	ME Smit	Financial Director
	RR Matjiu	Executive Director
	CR de Wet de Bruin	Non-Executive Director
	PF Fourie	Non-Executive Director
	GS Mahlati	Non-Executive Director
	MM Ngoasheng	Non-Executive Director
	MG Mahlare	Independent Non-Executive Director
	D Twist	Alternate director to ME Smit
	J Bennette	Alternate director to RR Matjiu
	JW Wessels	Alternate director to CR de Wet de Bruin
Registered office	Suite 4A Manhattan Office Park 16 Pieter road Highveld Techno Park Centurion 0169	
Postal address	PO Box 68149 Highveld Centurion 0169	
Bankers	ABSA Bank	
Auditors	PKF (Pretoria) Inc Registered Auditors	
Secretary	Sephaku Management (Pty) Ltd	
Company registration number	2005/003306/06	
Website	www.sephakuholdings.co.za	

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The reports and statements set out below comprise the interim financial results presented to the shareholders:

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chartered accountants
& business advisers

previously

Sephaku Holdings Ltd and its Subsidiaries

(Registration number 2005/003306/06)

Interim Financial Results for the 12 months ended 28 February 2010

Independent Auditor's Report to the Members of Sephaku Holdings Ltd and its Subsidiaries

We have audited the annual financial statements and group annual financial statements of Sephaku Holdings Ltd and its Subsidiaries, which comprise the balance sheets as at 28 February 2010, and the income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 4 to 48.

Directors' Responsibility for the Annual Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the annual financial statements and group annual financial statements present fairly, in all material respects, the financial position of the company and the group as at 28 February 2010, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

PKF (Pta.) Inc.
Registered Auditors
Chartered Accountants (S.A.)
Registration Number: 2000/026635/21

Per: S Ranchhoojee
Centurion

31 May 2010

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the interim financial results and related financial information included in this report. It is their responsibility to ensure that the interim financial results fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the interim financial results.

The interim financial results 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 group 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 group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimize 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 interim financial results. 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 group's cash flow forecast for the year to 28 February 2011 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the group's interim financial results. The interim financial results have been examined by the group's external auditors and their report is presented on page 3.

The interim financial results set out on pages 5 to 48, which have been prepared on the going concern basis, were approved by the board on 31 May 2010 and were signed on its behalf by:

L Mohuba	**NR Crafford-Lazarus**

Sephaku Holdings Ltd and its Subsidiaries

(Registration number 2005/003306/06)

Interim Financial Results for the 12 months ended 28 February 2010

Directors' Report

The directors submit their report for the year ended 28 February 2010.

1. Review of activities

Main business and operations

The group is engaged in mining and development and operates principally in South Africa and is listed on the JSE Limited.

The operating results and state of affairs of the company are fully set out in the attached interim financial results and do not in our opinion require any further comment.

Net profit of the group was R 56 297 542 (2009: R 10 498 696 loss), after taxation of R (150 443) (2009: R 644 687).

2. Going concern

The interim financial results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Equity funding by investors are expected to be sufficient to sustain the losses incurred for exploration expenses.

3. Events after the reporting period

The group announced during January 2010 that it will unbundle its exploration assets. This process is currently being planned and shareholders should be given notice of a shareholders meeting to approve the unbundling within the next few weeks.

The group has also agreed to raise additional capital through equity and debt for its proposed cement operation. This will also be dealt with in detail in the above mentioned notice to shareholders.

The directors are not aware of any other matter or circumstance arising since the end of the financial year that could materially affect the financial statements.

4. Directors' interest in contracts

The Makings (Pty) Ltd - during the year under review the company rendered services to the group at market related prices to the value of R1 391 280 (2009: R783 074). ME Smit is a director of both The Makings (Pty) Ltd and Sephaku Holdings Ltd.

5. Accounting policies

Refer to the section 'New Standard and Interpretations' for new accounting polices applied during the current year.

6. Authorized and issued share capital

During the period under review the company issued 100 000 ordinary shares at R8.50; 25 000 at R10 and 4 598 561 at R3. During 2009 the company issued 48 081 462 ordinary shares of R0.001 each and 10 000 non-voting convertible shares of R0.001 each. Included in the 2009 issue were 37 663 333 ordinary shares at an issue price of R11.11 per share to acquire 41 960 951 ordinary shares in Sephaku Cement (Pty) Ltd at R10 per share.

Share issues for cash

Number of shares	Share price	Amount
50 000	R 3.00	R 150 000
100 000	R 8.50	R 850 000
4 548 561	R 3.00	R 13 645 683
25 000	R 10.00	R 250 000
		R 14 895 683

All issues of securities were general issues to public shareholders.

During the year 50 000 000 non-voting redeemable preference shares were converted to ordinary shares on a one-for-one basis (note 19).

7. Share incentive scheme

Refer to note 20 for detail about share based payments during the current year.

Directors' Report

8. Non-current assets

Details of major changes in the nature of the non-current assets of the company during the year were as follows:
Additions to intangible assets of the group amounted to R33 663 738 (2009: R15 911 046)
Additions to property, plant and equipment of the group amounted to R98 908 342 (2009: R139 668 769).
There were no changes in the nature of the non-current assets of the Group or in the policy relating to the use of the non-current assets.

9. Dividends

No dividends were declared or paid to shareholder during the year.

10. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Changes	
L Mohuba	Chairman	
NR Crafford-Lazarus	Chief Executive Officer	
ME Smit	Financial Director	
RR Matjiu	Executive Director	
CR de Wet de Bruin	Non-Executive Director	
PF Fourie	Non-Executive Director	Appointed 20 November 2009
GS Mahlati	Non-Executive Director	
MM Ngoasheng	Non-Executive Director	
MG Mahlare	Independent Non-Executive Director	
D Twist	Alternate director to ME Smit	
J Bennette	Alternate director to RR Matjiu	
JW Wessels	Alternate director to CR de Wet de Bruin	Appointed 20 November 2009

11. Secretary

The secretary of the company is Sephaku Management (Pty) Ltd of:

Business address
Suite 4A Manhattan Office Park
16 Pieter Road
Highveld Techno Park
Centurion
0067

Postal address
PO Box 68149
Highveld
0169

12. Interest in subsidiaries

Name of subsidiary	Net income (loss) after tax
Sephaku Fluoride (Pty) Ltd and subsidiaries	(87 472)
Sephaku PGM Holdings (Pty) Ltd and subsidiaries	(6 996)
Sephaku Vanadium (Pty) Ltd	(7 332)
Sephaku Coal Holdings (Pty) Ltd and subsidiaries	(8 949 428)
Sephaku Tin (Pty) Ltd	(44 672)
Sephaku Cement (Pty) Ltd and subsidiaries	(61 826 880)
Sephaku Uranium (Pty) Ltd	62 922
Aquarella Investments 555 (Pty) Ltd	702 908
Sephaku Vanadium (Pty) Ltd	(7 332)
Ergomark (Pty) Ltd	(86 005)
Sephaku Limestone & Exploration (Pty) Ltd	(5 973)
Dala Exploration Holdings (Pty) Ltd	(73 597)

Details of the company's investment in subsidiaries are set out in note 6.

Directors' Report

13. Auditors

PKF (Pretoria) Inc will continue in office in accordance with section 270(2) of the Companies Act.

14. Change of financial year-end

At a shareholders meeting held on 29 January 2009 it was decided to change the financial year-end of the group from 28 February to 30 June. This decision was implemented for the current financial year. The financial year-end of the group was changed to coincide with those companies in the mining industry listed on the Johannesburg Stock Exchange.

15. Shareholders information

Major shareholders

Shareholders holding more than 5% of the issued share capital	Number of shares	Percentage holding
Safika Resources	15 580 823.00	10.0%
CR de Bruin	13 369 188.00	8.6%
Lelau Mohuba Trust	10 963 767.00	7.0%
Camden Bay Investments 33 (Pty) Ltd	9 850 000.00	6.3%

Public and non-public shareholders

	Shares held	%	Number of shareholders	%
Public	63 325 317	40.6%	378	94.5%
Non-Public	92 480 045	59.4%	22	5.5%
- Directors direct holdings	33 389 687	21.4%	9	2.3%
- Directors indirect holdings	12 509 412	8.0%	3	0.8%
- Directors associates	46 580 946	29.9%	10	2.5%
	155 805 362	100.00%	400	100.00%

Shareholder spread

Shareholder	Shares held	%	Number of shareholders	%
1 - 1000	21 356	0.01%	40	10.00%
1001 - 10 000	449 160	0.29%	103	25.75%
10 001 - 100 000	6 016 545	3.86%	146	36.50%
100 001 - 1 000 000	28 323 691	18.18%	78	19.50%
1 000 001 - 10 000 000	81 080 832	52.04%	30	7.50%
10 000 001 - 100 000 000	39 913 778	25.62%	3	0.75%
	155 805 362	100.00%	400	100.00%

Directors' Report

Beneficial shareholdings of directors (and associates):

Director	Direct	Indirect	Associates
L Mohuba		10 963 767	490 000
NR Crafford-Lazarus	1 512 728		
ME Smit	1 208 663		1 556 756
S Matjiu	3 585 923		
CRD de Bruin	13 369 188		1 920 600
MN Ngoasheng			4 988 236
GS Mahlati	1 848 653	1 182 000	1 530 880
PF Fourie		6 645 159	
JW Wessels	1 093 548	119 000	
D Twist	7 528 080	5 626 253	1 995 000
J Bennette	1 025 702		
	31 172 485	24 536 179	12 481 472

Directors interest in share options

Director	Number of Share options	Exercise price	Total value
L Mohuba	1 000 000	R 2.50	2 500 000
NR Crafford-Lazarus	750 000	R 2.50	1 875 000
RR Matjiu	300 000	R 2.50	750 000
JW Wessels	250 000	R 2.50	625 000
J Bennette	175 000	R 2.50	437 500
D Twist	150 000	R 2.50	375 000
MM Ngoasheng	500 000	R 2.50	1 250 000
	3 125 000		7 812 500

Special resolutions

No special resolutions were passed by the issuer’s subsidiaries that had a material effect during the period under review, other than adopting new articles of association in compliance with the JSE requirements.

Sephaku Holdings Ltd and its Subsidiaries

(Registration number 2005/003306/06)

Interim Financial Results for the 12 months ended 28 February 2010

Statements of Financial Position

		Group		Company	
	Notes	2010 R '000	2009 R '000	2010 R '000	2009 R '000
Assets					
Non-Current Assets					
Property, plant and equipment	3	232 968	140 983	-	-
Goodwill	4	3 749	749	-	-
Intangible assets	5	69 125	47 178	-	-
Investments in subsidiaries	6	-	-	437 620	434 620
Investments in associates	7	-	38 266	-	-
Other financial assets	10	-	200	-	-
Deposits for rehabilitation	13	568	334	-	-
		306 410	**227 710**	**437 620**	**434 620**
Current Assets					
Loans to group companies	8	56	8 019	6 137	109 227
Loans to shareholders	9	906	-	-	-
Loans to directors, managers and employees	15	2	26	2	2
Other financial assets	10	25 006	513	79 311	3
Current tax receivable	23	3	-	-	-
Trade and other receivables	16	70 991	4 178	67 655	220
Other loans receivable	14	336	941	-	-
Cash and cash equivalents	17	40 159	271 677	8 712	12 843
		137 459	**285 354**	**161 817**	**122 295**
Non-current assets held for sale and assets of disposal groups	18	-	14 118	-	-
Total Assets		**443 869**	**527 182**	**599 437**	**556 915**
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Share capital	19	225 215	214 981	545 074	537 258
Reserves		(38 216)	1 678	4 326	1 678
Retained income		176 771	212 704	43 857	2 984
		363 770	429 363	593 257	541 920
Non-controlling interest		60 578	83 579	-	-
		424 348	**512 942**	**593 257**	**541 920**
Liabilities					
Non-Current Liabilities					
Deferred tax	12	2 152	-	-	-
Current Liabilities					
Loans from group companies	8	-	110	2 671	1 899
Other financial liabilities	21	2 002	-	2 002	-
Current tax payable	23	1 749	4 098	1 150	1 150
Trade and other payables	24	13 310	10 021	357	11 946
Provisions	22	308	-	-	-
Loans payable		-	11	-	-
		17 369	**14 240**	**6 180**	**14 995**
Total Liabilities		**19 521**	**14 240**	**6 180**	**14 995**
Total Equity and Liabilities		**443 869**	**527 182**	**599 437**	**556 915**
Net asset value per share (cents)	45	233.48	284.19		
Tangible net asset value per share (cents)	45	186.71	252.47		

Sephaku Holdings Ltd and its Subsidiaries

(Registration number 2005/003306/06)

Interim Financial Results for the 12 months ended 28 February 2010

Statements of Comprehensive Income

		Group		Company	
	Notes	2010 R '000	2009 R '000	2010 R '000	2009 R '000
Revenue	26	2 509	-	-	-
Cost of sales	27	(1 215)	-	-	-
Gross profit		**1 294**	**-**	**-**	**-**
Other income		3 740	15 386	315	-
Operating expenses		(104 619)	(53 378)	(16 541)	(7 805)
Profit on disposal of companies		32 290	-	56 000	-
Operating (loss) profit	28	**(67 295)**	**(37 992)**	**39 774**	**(7 805)**
Investment revenue	29	13 256	30 374	1 341	474
Loss from equity accounted investments		(2 102)	(1 964)	(242)	-
Finance costs	30	(10)	(271)	-	-
(Loss) profit before taxation		**(56 151)**	**(9 853)**	**40 873**	**(7 331)**
Taxation	31	(150)	(644)	-	-
(Loss) profit for the year		**(56 301)**	**(10 497)**	**40 873**	**(7 331)**
Other comprehensive income:					
Effects of cash flow hedges net of tax		(53 178)	-	-	-
Total comprehensive (loss) income for the period		**(109 479)**	**(10 497)**	**40 873**	**(7 331)**
(Loss) profit attributable to :					
Equity holders of the parent		(43 936)	(11 044)	40 873	(7 331)
Non-controlling interest		(12 365)	547	-	-
		(56 301)	**(10 497)**	**40 873**	**(7 331)**
Total comprehensive (loss) income attributable to:					
Owners of the parent		(86 478)	(11 044)	40 873	(7 331)
Non-controlling interest		(23 001)	547	-	-
		(109 479)	**(10 497)**	**40 873**	**(7 331)**
Basic earnings/(loss) per share (cents)	45	(28.31)	(8.88)		
Diluted earnings/(loss) per share (cents)	45	(27.56)	(8.59)		
Headline earnings/(loss) per share (cents)	45	(43.09)	(9.35)		
Diluted headline earnings/(loss) per share (cents)	45	(41.95)	(9.04)		

Sephaku Holdings Ltd and its Subsidiaries

(Registration number 2005/003306/06)
Interim Financial Results for the 12 months ended 28 February 2010

Statements of Changes in Equity

	Share capital	Share premium	Total share capital	Hedging reserve	Other NDR	Total reserves	Retained income	Total attributable to equity holders of the group/company	Non-controlling interest	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Group										
Balance at 01 March 2008	**296**	**84 355**	**84 651**	**-**	**1 678**	**1 678**	**39 966**	**126 295**	**20 734**	**147 029**
Changes in equity										
Total comprehensive (loss) / income for the year	-	-	-	-	-	-	(11 044)	(11 044)	547	(10 497)
Issue of shares	48	445 389	445 437	-	-	-	-	445 437	-	445 437
Treasury shares held by subsidiary	-	(2 234)	(2 234)	-	-	-	(4 169)	(6 403)	-	(6 403)
Premium paid on acquisition of additional shares in subsidiary	-	(319 859)	(319 859)	-	-	-	-	(319 859)	-	(319 859)
Issue of preference shares	-	100	100	-	-	-	-	100	-	100
Preference shares to be issued	7 080	-	7 080	-	-	-	-	7 080	-	7 080
Ordinary shares from previous period included in issue	(194)	-	(194)	-	-	-	-	(194)	-	(194)
Gain on issue of shares to minorities	-	-	-	-	-	-	187 951	187 951	-	187 951
Business combinations	-	-	-	-	-	-	-	-	62 298	62 298
Total changes	6 934	123 396	130 330	-	-	-	172 738	303 068	62 845	365 913
Balance at 01 March 2009	**7 230**	**207 751**	**214 981**	**-**	**1 678**	**1 678**	**212 704**	**429 363**	**83 579**	**512 942**
Changes in equity										
Total comprehensive (loss) / income for the year	-	-	-	(42 542)	-	(42 542)	(43 936)	(86 478)	(23 001)	(109 479)
Issue of shares	7 817	-	7 817	-	-	-	-	7 816 043	-	7 816 043
Transfer Share Premium to Share Capital	207 751	(207 751)	-	-	-	-	-	-	-	-
Employees share option scheme	-	-	-	-	2 648	2 648	-	2 648	-	2 648
Sephaku Management (Pty) Ltd transferred to Trust	-	-	-	-	-	-	8 003	8 003	-	8 003
Subsidiary holding treasury shares sold	2 417	-	2 417	-	-	-	-	2 417	-	2 417
Total changes	217 985	(207 751)	10 234	(42 542)	2 648	(39 894)	(35 933)	(65 593)	(23 001)	(88 594)
Balance at 28 February 2010	**225 215**	**-**	**225 215**	**(42 542)**	**4 326**	**(38 216)**	**176 771**	**363 770**	**60 578**	**424 348**
Notes	19	19	19	33			33			

Sephaku Holdings Ltd and its Subsidiaries

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Interim Financial Results for the 12 months ended 28 February 2010

Statements of Changes in Equity

	Share capital	Share premium	Total share capital	Hedging reserve	Other NDR	Total reserves	Retained income	Total	Non-controlling interest	Total equity
	R '000	R '000	R	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Company										
Balance at 01 March 2008	**297**	**84 538**	**84 835**	**-**	**1 678**	**1 678**	**10 315**	**96 828**	**-**	**96 828**
Changes in equity										
Total comprehensive (loss) / income for the year	-	-	-	-	-	-	(7331)	(7 331)	-	(7 331)
Issue of shares	48	445 389	445 437	-	-	-	-	445 437	-	445 437
Issue of preference shares	-	100	100	-	-	-	-	100	-	100
Ordinary shares from the previous period included in issue	(194)	-	(194)	-	-	-	-	(194)	-	(194)
Ordinary shares in the process of being issued	7 080	-	7 080	-	-	-	-	7 080	-	7 080
Total changes	6 934	445 489	452 423	-	-	-	(7331)	445 092	-	445 092
Balance at 01 March 2009	**7 231**	**530 027**	**537 258**	**-**	**1 678**	**1 678**	**2 984**	**541 920**	**-**	**541 920**
Changes in equity										
Total comprehensive (loss) / income for the year	-	-	-	-	-	-	40 873	40 873	-	40 873
Issue of shares	7 816	-	7 816	-	-	-	-	7 816	-	7 816
Employees share option scheme	-	-	-	-	2 648	2 648	-	2 648	-	2 648
Transfer Share Premium to Share Capital	530 027	(530 027)	-	-	-	-	-	-	-	-
Total changes	537 843	(530 027)	7 816	-	2 648	2 648	40 873	51 337	-	51 337
Balance at 28 February 2010	**545 074**	**-**	**545 074**	**-**	**4 326**	**4 326**	**43 857**	**593 257**	**-**	**593 257**
Notes	19	19	19	33			33			

Sephaku Holdings Ltd and its Subsidiaries

(Registration number 2005/003306/06)

Interim Financial Results for the 12 months ended 28 February 2010

Statements of Cash Flows

		Group		Company	
	Notes	2010 R '000	2009 R '000	2010 R '000	2009 R '000
Cash flows from operating activities					
Cash (used in) /generated from operations	34	(82 898)	(15 997)	(15 866)	(1 236)
Interest income		13 256	30 373	1 341	474
Finance costs		(10)	(270)	-	-
Tax paid	35	(2 502)	-	-	-
Net cash from operating activities		**(72 154)**	**14 106**	**(14 525)**	**(762)**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(77 440)	(136 298)	-	-
Sale of property, plant and equipment	3	-	6	-	-
Purchase of other intangible assets	5	(33 663)	(15 911)	-	-
Acquisition of businesses	36	(22 850)	(11 773)	(3 000)	-
Sale of businesses	37	-	-	30 000	-
Movement in other financial assets		21 056	9 352	(84 577)	(2)
Purchase of deposits for rehabilitation		(234)	(75)	-	-
Movement in other loans receivable		713	-	-	-
Purchase of other financial asset		-	(375)	-	-
Transfer assets of disposal groups		-	(14 117)	-	-
Net cash from investing activities		**(112 418)**	**(169 191)**	**(57 577)**	**(2)**
Cash flows from financing activities					
Proceeds on share issue	19	7 816	445 437	7 816	25 828
Preference share issue	19	-	100	-	100
Movement in other financial liabilities		2 002	-	2 001	-
Movement in other loans payable		(11)	-	-	-
Movement in loans to directors, managers and employees		28	426	-	-
Repayment of shareholders loan		(906)	-	-	-
Forex loss through cash flow hedge reserve		(53 177)	-	-	-
Net movements in loans with group companies		(2 701)	(4 260)	58 151	(23 765)
Cash raised from / (paid to) minority shareholders		-	(76 013)	-	-
Cash received for shares not yet issued		-	6 885	-	6 885
Net cash from financing activities		**(46 949)**	**372 575**	**67 968**	**9 048**
Total cash movement for the year		**(231 521)**	**217 490**	**(4 134)**	**8 284**
Cash at the beginning of the year		271 677	54 186	12 843	4 559
Total cash at end of the year	17	**40 159**	**271 676**	**8 709**	**12 843**

Accounting Policies

1. Presentation of Interim Financial Results

The interim financial results have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The interim financial results have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation

The consolidated interim financial results incorporate the interim financial results of the company and all entities, including special purpose entities, which are controlled by the company.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated interim financial results from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the interim financial results of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognized separately from the group's interest therein, and are recognized within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognized for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognized directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognized in equity attributable to the owners of the parent.

Business combinations

The group accounts for business combinations use the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortized as part of the effective interest and costs to issue equity which are included in equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognized at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held-For-Sale and discontinued operations, which are recognized at fair value less costs to sell.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognized previously to other comprehensive income and accumulated in equity are recognized in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the carrying value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortized but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Accounting Policies

1.1 Consolidation (continued)

Investment in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held-For-Sale and discontinued operations. Under the equity method, investments in associates are carried in the consolidated statements of financial position at cost adjusted for post acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The group recognized its share of losses of the associate to the extent of the group's net investment in the associate.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein.

The group’s share of unrealized intra company gains are eliminated upon consolidation and the group’s share of intra company losses are also eliminated provided they do not provide evidence that the asset transferred is impaired.

1.2 Significant judgments and sources of estimation uncertainty

In preparing the interim financial results, management is required to make estimates and assumptions that affect the amounts represented in the interim financial results and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the interim financial results. Significant judgments include:

Trade receivables and Loans and receivables

The group assesses its Trade receivables and Loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for Trade receivables and Loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Options granted

Management used the Black Sholes model to determine the value of the options at issue date. Additional details regarding the estimates are included in the note 20 - Share based payments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill, intangible assets and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including together with economic factors.

Accounting Policies

1.2 Significant judgments and sources of estimation uncertainty (continued)

Taxation

Judgment is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognizes the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realize the net deferred tax assets recorded at the end of the reporting period could be impacted.

Exploration expenses capitalized

Exploration and evaluation expenses are those expenses incurred in connection with acquisition of rights to explore, investigate, examine and evaluate an area of mineralization including related overhead costs. The directors exercise judgment to determine if the costs associated with a specific project must be capitalized against the specific project or written off.

Exploration assets are reviewed at balance sheet date and where the directors consider there to be indicators of impairment, impairment tests will be performed on the capitalized costs and any impairment will be recognized through the income statement.

Site restoration cost

Provision for future site restoration costs are based on the estimate made of the expenditure needed to settle the present obligation arising. When site restoration occurs on an on-going basis during prospecting, the cost of this restoration is included in prospecting expenses and no provision for future restoration costs are required.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognized as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Item	**Average useful life**
Buildings	10 years
Ash Processing Plant	1 - 15 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	6 years
IT equipment	3 years
Field equipment	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Accounting Policies

1.3 Property, plant and equipment (continued)

The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset.

Land is not depreciated.

The cement manufacturing plant and milling plant are in the development phase and no depreciation is calculated until the commissioning of the plant.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Site restoration and dismantling cost

The company has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- changes in the liability are added to, or deducted from, the cost of the related asset in the current period
- if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.
- if the adjustment results in an addition to the cost of an asset, the entity considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount, and any impairment loss is recognized in profit or loss.

1.5 Intangible assets

An intangible asset is recognized when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognized at cost.

Intangible assets are carried at cost less any accumulated amortization and any impairment losses.

Exploration assets are carried at cost less any impairment losses. All costs, including administration and other general overhead costs directly associated with the specific project are capitalized. The directors evaluate each project at each period end to determine if the carrying value should be written off. In determining whether expenditure meet the criteria to be capitalized, the directors use information from several sources, depending on the level of exploration. Purchased exploration and evaluation assets are recognized at the cost of acquisition or at the fair value if purchased as part of a business combination. Exploration assets are not amortized as it will only be available for use once transferred to the development cost of the project.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortization is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortization is provided on a straight line basis over their useful life.

When the technical and commercial feasibility of a project has been established, the relevant exploration assets are transferred to development costs. No further exploration costs for the project will be capitalized. The costs transferred to development costs will be amortized over the life of the project based on the expected flow of economic resources associated with the project.

The amortization period and the amortization method for intangible assets are reviewed every period-end. Amortization is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	2 years
Deferred exploration costs	Not amortized

Accounting Policies

1.6 Investments in subsidiaries

Company interim financial results

In the company's separate interim financial results, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.7 Investments in associates

Company interim financial results

An investment in an associate is carried at cost less any accumulated impairment.

1.8 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - held for trading
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities at fair value through profit or loss - held for trading
- Financial liabilities measured at amortized cost

Initial recognition and measurement

Financial instruments are recognized initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are initially measured at fair value.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognized in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss excludes dividends and interest.

Loans and receivables are subsequently measured at amortized cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognized in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognized in profit or loss as part of other income when the group's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analyzed between translation differences resulting from changes in amortized cost and other changes in the carrying amount. Translation differences on monetary items are recognized in profit or loss, while translation differences on non-monetary items are recognized in other comprehensive income and accumulated in equity.

Accounting Policies

1.8 Financial instruments (continued)

Financial liabilities at amortized cost are subsequently measured at amortized cost, using the effective interest method.

No discounting is applied for instruments at amortized cost where the effects of the time value of money are not considered to be material.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

Impairment losses are recognized in profit or loss.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries and associates and are recognized initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortized cost.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 180 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Accounting Policies

1.8 Financial instruments (continued)

Hedging activities

Designated and effective hedging instruments are excluded from the definition of financial instruments at fair value through profit or loss.

The group designates certain derivatives as hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or on foreign currency risk of a firm commitment (cash flow hedge).

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized to other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within 'other income'.

Amounts accumulated in equity are reclassified to other comprehensive income to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

However, when the forecast transaction that is hedged results in the recognition of a non-financial item (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity in other comprehensive income and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized in profit or loss as a reclassification adjustment through to other comprehensive income when the forecast transaction is ultimately recognized in profit or loss.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognized in profit or loss as a reclassification adjustment through to other comprehensive income.

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the 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 profit nor taxable profit (tax loss).

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. A deferred tax asset is not recognized when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.9 Tax (continued)

Tax expenses

Current and deferred taxes are recognized as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognized, in the same or a different period, to other comprehensive income,
- a transaction or event which is recognized, in the same or a different period, directly in equity, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.10 Non-current assets held for sale (and) (disposal groups)

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortized) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognized in profit or loss.

1.11 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortization is recognized immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortization other than goodwill is recognized immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Accounting Policies

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

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.

1.13 Share based payments

Goods or services received or acquired in a share-based payment transaction are recognized when the goods or as the services are received. A corresponding increase in equity is recognized if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognized as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity, indirectly, are measured by reference to the fair value of the equity instruments granted.

For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognized in profit or loss for the period.

If the share based payments granted do not vest until the counterparty completes a specified period of service, group accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight line basis over the vesting period).

If the share based payments vest immediately the services received are recognized in full.

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded, as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

1.14 Employee benefits

Short term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognized in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognized as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.15 Provisions and contingencies

Provisions are recognized when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

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

Provisions are not recognized for future operating losses.

Accounting Policies

1.15 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognized in business combinations that are recognized separately are subsequently measured at the higher of:
- the amount that would be recognized as a provision; and
- the amount initially recognized less cumulative amortization.

Contingent assets and contingent liabilities are not recognized. Contingencies are disclosed in note 39.

1.16 Revenue

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:
- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognized, in profit or loss, using the effective interest rate method.

1.17 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Contract costs comprise:
- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.18 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous interim financial results are recognized in profit or loss in the period in which they arise.

Accounting Policies

1.18 Translation of foreign currencies (continued)

When a gain or loss on a non-monetary item is recognized to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognized to other comprehensive income and accumulated in equity. When a gain or loss on a non- monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.19 Operating segments

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segments and assess its performance, and
- for which discrete financial information is available.

Business segments for management purposes are those minerals and commodities regarded as key to the company's business model and which are actively managed by the company. The company does not regard geographical segments as reportable.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IAS 1 (Revised) Presentation of Financial Statements

The main revisions to IAS 1 (AC 101):

- Require the presentation of non-owner changes in equity either in a single statement of comprehensive income or in an income statement and statement of comprehensive income.
- Require the presentation of a statement of financial position at the beginning of the earliest comparative period whenever a retrospective adjustment is made. This requirement includes related notes.
- Require the disclosure of income tax and reclassification adjustments relating to each component of other comprehensive income. The disclosures may be presented on the face of the statement of comprehensive income or in the notes.
- Allow dividend presentations to be made either in the statement of changes in equity or in the notes only.
- Have changed the titles to some of the financial statement components, where the 'balance sheet' becomes the 'statement of financial position' and the 'cash flow statement' becomes the 'statement of cash flows.' These new titles will be used in International Financial Reporting Standards, but are not mandatory for use in financial statements.

The effective date of the standard is for years beginning on or after 01 January 2009.

The group has adopted the standard for the first time in the 2010 interim financial results.

The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the interim financial results.

May 2008 Annual Improvements to IFRS's: Amendments to IAS 1 Presentation of Financial Statements

The amendment is to clarify that financial instruments classified as held for trading in accordance with IAS 39 (AC 133) Financial Instruments: Recognition and Measurement are not always required to be presented as current assets/liabilities.

The effective date of the amendment is for years beginning on or after 01 January 2009. The

group has adopted the amendment for the first time in the 2010 interim financial results. The

impact of the amendment is not material.

May 2008 Annual Improvements to IFRS's: Amendments to IFRS 7 Financial Instruments: Disclosures; IAS 32 Financial Instruments: Presentation; IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures

The amendment adjusted the disclosure requirements of investments in associates and interests in joint ventures which have been designated as at fair value through profit or loss or are classified as held for trading. The amendment provides that only certain specific disclosure requirements of IAS 28 (AC 110) Investments in Associates and IAS 31 (AC 119) Interests in Joint Ventures are required together with the disclosures of IFRS 7 (AC 144) Financial Instruments: Disclosures; IAS 32 (AC 125) Financial Instruments: Presentation.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group has adopted the amendment for the first time in the 2010 interim financial results.

The impact of the amendment is not material.

May 2008 Annual Improvements to IFRS's: Amendments to IAS 39 Financial Instruments: Recognition and Measurement

IAS 39 (AC 133) prohibits the classification of financial instruments into or out of the fair value through profit or loss category after initial recognition. The amendments set out a number of changes in circumstances that are not considered to be reclassifications for this purpose.

The amendments have also removed references to the designation of hedging instruments at the segment level.

The amendments further clarify that the revised effective interest rate calculated when fair value hedge accounting ceases, in accordance with paragraph 92 IAS 39 (AC 133) should be used for the remeasurement of the hedged item when paragraph AG8 of IAS 39 (AC 133) is applicable.

Notes to the Interim Financial Results

2. New Standards and Interpretations (continued)

The effective date of the amendment is for years beginning on or after 01 January 2009.
The group has adopted the amendment for the first time in the 2010 interim financial results.
The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2010 or later periods:

May 2008 Annual Improvements to IFRS's: Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment clarifies that assets and liabilities of a subsidiary should be classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest after the sale.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The group expects to adopt the amendment for the first time in the 2011 interim financial results.

It is unlikely that the amendment will have a material impact on the company's interim financial results.

2009 Annual Improvements Project: Amendments to IAS 38 Intangible Assets

The amendment provides guidance on the measurement of intangible assets acquired in a business combination. The effective date of the amendment is for years beginning on or after 01 July 2009.

The group expects to adopt the amendment for the first time in the 2011 interim financial results.

It is unlikely that the amendment will have a material impact on the company's interim financial results.

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000

3. Property, plant and equipment

Group	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	25 856	-	25 856	4 387	-	4 387
Buildings	910	(41)	869	931	-	931
Chemical Plant	3 746	-	3 746	-	-	-
Cement manufacturing plant	127 531	-	127 531	112 212	-	112 212
Furniture and fixtures	994	(165)	829	1 233	(229)	1 004
Motor vehicles	-	-	-	1 891	(568)	1 323
Office equipment	550	(87)	463	393	(101)	292
IT equipment	2 345	(813)	1 532	2 370	(670)	1 700
Ash processing plant	71 503	(3 415)	68 088	18 742	-	18 742
Milling plant	3 856	-	3 856	335	-	335
Field equipment	220	(22)	198	88	(31)	57
Total	**237 511**	**(4 543)**	**232 968**	**142 582**	**(1 599)**	**140 983**

Reconciliation of property, plant and equipment - Group – 2010

	Opening balance	Additions	Additions through business combinations	Disposals	Transfers	Depreciation	Total
Land	4 387	-	21 469	-	-	-	25 856
Buildings	931	-	-	-	(21)	(41)	869
Chemical plant	-	3 746	-	-	-	-	3 746
Cement manufacturing plant	112 212	15 319	-	-	-	-	127 531
Furniture and fixtures	1 004	417	-	(464)	-	(128)	829
Motor vehicles	1 323	-	-	(1 323)	-	-	-
Office equipment	292	461	-	(231)	21	(80)	463
IT equipment	1 700	994	-	(522)	-	(640)	1 532
Ash processing plant	18 742	52 761	-	-	-	(3 415)	68 088
Milling plant	335	3 521	-	-	-	-	3 856
Field equipment	57	219	-	(56)	-	(22)	198
	140983	**77 438**	**21 469**	**(2 596)**	**-**	**(4 326)**	**232 968**

Reconciliation of property, plant and equipment - Group - 2009

	Opening balance	Additions	Disposals	Classified as held for sale	Depreciation	Total
Land	2 343	2 044	-	-	-	4 387
Buildings	-	931	-	-	-	931
Cement manufacturing plant	-	112 212	-	-	-	112 212
Furniture and fixtures	573	1 036	-	(465)	(140)	1 004
Motor vehicles	1 498	1 506	-	(1 323)	(358)	1 323
Office equipment	319	265	-	(231)	(61)	292
IT equipment	585	2 125	-	(522)	(488)	1 700
Ash processing plant	-	18 742	-	-	-	18 742
Milling plant	-	335	-	-	-	335
Field equipment	67	69	(6)	(56)	(17)	57
	5 385	**139 265**	**(6)**	**(2 597)**	**(1 064)**	**140 983**

Other information

	Group 2010	Group 2009	Company 2010	Company 2009
Carrying value of property, plant and equipment under construction	199 475	131 290	-	-

Sephaku Holdings Ltd and its Subsidiaries

(Registration number 2005/003306/06)

Interim Financial Results for the 12 months ended 28 February 2010

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000
3. Property, plant and equipment (continued)				
Details of properties				
Portion 10 of the farm Klein Westerford 78IO (335,7727 ha) and portion 8 of the farm Klein Westerford 78IO (321,7982 ha) is reconciled into portion 17 on 30 September 2008.				
- Purchase price: 1 March 2008	2 244	2 244	-	-
- Capitalized expenditure	27	27	-	-
	2 271	**2 271**	**-**	**-**
Remaining portion of the farm Klein Westerford 78IO (328,9083 ha)				
- Purchase price: 12 February 2008	2 100	2 100	-	-
- Capitalized expenditure	16	16	-	-
	2 116	**2 116**	**-**	**-**
Portion1 1 of the farm Klein Westerford 78IO (1576010 ha)				
- Purchase price: 31 August 2007	850	-	-	-
- Capitalized expenditure	122	-	-	-
	972	**-**	**-**	**-**
Remaining extension of Portion 22 of the farm Witklip no 232 (769004 ha)				
- Purchase price: 9 November 2009	19 000	-	-	-
- Capitalized expenditure	1 497	-	-	-
	20 497	**-**	**-**	**-**
Portion 4 of Erf 268 Lichtenburg				
- Purchase price: 30 September 2008	880	880	-	-
- Capitalized expenditure	30	30	-	-
	910	**910**	**-**	**-**

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000

4. Goodwill

Group	2010			2009		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill on acquisition of subsidiaries	3 749	-	3 749	749	-	749

Reconciliation of goodwill - Group – 2010

	Opening balance	Additions through business combinations	Total
Goodwill	749	3 000	3 749

Reconciliation of goodwill - Group - 2009

	Opening balance	Total
Goodwill	749	749

5. Intangible assets

Group	2010			2009		
	Cost / Valuation	Accumulated amortization	Carrying value	Cost / Valuation	Accumulated amortization	Carrying value
Computer software	6 001	(2 761)	3 240	3 652	(885)	2 767
Exploration assets	65 885		65 885	44 411	-	44 411
Total	**71 886**	**(2 761)**	**69 125**	**48 063**	**(885)**	**47 178**

Reconciliation of intangible assets - Group - 2010

	Opening balance	Additions	Disposals	Amortization	Impairment loss	Total
Computer software	2 767	3 043	(370)	(2 200)	-	3 240
Exploration assets	44 411	30 622	-	-	(9 148)	65 885
	47 178	**33 665**	**(370)**	**(2 200)**	**(9 148)**	**69 125**

Reconciliation of intangible assets - Group - 2009

	Opening balance	Additions	Classified as held for sale	Amortization	Impairment loss	Total
Computer software	470	3 440	(370)	(773)	-	2 767
Exploration assets	31 946	12 471	-	-	(6)	44 411
	32 416	**15 911**	**(370)**	**(773)**	**(6)**	**47 178**

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	**2009 R '000**	**2010 R '000**	**2009 R '000**

6. Investments in subsidiaries

Name of company	% holding 2010	% holding 2009	Carrying amount 2010	Carrying amount 2009
Sephaku Cement (Pty) Ltd	80.22 %	80.22 %	434 610	434 610
Sephaku Gold Holdings (Pty) Ltd	- %	100.00 %	-	-
Sephaku Fluoride (Pty) Ltd	100.00 %	100.00 %	10	10
Sephaku Coal Holdings (Pty) Ltd	100.00 %	100.00 %	-	-
Sephaku PGM Holdings (Pty) Ltd	100.00 %	100.00 %	-	-
Sephaku Management (Pty) Ltd	- %	100.00 %	-	-
Sephaku Tin (Pty) Ltd	100.00 %	100.00 %	-	-
Sephaku Vanadium (Pty) Ltd	100.00 %	100.00 %	-	-
Aquarella Investments 555 (Pty) Ltd	100.00 %	100.00 %	-	-
Blue Waves Properties 198 (Pty) Ltd	- %	100.00 %	-	-
Sephaku Uranium (Pty) Ltd	100.00 %	100.00 %	-	-
Ergomark (Pty) Ltd	100.00 %	- %	-	-
Sephaku Limestone & Exploration (Pty) Ltd	51.00 %	- %	3 000	-
Dala Exploration Holdings (Pty) Ltd	100.00 %	- %	-	-
			437 620	**434 620**

The carrying amounts of subsidiaries are shown net of impairment losses.

All the subsidiaries are registered and operate within South Africa.

On 1 March 2009 all the shares in Sephaku Management (Pty) Ltd were transferred to the Samet Trust.

On 27 January 2010 all the shares in Sephaku Gold Holdings (Pty) Ltd were sold to the Wu Group for R60m.

On 31 October 2009 all the shares in Blue Waves Properties 198 (Pty) Ltd were sold to Sephaku Cement (Pty) Ltd for R30m.

7. Investments in associates

Name of company	2010	2009	Carrying amount 2010	Carrying amount 2009
Taung Gold (Pty) Ltd	- %	30.00 %	-	29 343
Sephaku Gold Exploration (Pty) Ltd Golden Dividend 524	- %	30.00 %	-	8 923
(Pty) Ltd	26.00 %	26.00 %	-	-
Defacto Investments 275 (Pty) Ltd Private Preview	26.00 %	26.00 %		
Investments 39 (Pty) Ltd	26.00 %	26.00 %	-	-
African Spirit Trading 364 (Pty) Ltd	- %	48.00 %	-	-
Egonox (Pty) Ltd	30.00 %	- %	-	-
Insa Coal Holdings (Pty) Ltd	50.00 %	- %	-	-
Synchrophor (Pty) Ltd	30.00 %	- %	-	-
Indelum Properties (Pty) Ltd	30.00 %	- %	-	-
Synchrotrix (Pty) Ltd	30.00 %	- %	-	-
Concreco (Richards Bay)(Pty) Ltd	25.00%	- %	-	-
Empivert (Pty) Ltd	30.00 %	- %	-	-
Finishing Touch	26.00 %	- %	-	-
Trading 121 (Pty) Ltd				
Vigacron (Pty) Ltd	30.00 %	- %	-	-
African Nickel Holdings (Pty) Ltd	- %	26.00 %	-	-
			-	**38 266**

The carrying amounts of Associates are shown net of impairment losses.
All the associates are unlisted.

On 27 January 2010 the interest in African Nickel Holdings (Pty) Ltd was sold to the Wu Group for R20m, as well as Sephaku Gold Holdings (Pty) Ltd being a 30% shareholder of Taung Gold Ltd and Sephaku Gold Exploration (Pty) Ltd for an amount of R60m.

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000
8. Loans to (from) group companies				
Subsidiaries				
Sephaku Cement (Pty) Ltd	-	-	(2 671)	(1 899)
Sephaku Gold Holdings (Pty) Ltd	-	-	-	31 626
Sephaku Fluoride (Pty) Ltd	-	-	1 699	944
Sephaku Coal Holdings (Pty) Ltd	-	-	1 212	27
Sephaku PGM Holdings (Pty) Ltd	-	-	101	12
Sephaku Management (Pty) Ltd	-	-	-	74 167
Sephaku Tin (Pty) Ltd	-	-	1 739	1 725
Sephaku Vanadium (Pty) Ltd	-	-	5	-
Aquarella Investments 555 (Pty) Ltd	-	-	-	375
Nokeng Fluorspar Mine (Pty) Ltd	-	-	377	187
Sephaku Developments (Pty) Ltd	-	-	-	-
Sephaku Limestone & Exploration (Pty) Ltd	-	-	948	-
	-	**-**	**3 410**	**107 164**

The loans are unsecured, bear no interest and are repayable on demand.

	Group 2010 R '000	Group 2009 R '000	Company 2010 R '000	Company 2009 R '000
Associates				
Taung Gold Ltd	-	7 731	-	-
Sephaku Gold Exploration (Pty) Ltd	-	161	-	164
African Nickel Holdings (Pty) Ltd	-	(12)	-	-
African Spirit Trading 364 (Pty) Ltd	-	1	-	-
Golden Dividend 524 (Pty) Ltd	56	28	56	-
	56	**7 909**	**56**	**164**

The loans are unsecured, bear no interest and are repayable on demand.

	Group 2010 R '000	Group 2009 R '000	Company 2010 R '000	Company 2009 R '000
Current assets	56	8 019	6 137	109 227
Current liabilities	-	(110)	(2 671)	(1 899)
	56	**7 909**	**3 466**	**107 328**

9. Loans to (from) shareholders

	Group 2010 R '000	Group 2009 R '000	Company 2010 R '000	Company 2009 R '000
Dangote Industries	906	-	-	-

Loan is unsecured, bears no interest and is repayable on demand.

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000
10. Other financial assets				
Available-for-sale				
Unlisted shares	-	375	-	-
	-	375	-	-
Available-for-sale (impairments)	-	(175)	-	-
	-	**200**	**-**	**-**
Loans and receivables				
African Precious Minerals Ltd	-	(171)	-	(29)
African Nickel Ltd	-	250	-	1
Mineral Afrique Ltd	31	33	31	31
Sephaku Management (Pty) Ltd	24 975	-	79 280	-
Other loans	-	401	-	-
The loans are unsecured, bear no interest and are repayable on demand.				
	25 006	112	79 311	3
	25 006	**513**	**79 311**	**3**
Total other financial assets	**25 006**	**713**	**79 311**	**3**
Non-current assets				
Available-for-sale	-	200	-	-
Current assets				
Loans and receivables	25 006	513	79 311	3
	25 006	**713**	**79 311**	**3**

2010 R '000
2009 R '000

11. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Group – 2010

	Loans and receivables	Total
Loans to group companies	55	55
Loans to shareholders	906	906
Other financial assets	36 983	36 983
Loans to directors, managers and employees	1	1
Trade and other receivables	72 695	72 695
Cash and cash equivalents	40 159	40 159
Other loans receivable	336	336
	151 135	**151 135**

Group – 2009

	Loans and receivables	Available-for-sale	Total
Loans to group companies	8 018	-	8 018
Other financial assets	512	200	712
Loans to directors, managers and employees	25	-	25
Trade and other receivables	928	-	928
Cash and cash equivalents	264 033	-	264 033
Other loan	941	-	941
	274 457	**200**	**274 657**

Company – 2010

	Loans and receivables	Total
Loans to group companies	6 137	6 137
Loans to directors, managers and employees	1	1
Other financial assets	84 850	84 850
Trade and other receivables	70 359	70 359
Cash and cash equivalents	8 712	8 712
	170 059	**170 059**

Company – 2009

	Loans and receivables	Total
Loans to group companies	109 225	109 225
Other financial assets	2	2
Loans to directors, managers and employees	1	1
Cash and cash equivalents	12 843	12 843
	122 071	**122 071**

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000
12. Deferred tax				
Deferred tax asset				
Deferred tax	(2 152)	-	-	-
Reconciliation of deferred tax asset (liability)				
Deferred tax asset on assessed loss limited to taxable differences	6 683	-	-	-
Originating temporary difference from Kendal Plant	(7 052)	-	-	-
Originating temporary difference on business combinations	(2 151)	-	-	-
Leave provision	653	-	-	-
Prepaid expenses	(285)	-	-	-
	(2 151)	-	-	-

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilization of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

Sephaku Cement (Pty) Ltd has incurred an assessed loss of R62 192 504 in the current year. It has become operational during the current financial year and is expected to make taxable profits in the foreseeable future against which this loss can be set off.

Unrecognized deferred tax asset

Deductible temporary differences not recognized as deferred tax assets	77 082	-	-	-

13. Deposits for rehabilitation

In terms of section 41 of the Minerals and Petroleum Development Act an applicant for a prospecting right, mining right or mining permit must make the prescribed financial provision for the rehabilitation or management of negative environmental impacts. The group made deposits with the Department of Minerals and Energy in compliance herewith.

14. Other loans receivable

Sinoma International Engineering Co Ltd - a loan to the amount of R336 117 was provided during the period under review. This loan is unsecured, interest free and has no fixed terms of repayment.

15. Loans to directors, managers and employees

Loans to directors, managers and employees				
At beginning of the year	26	452	2	2
Advances	-	24	-	-
Repayments	(24)	(450)	-	-
	2	**26**	**2**	**2**

The loans to directors, managers and employees bear no interest and are repayable on demand.

Notes to the Interim Financial Results

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
16. Trade and other receivables				
Trade receivables	68 815	895	67 095	-
Prepayments	1 019	516	-	-
Deposits	256	32	-	-
VAT	901	2 735	560	220
	70 991	**4 178**	**67 655**	**220**
17. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	61	39	-	-
Bank balances	40 098	271 638	8 712	12 843
Other cash and cash equivalents	-	-	-	-
	40 159	**271 677**	**8 712**	**12 843**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating				
AAA	40 098	271 638	8 712	12 842

18. Discontinued operations or disposal groups or non-current assets held for sale

The group discontinued its operations in Sephaku Management (Pty) Ltd as of 28 February 2009. The group continues to make use of the services provided by Sephaku Management (Pty) Ltd. The assets and liabilities of the disposal group are set out below.

Assets and liabilities				
Assets of disposal groups				
Associates	-	1 170	-	-
Trade and other receivables	-	12 517	-	-
Other assets	-	431	-	-
	-	**14 118**	**-**	**-**

Notes to the Interim Financial Results

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
19. Share capital				
Authorised				
150 000 000 Ordinary shares of R0.001 each	-	150	-	150
50 000 000 non-voting convertible Preference shares of R0.001 each	-	50	-	50
Current financial year: 1000 000 000 Ordinary shares with no par value	-	-	-	-
	-	**200**	**-**	**200**
Reconciliation of number of shares issued:				
Reported as at 01 March 2009	151 081 802	102 990 340	151 081 801	102 990 340
Issue of shares – ordinary shares	4 723 561	48 091 462	4 723 561	48 091 462
	155 805 363	**151 081 802**	**155 805 362**	**151 081 802**

The unissued ordinary shares are under the control of the directors.

Issued				
Ordinary	225 215	125	545 074	126
Preference	-	25	-	25
Ordinary shares to be issued	-	7 080	-	7 080
Share premium	-	207 751	-	530 027
	225 215	**214 981**	**545 074**	**537 258**

20. Share based payments

Share Option Group	**Number**	**Weighted exercise price**	**Total value**
Share options granted during 2008 year	200 000	1.50	300
Share options granted during the 2009 year	5 740 000	2.50	14 350

No share options were exercised during the period under review.

Share options of R12 423 vested during the period and are included in salary expense.

Outstanding options	**Exercise date within one year**	**Exercise date from two to five years**	**Exercise date after five years**
5 740 000 options with exercise price of R2.50, vesting over 3 years, expiring 31/03/2015	1 794	133	-
200 000 options with exercise price of R1.50 from 30/06/2008 to 30/06/2011	150	150	-

21. Other financial liabilities

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Held at amortized cost				
African Nickel Ltd	2 002	-	2 002	-

The loan is unsecured, bears no interest and is repayable on demand.

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Current liabilities				
At amortized cost	2 002	-	2 002	-

Notes to the Interim Financial Results

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000

22. Provisions

Reconciliation of provisions - Group - 2010

	Opening balance	Additions	Total
Provision	-	308	308

The R308 provision relates to a rebate provision of R37 and a provision for software licenses of R271.

23. Current tax payable (receivable)

An amount of R599 relates to current tax payable for the 2010 tax year (2009: R645) (2008: R1 150 Capital Gains Tax payable)

(2007: R2 303) and current tax receivable of R3 relates to 2010 tax year.

24. Trade and other payables

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Trade payables	6 139	9 256	357	11 946
Staff claims	41	18	-	-
Accrued leave pay	2 335	715	-	-
Accrued medical aid contributions	466	20	-	-
Accrued audit fees	-	12	-	-
Accrued expense	415	-	-	-
Accrual for salary related expenses	3 914	-	-	-
	13 310	10 021	357	11 946

25. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Group – 2010

	Financial liabilities at amortized cost	Total
Other financial liabilities	2 002	2 002
Trade and other payables	10 971	10 971
	12 973	**12 973**

Group – 2009

	Financial liabilities at amortized cost	Total
Loans from group companies	110	110
Loans from shareholders	10	10
Other financial liabilities	1 149	1 149
Trade and other payables	9 307	9 307
	10 576	**10 576**

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000

25. Financial liabilities by category (continued)

Company - 2010

	Financial liabilities at amortized cost	Total
Loans from group companies	2 671	2 671
Other financial liabilities	2 002	2 002
Trade and other payables	356	356
	5 029	**5 029**

Company - 2009

	Financial liabilities at amortized cost	Total
Loans from group companies	1 899	1 899
Trade and other payables	11 943	11 943
	13 842	**13 842**

26. Revenue

	Group 2010	Group 2009	Company 2010	Company 2009
Sale of goods	2 509	-	-	-

27. Cost of sales

Sale of goods

	Group 2010	Group 2009	Company 2010	Company 2009
Cost of goods sold	1 215	-	-	-

28. Operating profit

Operating (loss) profit for the year is stated after accounting for the following:

Operating lease charges

	Group 2010	Group 2009	Company 2010	Company 2009
Premises				
. Contractual amounts	916	518	-	-
Equipment				
. Contractual amounts	350	1 578	-	-
	1 266	**2 096**	**-**	**-**
Profit on sale of non-current assets	32 290	(758)	56 000	-
Impairment on investment in associate	200	175	-	-
Amortisation of intangible assets	2 199	772	-	-
Depreciation on property, plant and equipment	4 326	1 064	-	-
Employee costs	55 520	25 210	2 888	-
Auditors remuneration: Fees for audit services	383	46	-	-
Capital raising fee	-	4 613	-	-
Loss on non-current assets held for sale or disposal groups	-	-	-	-
Impairment of intangible assets	9 148	6	-	-
(Profit) / Loss on foreign exchange	(946)	(261)	-	-

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000
29. Investment revenue				
Interest revenue				
Loans	-	39	-	-
Bank	11 915	29 916	-	55
Other interest	1 341	419	1 341	419
	13 256	**30 374**	**1 341**	**474**
30. Finance costs				
Trade and other payables	-	2	-	-
Finance leases	-	47	-	-
Bank	2	222	-	-
Department of Mineral Resources	8	-	-	-
	10	**271**	**-**	**-**
31. Taxation				
Major components of the tax expense				
Current				
Local income tax - current period	150	644	-	-
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting (loss) profit	(56 151)	(9 853)	40 873	(7 331)
Tax at the applicable tax rate of 28% (2009: 28%)	(15 722)	(2 759)	11 444	(2 047)
Tax effect of adjustments on taxable income				
(Non-taxable) / non-deductible differences	(9 443)	656	(8 656)	-
Unprovided tax loss	33 752	3 714	-	2 047
Utilisation of unprovided tax loss	(6 683)	(967)	(965)	-
	1 904	**644**	**1 823**	**-**

The income tax rate of 29% in 2008 was reduced to 28% in 2009.

Current tax provided relates to the taxable income of Sephaku Development (Pty) Ltd. The other companies in the group have no taxable income for the year ending.

32. Auditors' remuneration				
Fees for audit services	385	46	218	5

33. Other comprehensive income

Components of other comprehensive income - Group – 2010	Gross	Tax	Net	Non-controlling interest	Net
Effects of cash flow hedges					
Gains (losses) on cash flow hedges arising during the year	(53 178)	-	(53 178)	10 636	(42 542)

Sephaku Cement (Pty) Ltd entered into an agreement with Sinoma International Engineering Co Limited for the provision of a turnkey cement manufacturing facility at a total cost of USD273m. The first cash flow is a deposit of 20% which is regarded as a firm commitment. The cash flow risk associated with the foreign exchange payment was hedged by means of a foreign exchange contract.

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000
34. Cash used in operations				
(Loss) profit before taxation	(56 151)	(9 853)	40 873	(7 331)
Adjustments for:				
Depreciation and amortisation	6 525	1 837	-	-
Profit on sale of non-current assets	(32 290)	(758)	(56 000)	-
Loss from equity accounted investments	2 102	1 964	242	-
Interest received	(13 256)	(30 374)	(1 341)	(474)
Finance costs	10	271	-	-
Loans written off		-	917	-
Impairment of investment in associate	200	175	-	-
Other non-cash items	(229)	-	-	-
Movements in provisions	308	-	-	-
Exploration cost written off	9 148	6	-	-
Share options recorded against salary expense	2 648	-	2 648	-
Changes in working capital:				
Trade and other receivables	13 648	13 042	8 384	(220)
Trade and other payables	(16 481)	7 693	(11 589)	6 789
	(82 898)	**(15 997)**	**(15 866)**	**(1 236)**
35. Tax paid				
Balance at beginning of the year	(4 098)	(3 454)	(1 150)	(1 150)
Current tax for the year recognised in profit or loss	(150)	(644)	-	-
Balance at end of the year	1 746	4 098	1 150	1 150
	(2 502)	**-**	**-**	**-**
36. Acquisition of businesses				
Fair value of assets acquired				
Property, plant and equipment	21 468	-	-	-
Intangible assets	-	11 773	-	-
Goodwill	3 000	-	3 000	-
Trade and other receivables	542	-	-	-
Trade and other payables	(10)	-	-	-
Tax assets / liabilities	(2 151)	-	-	-
Inter-company loan accounts	(7 632)	-	-	-
	15 217	**11 773**	**3 000**	**-**
Consideration paid				
Cash	(22 850)	(11 773)	(3 000)	-
Loan accounts	7 633	-	-	-
	(15 217)	**(11 773)**	**(3 000)**	**-**
Net cash outflow on acquisition				
Cash consideration paid	(22 850)	(11 773)	(3 000)	-

Sephaku Holdings Ltd and its Subsidiaries
(Registration number 2005/003306/06)
Interim Financial Results for the 12 months ended 28 February 2010
Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	**2009 R '000**	**2010 R '000**	**2009 R '000**
37. Sale of businesses				
Sale of non-equity accounted businesses				
Carrying value of assets sold				
Property, plant and equipment	(2 597)	-	-	-
Intangible assets	(370)	-	-	-
Retained income	(3 713)	-	-	-
Loans to directors, managers, employees	(5)	-	-	-
Investment	(6 707)	-	-	-
Investment in associates	(38 274)	-	(1 761)	-
Trade and other receivables	(82)	-	-	-
Trade and other payables	565	-	-	-
Other loans and receivables	(107)	-	-	-
Inter-company loans	86 235	-	(42 789)	-
Leave provision	361	-	-	-
Assets of disposal groups	(32 880)	-	-	-
Other loans	(5 270)	-	(5 270)	-
Total net assets sold	(2 844)	-	(49 820)	-
Net assets sold	(2 844)	-	(49 820)	-
Profit on disposal	(32 290)	(758)	(56 000)	-
	(35 134)	**(758)**	**(105 820)**	**-**
Consideration received				
Cash	-	-	30 000	-
Debtor	80 000	-	80 000	-
Loan accounts	(40 437)	-	-	-
	39 563	**-**	**110 000**	**-**
Net cash outflow on acquisition				
Cash consideration received	-	-	30 000	-
38. Commitments				
Authorised capital expenditure				
Already contracted for but not provided for				
Purchase of shares in West Dune Properties (Pty) Ltd	-	19 000	-	19 000
Ash Plant	5 147	51 458	5 147	51 458

Sephaku Cement entered into an agreement on 10 December 2008 with PMB M.E.I.P Construction Services CC for the design and construction of the Ash plant to the value of R55 663 443. As part of this agreement two MCS-600 Air Classification systems of USD 1 108 370 are supplied by RSG Inc. Atlanta. The agreement commenced on 19 November 2008.

	Group 2010 R '000	Group 2009 R '000	Company 2010 R '000	Company 2009 R '000
Operating leases – as lessee (expense)				
Minimum lease payments due				
- within one year	-	2 018	-	-
- in second to fifth year inclusive	-	-	-	-
	-	**2 018**	**-**	**-**

Operating lease payments represent rentals payable by the group for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000

39. Contingencies

Litigation is in the process against the company relating to a dispute with a potential supplier who alleges that the company has verbally agreed to acquire plant and is seeking damages of R 8 000 000. The group's lawyers and management consider the likelihood of the action against the company being successful as unlikely, and the case should be resolved within the next year.

Sephaku Development (Pty) Ltd issued a bank guarantee to the Department of Minerals and Energy for the amount of R6 859 281 to guarantee the potential cost of rehabilitation in respect of a mining right granted.
Sephaku Cement (Pty) Ltd has ceded R1 50 000 in favour of ABSA Bank Ltd in respect of ABSA credit card facilities.
Sephaku Cement (Pty) Ltd has issued a guarantee for the amount of R410 000 to Eskom for the self built of a temporary electricity supply facility.

40. Related parties

Relationships

Subsidiaries	Refer to note 6
Associates	Refer to note 7
Members of key management	L Mohuba NR Crafford-Lazarus ME Smit RR Matjiu CR de Wet de Bruin PF Fourie GS Mahlati MM Ngoasheng MG Mahlare D Twist J Bennette JW Wessels
Companies with common directors	The Makings (Pty) Ltd Sephaku Management (Pty) Ltd Mineral Afrique Plc African Nickel Ltd

Related party balances

Loan accounts - Owing (to) by related parties				
Taung Gold Ltd and subsidiaries	-	(7 731)	-	-
Sephaku Gold Exploration (Pty) Ltd	-	(161)	-	(164)
African Nickel Holdings (Pty) Ltd and subsidiaries	(2 002)	12	(2 002)	-
African Spirit Trading 364 (Pty) Ltd	-	(1)	-	-
Golden Dividend 524 (Pty) Ltd	(56)	(28)	(56)	-
Sephaku Management (Pty) Ltd	(24 975)	-	(79 280)	-
J Bennette	-	-	-	-
Amounts included in Trade receivable (Trade Payable) regarding related parties				
Taung Gold Ltd and subsidiaries	-	-	-	-
Sephaku Gold Exploration (Pty) Ltd	-	(586)	-	-
African Nickel Holdings (Pty) Ltd and subsidiaries	-	(632)	-	-
Golden Dividend 524 (Pty) Ltd	-	(43)	-	-

Related party transactions

Administration fees paid to (received from) related parties				
Taung Gold Ltd and subsidiaries	-	1 796	-	-
Sephaku Gold Exploration (Pty) Ltd	-	12	-	-
African Nickel Holdings (Pty) Ltd and subsidiaries	-	233	-	-
Golden Dividend 524 (Pty) Ltd	-	1	-	-
Sephaku Management (Pty) Ltd	9 654	-	6 437	-

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000

41. Directors' emoluments

Executive

2010	Remuneration	Fees for services as director	Performance bonuses	Pension fund	Medical Aid	Total
L Mohuba	1 112	-	39	-	-	1 151
NR Crafford-Lazarus	1 711	-	-	-	-	1 711
ME Smit	1 391	-	-	-	-	1 391
RR Matjiu	713	-	-	-	-	713
JW Wessels	285	-	15	-	-	300
J Bennette	450	-	5	-	-	455
	5 662	**-**	**59**	**-**	**-**	**5 721**

2009	Remuneration	Fees for services as director	Performance bonuses	Pension fund	Medical Aid	Total
L Mohuba	726	-	-	-	-	726
NR Crafford-Lazarus	1 555	-	-	-	-	1 555
ME Smit	540	823	-	-	-	1 363
RR Matjiu	648	-	-	-	-	648
J Bennette	409	-	-	-	-	409
	3 878	**823**	**-**	**-**	**-**	**4 701**

Non-executive

2010	Remuneration	Fees for services as director	Performance bonuses	Pension fund	Medical Aid	Total
CR de W de Bruin	-	1 426	39	-	-	1 465
PF Fourie	-	1 892	-	122	55	2 069
D Twist	-	1 426	39	-	-	1 465
	-	**4 744**	**78**	**122**	**55**	**4 999**

2009	Remuneration	Fees for services as director	Performance bonuses	Pension fund	Medical Aid	Total
CR de W de Bruin	991	-	-	-	-	991
D Twist	108	396	-	-	-	504
GS Mahlati	280	-	-	-	-	280
	1 379	**396**	**-**	**-**	**-**	**1 775**

Details of service contracts

None of the directors of the company have written service contracts with the company. Directors are employed by the board and rotate in terms of the Articles of Association. Certain key directors of the subsidiaries are employed on 5 year contracts.

42. Risk management

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 shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Due to the nature of the business and the lack of cash flow the company limits its capital resources to equity only.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group’s financial performance. The group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (group treasury) under policies approved by the board. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group’s operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

The group’s risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilized borrowing facilities are monitored.

Interest rate risk

As the group has no significant interest-bearing assets, the group’s income and operating cash flows are substantially independent of changes in market interest rates.

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Credit risk

Credit risk is managed on a group basis.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000

42. Risk management (continued)

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from future commercial transactions.

The group treasury's risk management policy is to hedge between 75% and 100% of anticipated cash flows (mainly purchase of capital equipment) in each major foreign currency for the subsequent 6 months.

The group reviews its foreign currency exposure, including commitments on an ongoing basis. The company expects its foreign exchange contracts to hedge foreign exchange exposure.

The group previously did not have foreign exchange transactions and did not require a hedging policy.

43. Going concern

The interim financial results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

44. Events after the reporting period

The group announced during January 2010 that it will unbundle its exploration assets. This process is currently being planned and shareholders should be given notice of a shareholders meeting to approve the unbundling within the next few weeks.

The group has also agreed to raise additional capital through equity and debt for its proposed cement operation. This will also be dealt with in detail in the above mentioned notice to shareholders.

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000

45. Net asset value per share and earnings per share

Net asset value and tangible net asset value per share

	Group 2010 R '000	Group 2009 R '000	Company 2010 R '000	Company 2009 R '000
Total assets	443 867	527 181		
Total liabilities	(19 517)	(14 241)		
Minority interest	(60 578)	(83 579)		
Net asset value attributable to equity holders of parent	363 772	429 361		
Goodwill	(3 749)	(749)		
Intangible assets	(69 123)	(47 177)		
Tangible net asset value	290 900	381 435		
Shares in issue	155 804 561	151 081 000		
Net asset value per share (cents)	233.48	284.19		
Tangible net asset value per share (cents)	186.71	252.47		
Earnings and headline earnings per share				
Reconciliation of basic earnings to diluted earnings and headline earnings:				
Basic earnings/(loss) and diluted earnings/(loss) attributable to equity holders of parent	(43 932)	(11 046)		
Profit on sale of non-current assets	(32 290)	(758)		
Impairment of intangible assets	9 148	6		
Impairment of investment in associate	200	175		
Headline earnings/(loss) attributable to equity holders of parent	(66 874)	(11 622)		
Reconciliation of basic weighted average number of shares to diluted weighted average number of shares:				
Basic weighted average number of shares	155 209 263	124 331 930		
Dilutive effect of share options	4 221 875	4 221 875		
Diluted weighted average number of shares	159 431 138	128 553 805		
Basic earnings/(loss) per share (cents)	(28.31)	(8.88)		
Diluted earnings/(loss) per share (cents)	(27.56)	(8.59)		
Headline earnings/(loss) per share (cents)	(43.09)	(9.35)		
Diluted headline earnings/(loss) per share (cents)	(41.95)	(9.04)		

Basic earnings/ (loss) per share

The calculation of basic earnings /(loss) per share of (28.31) cents (2009: (8.88) cents) is based on earnings/ (loss) attributable to equity holders of the parent of (R43 932 166) (2009: (R11 045 802)) and the weighted average of 155 209 263 (2009: 124 331 930) shares in issue during the year.

Diluted earnings/ (loss) per share

The calculation of diluted earnings/ (loss) per share of (27.56) cents (2009: (8.59) cents) is based on earnings/ (loss) attributable to equity holders of the parent of (R43 932 166) (2009: (R11 045 802)) and the diluted weighted average of 159 431 138 (2009: 128 553 805) shares in issue during the year.

Headline earnings/ (loss) per share

The calculation of headline earnings/ (loss) per share of (43.09) cents (2009: (9.35) cents) is based on the headline earnings/ (loss) attributable to equity holders of the parent of (R66 873 714) (2009: (R11 622 444)) and the weighted average of 155 209 263 (2009: 124 331 930) shares in issue during the year.

Diluted headline earnings/ (loss) per share

The calculation of diluted headline earnings/ (loss) per share of (41.95) cents (2009: (9.04) cents) is based on headline earnings/ (loss) attributable to equity holders of the parent of (R66 873 714) (2009: (R11 622 444)) and the diluted weighted average of 159 431 138 (2009: 128 553 805) shares.

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000

46. Segment information

Management has determined the operating segments based on the information used by the board to make strategic decisions. The board considers the business primarily from a commodity perspective. The gold and nickel operations are not classified as separate sectors, since the company is not primarily responsible for the strategic decisions to be made in those businesses. The reportable operating segments will derive their revenue primarily from the mining, beneficiation and sale of the relevant minerals. Other services included refer to the revenue gained from supplying infrastructure and services in mining and exploration activities to related companies as well as the commodities which have not yet reached strategic emphasis.

Segment information for the Group - 2010

	Ash	Cement	Fluorspar	Tin	Coal	Other	Consolidation adjustment and elimination	Total
Segment revenue	(3 395)	(1 003)	-	-	(516)	(1 334)	-	(6 248)
Segment expense	7354	64 195	869	443	9 465	16 778	-	99 105
Segment result	3959	63 192	869	443	8 949	15 444	-	92 856
Depreciation	3514	3 011	-	-	-	200	-	6 725
Interest received	-	(11 915)	-	-	-	(1 341)	-	(13 256)
Finance cost	-	2	6	2	-	-	-	10
Income tax expense	-	150	-	-	-	-	-	150
Gain on disposal of assets	-	-	-	-	-	(32 290)	-	(32 290)
Loss from equity accounted investments					-	2 101	-	2 101
Segment assets	70097	246 767	33 170	5 616	3 845	168 126	(83 755)	443 866
Total assets includes additions to non-current assets	52943	48 146	26 460	451	-	4 066	506	132 572
Segment liability	(6 819)	(43 141)	(37 923)	(4 394)	(15 902)	(5 348)	94 010	(19 517)

Notes to the Interim Financial Results

	Group		Company	
	2010 R '000	2009 R '000	2010 R '000	2009 R '000

Segment information for the Group - 2009

	Cement	Fluorspar	Tin	Coal	Other	Consolidation adjustment and elimination	Total
Segment revenue	(301)	-	-	-	-	-	(301)
Segment expense	22 211	144	194	2 975	9 713	(6 236)	29 003
Segment result	21 910	144	194	2 975	9 713	(6 236)	28 702
Depreciation	778	-	-	-	1 057	-	1 836
Interest received	(25 246)	-	-	-	(474)	-	(25 720)
Finance cost	221	-	-	-	-	-	221
Income tax expense	664	-	-	-	-	-	664
Fair value adjustment	-	-	-	-	175	-	175
Income from equity accounted investments	-	-	-	-	1 964	-	1 964
Fair value adjustment through profit / loss	-	-	-	-	(757)	-	(757)
Loss from discontinued operations	-	-	-	-	5 269	-	5 269
Segment assets	437 091	1 269	(438)	(174)	78 672	284 940	801 362
Total assets includes additions to non-current assets	167 372	6 967	4 267	5 884	3 668	319 859	508 018
Investment in associates	-	-	-	-	38 266	-	38 266
Non-current assets of disposal group	-	-	-	-	32 966	(18 848)	14 117
Segment liabilities	(13 986)	(2 756)	(268)	(1 784)	(14 183)	18 738	(14 241)

Business segments for management purposes are those minerals and commodities regarded as key to the company's business model and which are actively managed by the company. The company had two associates in Gold and Nickel, but these associates were primarily managed by the majority shareholder and therefore the company did not regard these as reportable segments.

The company operates only in South Africa and does not regard geographical segments as reportable.

The Other section includes:

- unallocated management expenditure and other assets and liabilities;
- revenue from other non-group companies for expenditure charged to these companies;
- any revenue and expenditure and assets and liabilities in respect of the associate companies exploring for Gold and Nickel; and
- any revenue and expenditure and assets and liabilities in respect of the smaller operations in Vanadium, Platinum, Chrome and Diamonds.

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