Sentula MINING

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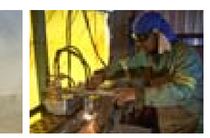
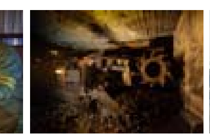
Sentula Mining Annual Report 2008

Annual Report 2008

Sentula MINING




Sentula Mining Limited
(previously Scharrig Mining Limited)
(Registration number 1992/001973/06)
(Incorporated in the Republic of South Africa)
Share code: SNU ISIN code: ZAE000107223
("Sentula" or "the Group" or "the Company")

About Sentula

Sentula Mining Limited has been listed on the main board of the Johannesburg Securities Exchange since 1993. The company is actively involved in opencast mining and rehabilitation and is one of the major suppliers of outsourced mining and rehabilitation in the South African coal-mining industry.

Sentula has grown to become the leading opencast coal mining contractor in South Africa and a mining services provider with current operations in 12 African countries. The company's foothold in the coal and energy sector, coupled with its diversified service offering, client base, mineral exposure and geographical spread have created a solid platform for ongoing sustainable growth.

Principal clients include Anglo Coal Limited, BHP Billiton Limited (BHP Billiton), Ingwe Collieries Limited (a member of the Billiton Limited Group) and Eyesizwe Coal Limited. Sentula recently announced a coal joint venture in Botswana with two partners, relating to three significant coal deposits which have proved to contain approximately 5 billion tons of coal. This coal has been earmarked for energy and power generation across the region.

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The change of name of Scharrig Mining Limited to **Sentula Mining Limited** is complete.

The name Sentula, which in Zulu describes the act of "*a bull tossing up sand into the air with its horns*", is indicative of both the nature of the business as well as paying tribute to its African heritage. The new logo is also symbolic of the layers seen in opencast mining, whilst the colours *(rich brown, green and blue)* are symbolic of the earth, grass and sky and Sentula's commitment to eco-rehabilitation.

Sentula in Zulu describes the act of “a bull tossing up sand into the air with its horns”.

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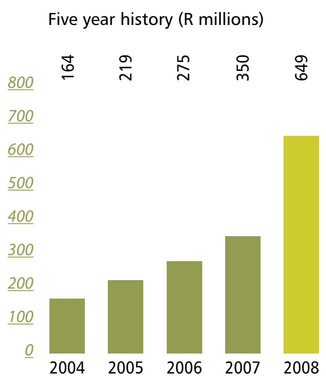
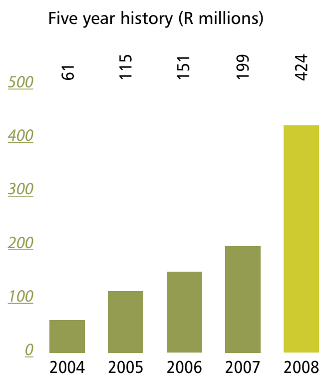
Financial highlights

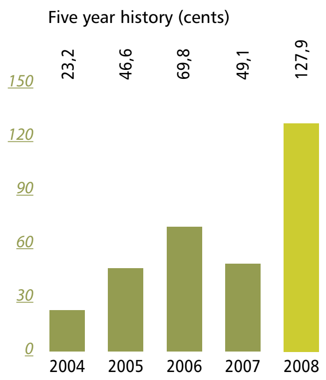
EBITDA



Operating profit*



Adjusted EPS



Revenue increased to R2,66 billion

(Restated 2007: R1,25 billion)

Operating profit* up to R424 million

(Restated 2007: R199 million)

Adjusted EPS: 127,9 cents per share

(Restated 2007: 49,1 cents per share)

Final dividend declared 10 cents per share

(Total: 21 cents per share) (2007: total 17 cents per share)

The net debt to equity ratio increased to 72%

(Restated 2007: 60%)

The net asset value per share is 803 cents per share

(Restated 2007: 429 cents per share)

**Operating profit is adjusted for provision for unaccounted funds, impairments and amortisation of intangible assets.*

Strategic review and capital expenditure

Sentula is well positioned to take advantage of contract mining services opportunities in Southern Africa	Southern African and worldwide demand for energy and coal is expected to remain robust for the foreseeable future – new mining projects in Africa will present opportunities to Sentula's mining services operations
Sentula is a large exploration drilling company on the continent through Geosearch	Despite the worldwide slowdown in demand for resources, the requirement for exploration drilling expertise in Africa is expected to continue
Sentula has the resources to find, develop and manage its own coal resources	Sentula is in a unique position to evaluate, develop and exploit coal opportunities and believes its objective of becoming a substantial junior coal mining company within five years is attainable




R1 241 million invested during the year

Scharrighuisen Opencast Mining

R451 million invested in the acquiring of new equipment and R352 million acquisition of used plant due to global demand to replace old equipment and to gear up for expansion

Benicon Opencast Mining

Plant acquisition valued at R185 million to expand operations in 2008 in line with new tenders

CCT Opencast Mining

R16 million invested in additional capacity for the Smokey Hills platinum contract

Scharrighuisen Drilling and Blasting

R49 million invested in the acquisition of drill rigs and support equipment to meet growth opportunities

Benicon Sales

R81 million allocated for the strategic purchase of three draglines

Geosearch

R93 million invested during the year for acquiring additional rigs and ancillary gear

Ritchie Crane Hire

R22 million invested in acquiring three additional cranes

Coal Mining

Nkomati Anthracite invested R15 million in the upgrade of the operation's beneficiation plant

Operational structure and profile

Sentula Coal Mining (Pty) Limited

Sentula Mining Services (Pty) Limited

Sentula Mauritius Limited

Opencast mining	Overburden drilling and blasting	Equipment, spares and engineering	Exploration drilling	Mobile crane hire
Scharrighuisen Opencast Mining Benicon Opencast Mining CCT Opencast Mining	Scharrighuisen Drilling and Blasting	Benicon Sales Caston NWN Automotive Engineering	Geosearch	Ritchie Crane Hire

Nkomati Anthracite (SA)	Koornfontein Mine (SA)	Merafe Coal (SA)
Mabapa Mining (SA)	Jonah Coal / Aquila Resources – Asenjo Energy	Jonah Coal Indongo (Zambia)

Over 30 years ago the need for reliable earthmoving services was recognised and the business was started with one Komatsu D75 Traxcavator imported from Holland.

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

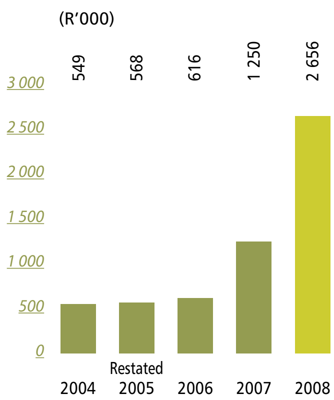
Offices and workshops were opened in Middelburg in the late 1990s to service the increasing mining activities in the Mpumalanga coalfields.

From these modest beginnings in Newcastle, Sentula's fleet has grown to more than 2 000 major machine items today.

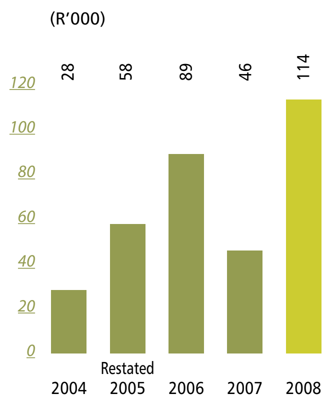
Five-year review

	2008	Restated 2007	2006	2005	2004
Revenue (R'000)	**2 656 039**	1 250 484	616 468	567 561	549 298
Attributable earnings (R'000)	**113 567**	45 976	89 262	57 841	28 366
Earnings per share (cents)	**56,3**	30,4	69,3	46,6	23,2
Headline earnings/(loss) per share (cents)	**(8,2)**	41,6	69,3	46,6	23,2
Tax rate (%)	**12,6**	32,9	28,3	29,9	22,2
Dividend per share (cents)	**21**	17	12	7,5	4,5
Dividend cover (times)	**2,7**	1,8	5,8	6,2	5,2
Net asset value per share (cents)	**840**	433	240	184	151
Total assets employed	**4 373 578**	2 279 675	886 385	709 234	548 874
Return on shareholders' equity (%)	**5,7**	6,7	27,0	22,9	14,7
Gearing (%)	**72**	60	102	113	113
Liquidity					
– Current ratio	**1,29**	0,73	0,46	0,43	0,52
– Current ratio excluding current portion of long-term borrowings	**2,78**	1,09	1,62	1,77	1,64
– Acid test ratio	**0,95**	0,51	0,35	0,38	0,48

Revenue



Attributable earnings



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Group at a glance

Divisions	Our companies	Acquired in	Revenue/operating Income/(loss)
Opencast mining	Scharrighuisen Opencast Mining		R1359,918 million (R25,707) million
	Benicon Opencast Mining	June 2006	
	CCT Opencast Mining	October 2007	
Overburden drilling and blasting	Scharrighuisen Drilling and Blasting (Fixtrade)	April 2006	R202,088 million (R6,865) million
	Jef Drill and Blast (Pioneer)	June 2007	
Equipment, spares and engineering	Benicon Sales	June 2006	R422,7 million R11,6 million
	Caston	January 1999	
	NWN Automotive Engineering	April 2007	
Exploration drilling	Geosearch International	October 2006	R774,179 million R162,314 million
Mobile crane hire	Ritchie Crane Hire	March 2007	R28,960 million R20,717 million
Coal mining investments	*Existing producer:* Nkomati Anthracite (SA)		
	Existing producer: Koornfontein Mine (SA)		
	Development and Exploration: Merafe Coal (SA)		
	Exploration: Mabapa Mining (SA)		
	Exploration: Jonah Coal / Aquila Resources – Asenjo Energy		
	Exploration: Jonah Coal Indongo (Zambia)		

	Operations and information	Major clients
	Was the first division established in the company. The Khutala minipit is the benchmark operation with volumes moved of around 1,5 million m³ per month	BECSA, BHP Billiton, Exxaro Anthracite, Nkomati Anthracite and Umcebo
	Supplies the full range of mining operations, covering the movement and management of all aspects of overburden removal and coal extraction to specified production budgets. This includes all drilling and blasting operations as well as the movement and management of mine rehabilitation programmes to EMPR specifications	Anglo Coal
	A hard rock opencast mining company with core competencies in chrome mining and open-cast operations for customers in the ferrochrome industry Samancor	Samancor
	Set up as a standalone entity in support of opencast mining contracts and to meet the shift towards outsourcing this function	
	A specialised drilling and blasting entity, which uses 28 specialist drilling rigs in the opencast mining sector, primarily in coal	Services all of Sentula's opencast mining as well as an expanding external client base
	Global procurement of used equipment and spares, for overhaul and deployment	
	Ladysmith based vehicle rebuild facility	
	Pinetown based engine rebuild workshop	
	Africa's largest exploration drilling company, owning 115 exploration drilling rigs. Employs approximately 1 200 permanent staff and contractors	Anglogold Ashanti Limited, Anglo Platinum Limited, Billiton plc, Lonmin Limited, Norisk, Phelps Dodge and Vale
	The company utilises 20 medium to heavy duty mobile cranes with capacities that range from 25 to 220 tons	Anglo Coal, Eskom, Highveld Steel and Samancor Ferrochrome
	– Large reserve base in excess of 80 million tons – Moderate, but strong market for anthracite from this region – 60/40 Joint venture with the local community	
	– Ownership of 49,9% stake in operation – Good base to develop nearby coal reserves, including those of Merafe Coal – Provides a good platform to grow junior coal company	
	– <u>Properties in Development:</u> Schoongezicht – Q3 2009 Bankfontein – Q3 2009. Combined annual sales of 2,85 million tons at full production – <u>Exploration Properties:</u> Driefontein, Rietfontein, Vlaklaagte. Currently holds prospecting licenses over five properties	
	– Equity for development stake in a potential coking coal prospect in Limpopo Province – Up to 75% stake in the potential operation – Combined resources estimated to be 50 million tons	
	– High demand and growth in coal generated power and energy opportunities – Initial exploration drilling has commenced	
	– Target project area of approximately 5 000 ha in southern Zambia	

Directorate

Executive directors

RC Berry, *Chief Executive Officer*

GP Louw, *Chief Financial Officer**

PP Modisane#€ *Head of Transformation and Human Resources*

*with effect 1 August 2007 #with effect 1 October 2008

Robin

Deon

Pat

J Holland resigned as executive director on 11 July 2007

C Scharrighuisen resigned as executive director on 30 November 2007

C Moorcroft resigned as executive director on 8 September 2008

Non-executive directors

SE Jonah KBE, *Chairman, Ghanaian*

*JG Best•

A Joffe

RK Jonah, *Ghanaian*

*A Kawa△

•appointed with effect from 18 July 2008

*P Kingston△

*D Marole△

*EHJ Stoyell

*J van Rooyen△

△appointed with effect from 11 September 2008

*independent

Jeff

Andy

Jonathan

TR Hendry resigned as a non-executive director on 16 June 2008

P Huysamer resigned as a non-executive director on 9 July 2008

DCM Gihwala resigned as Deputy Chairman on 11 September 2008

T Scharrighuisen resigned on 19 April 2007

Chairman's report

Dear Shareholder

I am pleased to present this year's annual report for the first time under the new name of Sentula Mining Limited (previously Scharrig Mining Limited). The name Sentula describes the act of "a bull tossing up sand into the air with its horns". It also reflects how we perceive the future of our Company. We are "bullish" but we are also realistic, given the prevailing financial crisis and decline in commodity prices.

As you are well aware, it has been a challenging year. The Board and the Company have taken many steps to address significant issues which surfaced early in the calendar year. We will continue to make further advances in this regard over the coming year. There is more detail with respect to the specific steps taken by the Board later in my review and in the relevant chapters of this annual report.

Being mindful of the challenges, Sentula produced a satisfactory set of financial results compared with restated financial results for 2007.

Financial features

Revenue increased by 112% to R2,66 billion up from R1,25 billion and profit from operations was down by 8% to R133,9 million, after providing for unaccounted funds of R242 million from R144,9 million as restated in 2007.

The Group experienced a fall in attributable headline (loss)/earnings to (R16,6 million) from R63,0 million in the prior year, after providing for the unaccounted funds. However, adjusted earnings per share improved by 160,5% to 127,9 cents per share from the restated 49,1 cents per share in 2007.

A final dividend of 10 cents per share was approved giving a total dividend of 21 cents per share for the full year (2007: Total 17 cents per share).

Sam Jonah KBE

Macro environment

The Rand price of coal has remained relatively high with the global increase in demand being driven by energy producers both locally and from Asia – specifically China, India and Japan. Locally, power and fuel companies embarked on rebuilding stockpiles and expansion programmes thus increasing demand for coal. Sentula is well positioned in the energy sector in southern Africa.

The accelerating evolution of Sentula

In 2006 we set out to transform the Company from a traditional family-owned and managed company which happened to be publically listed, into a focused public company with a diversified shareholder base and which bears all the characteristics of a well-governed and effectively managed company.

Our ambitious vision and growth strategy was embarked upon to expand Sentula's existing operations through the acquisition of complementary businesses in the contract mining service sector in order to build an integrated mining services company of choice in Africa.

Additionally, we set out to take advantage of the worldwide demand for coal through the establishment of a coal mining platform which owns and operates coal mines.

We now have operations in an impressive 12 African countries outside of South Africa and our client base includes Anglo Coal, Asenjo Energy, Barrick, BECSA, Vale, Exxaro, Lonmin, Norilsk, Petmin, Platinum Australia, Riversdale, Samancor, Umcebo and Uramin.

Additionally, we will continue to optimise engagements with more efficient and integrated services which we provide across divisions and by negotiating more dynamic and efficient contracts.

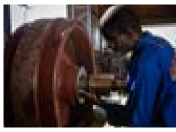
Corporate governance

Corporate governance of the Group is a key priority and remains of vital importance. Governance was strengthened during the year and we will continue to strengthen it through the implementation of robust processes under my leadership. A number of independent non-executive directors with varied industrial and financial experience have been appointed to the board. These directors will substantially add to the governance of the board. A Board Charter is in place to enhance corporate governance compliance and codify responsible stewardship of the Group. The Charter sets out the Board's duties and obligations and is covered in more detail later in the Director's report.

Directorate

During the year under review, Robin Berry was appointed Chief Executive Officer after assuming the role of the Groups' Chief Operating Officer since the beginning of that year. Robin took over from Cas Scharrighuisen who resigned as Chief Executive Officer on 30 November 2007.

Gideon "Deon" Louw replaced Jason Holland as Chief Financial Officer in August of 2007. He brought extensive coal and financial experience to the role after heading up the mining finance



Chairman's report *(continued)*

team at Investec Bank for a number of years and subsequently consulting in mining finance before joining Shanduka Coal as its Chief Financial Officer.

Jonathan Best brought invaluable industry expertise to the Board when he joined as an independent non-executive director on 1 July 2007. Jonathan is well respected in the financial and mining sectors.

Several Board appointments were made to strengthen the independence and balance of the Board.

Pulane Kingston, Marion Lesego "Dawn" Marole, Andiswe "Andy" Kawa and Jeffrey van Rooyen were all appointed as independent non-executive directors with effect from 11 September 2008.

Patrick "Pat" Modisane was appointed as an executive director and Head of Transformation and Human Resources with effect from 1 October 2008.

Post year-end, Treve Hendry and Dr Paula Huysamer resigned as non-executive directors on 16 June 2008 and 9 July 2008 respectively, and Clint Moorcroft as executive director on 8 September 2008. Dines Gihwala resigned as Deputy Chairman and non-executive director on 11 September 2008 to spend more time as Chairman of his firm.

Board subcommittees

As part of its commitment to sound corporate governance, Sentula has an audit, risk and governance committee, and during the year a joint remuneration and nominations committee, and an investment committee were formed. All the structural and Charter details of Sentula's committees are covered later in the annual report.

Internal Investigation Committee

Additionally, an independent subcommittee known as the "Investigation Committee" was formed and worked closely with KPMG Forensic team. The committee was formerly chaired by non-executive Deputy Chairman Dines Gihwala and comprised the chairman of the audit committee Jonathan Best (current chairman of this committee), Executive Management and the KPMG Forensic team. Their initial assignment was to review the circumstances that led to the restatement of the 2007 financial results. Their remit was then expanded to look at irregularities uncovered in the 2008 financial results.

The investigative process revealed erroneous accounting with regard to prior acquisitions and impairment of assets in three subsidiaries.

The forensic investigation also revealed a number of irregular transactions which took place through an undisclosed bank account which contained amounts apparently due to the Company, as well as third parties, which have subsequently been transferred out of this account.

The extent of the irregularities is fairly well defined but the extent of the "recoverability" of unaccounted for funds is uncertain at the time of publishing this report. The forensic investigation is still to be concluded but it is conceivable that some of the unaccounted for funds may be recovered.

The Company and Board wish to reassure shareholders that all issues identified in the report will be dealt with appropriately and that shareholders will be kept informed. I also want to reassure shareholders as Chairman that we as Board and management will continue to do everything in our collective power and follow every conceivable course of action to recover as much of the funds in question as possible. It is noted that the Company fully provided for the "irrecoverability" of these funds. More details of this investigative process can be found in the Directors' report.

Internal Audit and Controls Bolstered

The Board is ultimately responsible for the Group's systems of internal control, assisted by the internal audit function and management who maintain comprehensive accounting records.

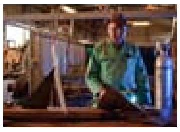
During the year under review, the internal control systems of certain subsidiaries were overridden. The Company has since implemented revised internal reporting systems and financial controls. These controls should ensure that the unique circumstances and combination of control failures of the past do not reoccur.

The Group internal audit function, has past year-end been outsourced to an independent firm, which reports directly to the audit, risk and governance committee.

The audit, risk and governance committee is responsible for ongoing risk assessment and monitoring, and recommends appropriate risk management strategies to the Board. The Board remains ultimately responsible for risk management. The systems are designed to provide reasonable assurance as to the integrity and reliability of the information in the financial statements and to safeguard and maintain the Group's assets.

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

The Board is satisfied that systems of internal control are, at the date of this report, in place to mitigate significant risks identified to an acceptable level,



Chairman's report *(continued)*

monitored by appropriately trained personnel with suitable segregation of authority, duties and reporting lines.

A number of reportable irregularities identified during the audit and internal investigation have been addressed to the satisfaction of the Auditor through corrective action and instituting the necessary controls to ensure that there is no recurrence of these events.

The Board and management reiterates its commitment to ensure that all relevant actions have been taken to protect and enhance the integrity of the Company's reputation, systems, assets and people.

External Audit

KPMG was appointed as the Group's auditor in October 2007 as part of the programme to bolster the Group's advisors and service providers in line with its rapid growth. The external audit is structured to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement and the appointment of an internationally recognised audit firm was a key step in this process.

External Investigations

As you are aware, the JSE (the JSE Limited) and FSB (Financial Services Board) are investigating assertions of insider trading within the Group. The Board and management are totally committed to working with the JSE and the FSB and will continue to provide assistance to bring these matters to a swift conclusion.

Communications

Sentula is committed to the highest levels of disclosure and transparency and to providing stakeholders with timely and reliable information through regular communications.

The Group maintains a strong, open relationship with the unions and regular meetings with the union representatives are held by management to facilitate healthy labour relations.

Furthermore, all Sentula's shareholders are encouraged to attend the annual general meeting on 4 December 2008 in order to increase interaction with the Board.

Black Economic Empowerment

All the divisions completed an internal scorecard process and the Company was rated as compliant. We recognise that more needs to be done to improve our Group and subsidiary scores. A strategy is in place to achieve transformation at different levels across all the operations. Sentula is committed to comply with the Mining Charter and the DTI codes of good practice for broad based economic empowerment. A significant executive appointment was made in October to build momentum in this regard.

Prospects

Electricity supply constraints in southern Africa have created favourable economic conditions for coal mining and contract mining in coal deposits that were previously not feasible.

Despite the worldwide slowdown in demand for resources, the requirement for exploration drilling expertise in Africa is expected to continue.

Sentula is well placed to deliver on its promise to grow shareholder value on both the contract services and mining sides of the business.

Appreciation

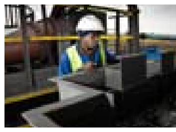
I would like to take this opportunity to thank all shareholders for their continued support and patience during this challenging period.

I would also like to specifically thank the Board and executive management for their commitment and unyielding support. Their involvement and contribution has been invaluable. I would also like to thank our customers and suppliers for their ongoing business.

In conclusion, I am pleased to say that many advances have been made by Sentula's Board and the Executive during 2008. The Group is in good hands and we look forward to a clean start to the year ahead, a strong performance and healthy growth in the business to achieve our full potential.

Sam Jonah KBE
Non-executive Chairman

29 October 2008



Chief executive officer's report

Introduction

The year under review has been a most challenging one, but we have made good progress both operationally and in addressing systemic weaknesses in some areas within the Group.

The Company has taken several steps to address significant issues which emerged this year. New financial management appointments were made, internal financial reporting systems and robust controls were implemented which should ensure that the unique circumstances and control failures of the past should not happen again.

Additionally, an internal 'Investigation Committee' was formed to work closely with KPMG and their forensic team to investigate various accounting irregularities. In addition to restating the financial results for 2007 and 2008, the forensic investigation revealed irregular transactions. The forensic investigation is still to be concluded but it is conceivable that some of the unaccounted for funds may be recovered. The Company and Board are united and determined to deal appropriately with all these significant issues and we will keep shareholders informed of our progress.

Looking at the past year and in line with our strategy, Sentula Mining Limited continued to maintain its positive but sustainable growth trend through the posting of solid results and the recording of strategic and operational highlights. The Group grew its business organically and through acquisitions, enhancing its breadth of service provision, continuing to diversify geographically and developing a portfolio of equity stakes in several exciting coal projects.

Robin Berry

Financial results

Financial

Revenue for the year increased by 112% to R2,66 billion from R1,25 billion restated for the prior year. Despite above-average rainfall during the second half of the year, coupled with high mining inflation and finance charges and the delay in the start-up of several contracts, adversely affecting operations, the adjusted operating profit increased by 113% relative to the prior year.

Adjusted earnings per share rose by 160,5% to 127,9 cents on a comparative basis to the restated prior year. Cash generated before working capital investments, amounted to R657,9 million, compared with R336,3 million in the restated prior year.

Notwithstanding increased capital expenditure during the year, the Group successfully managed its debt to equity ratio to 72% up from 60%, but in line with its overall risk profile.

Improved results have seen a final declared dividend of 10 cents per share to bring the total dividend for the year to 21 cents per share (2007: 17 cents per share).

Capital expenditure

During the year Sentula invested R1,305 billion in capital equipment, of which R803 million was allocated to replacing outdated or old equipment.

Segmental

The bulk of the earnings for the year under review were generated by the mining services part of the Group, with the three opencast mining subsidiaries contributing the largest share.

Earnings from the growing coal portfolio were recognised for the first time during this year.

Strategic review and objectives

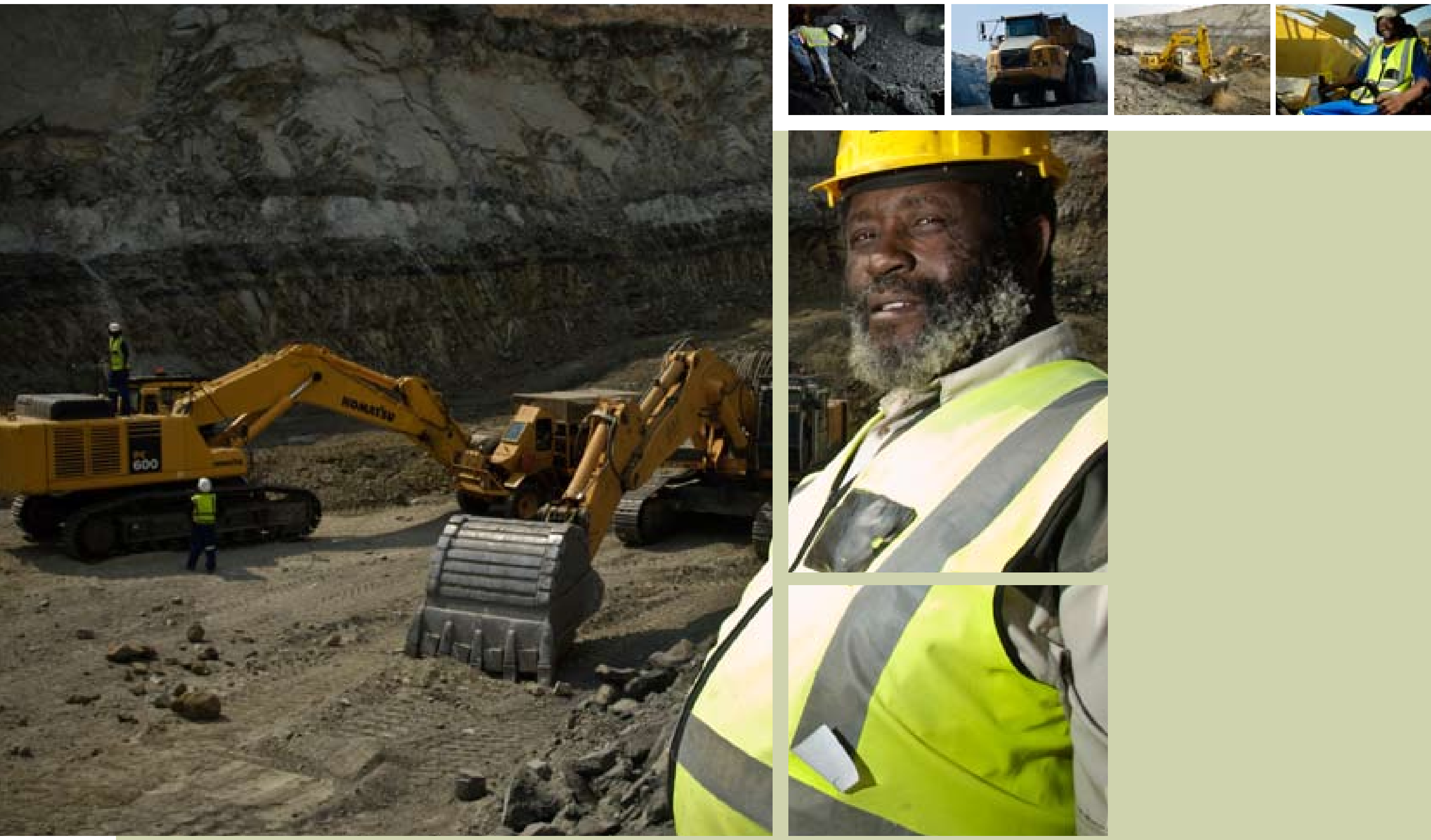
Safety track record

Sentula is proud to announce a fatality-free year for the period ending 31 March 2008. Our Classified Injury Frequency Rate for the Group was 2,38 per 200 000 man-hours worked, which is below industry norms. Sentula will continue to place the health and safety of its employees as a top priority.

Mining services

The provision of mining services remains the core of Sentula's business, as reflected in the segmental earnings analysis and the five operating divisions, with their nine underlying subsidiaries, continue to trade well, given the buoyant market conditions experienced currently.

The Group's vision of developing the mining services business to be the company of choice across the African continent, on the back of sustainable growth in the sector, remains at the heart of Sentula's strategy. During the last period the company has actively worked towards this vision through both organic growth and by acquisition, and restructuring in support



Chief executive officer's report *(continued)*

of its non-South African activities. Through this, the Sentula Group has grown to become the leading opencast coal mining contractor in South Africa, an international mining services provider with current operations in 12 African countries and a leading exploration drilling company across the continent. The company's foothold in the coal and energy sector, coupled with its diversified service offering, client base, mineral exposure and geographical spread, has created a solid platform for ongoing sustainable growth.

Opencast mining

The above-average rainfall experienced during the second half of the year, while impacting negatively on the physical operating environment, had a greater impact in reducing overall margins, through increased operating expenses and the necessity to deploy additional resources to meet contracted obligations. Coupled with abnormal input cost increases and finance charges, both Scharrighuisen and Benicon opencast mining services experienced margin erosion during the latter part of the year, but are now enjoying the benefit of recently priced new work and the opportunity to reprice existing contracts in a buoyant market. While Scharrighuisen's operations in coal are set to grow during the coming year, predominantly on the back of the start-up of Billiton Energy Coal SA's Douglas Middelburg Optimisation project boxcut, Benicon has doubled the number of its medium-term steady-state sites from three to six. The consolidation of CCT opencast mining, with its expertise in non-coal mining activities, for the second half of the year, resulted in a reduction of the exposure of this segment to coal by some 7% in 2008, on the strength of its contribution and higher overall margins. This contribution is expected to double in the coming year, with the award and start-up of the Smokey Hills open-pit platinum project to CCT in March 2008. At approximately 57%, this segment is envisaged to continue to be a significant contributor to the Group's earnings in the 2009 financial year.

Strategically, under the Benicon entity, the Group has established an equipment hire business in Moatise, Mozambique, in preparation for the large-scale coal mining operations planned to come on stream from 2010 onwards.

Drilling and blasting

As the company sought to expand its mining services offering in support of the core opencast businesses, this resulted in the acquisition of JEF Drill and Blast. The rationale for the transaction, consolidated from 1 June 2007, was an opportunity to create critical mass with the Scharrighuisen Drilling and Blasting unit, developed on the back of the previously acquired Fixtrade business early in 2006. It was also seen as an opportunity to acquire the necessary expertise required to operate and manage a business of this nature. Although the segment made no contribution to the Group in the last year, due mainly to writedowns on impaired assets, it is set to grow its business in the coming year through a diversification of its client base and improved contract pricing.

Equipment trading, spares and engineering

The two subsidiaries, Benicon Sales and Caston including NWN Automotive (a division of Caston), continue to play a strategic role in supplying the Group's requirements from an equipment and spares perspective and the in-house retention of key maintenance facilities and skills. The ongoing limited contribution of this segment is offset by its strategic offering.

Exploration drilling

Through the Geosearch acquisition in 2006, and the subsequent acquisition of the remaining 20%, effective 1 April 2007, this segment has significantly diversified the Group. As a result of its solid growth, wide geographic spread and good overall margins, Geosearch is expected to remain a significant contributor to the Group's earnings, on the back of moderate growth and solid margins, for the year ahead. Growth in the exploration sector is expected to be sustainable in the medium to long term.

Crane hire

The acquisition of Ritchie Crane Hire, effective 1 April 2007, further diversified Sentula's service offering. This high-margin, medium to large mobile crane hire business is set to continue to benefit from the ongoing large infrastructure projects currently being undertaken in South Africa. This segment is expected to maintain its contribution to the Group of approximately 5%, through growing the Ritchie business during the coming year, on the strength of the additional cranes purchased during the year under review.

Coal mining opportunities

Sentula's objective is to become a junior coal mining company producing between 15 and 20 million tons within five years. The Group's aim is to position the company as a significant second-tier coal producer.

The Sentula Group is currently invested in six projects (four in South Africa, one in Botswana and one in Zambia).

Chief executive officer's report *(continued)*

Apart from the Koornfontein Nkomati and Mabapa investment the remaining three became effective post 31 March 2008. The projects can be broadly described as follows:

Investments in operating coal mines

The acquisition of a 60% stake in the Nkomati Anthracite mine, through Sentula's purchase of Benicon Coal, currently produces a combination of domestic-sized and export products from its open-pit operations. These are blended with coking coals in various ferrochrome and steel manufacturing processes. While production costs are high, due to the scale of the operation and the nature of the resource, the reserve base is large and the sales products enjoy a substantial portion of the current pricing associated with scarce good quality coking coals. The final condition precedent was waived during March 2008 and the results from this acquisition are to be consolidated from 1 April 2008. The mine is in the process of developing a boxcut to access an underground reserve block, in order to diversify its production sources and ramp up the current operation to its optimal production capacity. Sales for the 2009 financial year are expected to be 300 000 tons with an increase to 400 000 per annum in subsequent years.

The acquisition of a 49,998% stake in the Koornfontein mine, effective 1 February 2008, has given Sentula a good base to grow a junior coal portfolio in the heart of Mpumalanga. It is a large underground operation with well-capitalised infrastructure, a well-understood reserve base and 1,5 million tons per annum entitlement through the Richards Bay Coal Terminal, which has provided the Group with a share in a good operating asset. The operation continues to perform well, and while exposure to buoyant export thermal coal pricing will only be realised once the coal marketing agreements in the original sale agreements lapse in June 2009, the mine is already taking advantage of such pricing on its excess production. The mine has completed the feasibility study for the development of its extensive 4-seam coal reserves. The contribution from Koornfontein in the coming year is expected to be similar to that reflected in the current year on an annualised basis.

Development coal investments

Of the five resource areas in the Merafe Coal JV, two of the prospects, namely Schoongezicht and Bankfontein, are currently being progressed to development, with first production planned for the second half of 2009. Both projects are opencast and are well positioned to supply export quality, domestic "A" grade and Eskom quality coal into a variety of markets. The combined annual sales output of the two projects is planned to be 2,85 million tons. Further exploration drilling is being undertaken on the remaining Merafe Coal Prospects.

Exploration coal investments

In exploration and development with Jonah Coal/ Aquila Resources in Botswana, known as Asenjo Energy, Indongo mining in Zambia and Mabapa mining in the northern part of the Limpopo province of South Africa. Exploration drilling is currently under way on all three prospect areas, with initial encouraging results.

Prospects

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

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

Thanks

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

Robin Berry
Chief Executive Officer

29 October 2008

Sentula MINING

Corporate governance report

Board of Directors

At year-end the unitary Board consisted of 11 directors as set out on pages 8 to 9 of the annual report. During the year, the Board was reconstituted and enhanced, and the changes reflect the expansion of the company's activities and requirement for ramped-up expertise. Tony Scharrighuisen resigned from the Board on 19 April 2007, and on 30 November 2007, Cas Scharrighuisen resigned as Chief Executive Officer and from the Board of the Company. Robin Berry was appointed to the position of Chief Executive Officer on 1 December 2007. Deon Louw joined the Group on 1 August 2007, replacing Jason Holland as Chief Financial Officer. Jonathan Best joined the Board as an independent non-executive director on 1 July 2007.

Post year-end, Treve Hendry resigned as a non-executive director on 16 June 2008, and Dr Paula Huysamer resigned as a non-executive director on 9 July 2008. Clint Moorcroft resigned as an executive director on 8 September 2008, and Dines Gihwala resigned as a non-executive director on 11 September 2008. On 11 September 2008, the Board announced the appointment of four independent non-executive directors and welcomed Andy Kawa, Dawn Marole, Pulane Kingston and Jeff van Rooyen. On 1 October 2008, Pat Modisane was appointed as an executive director, as head of Transformation and Human Resources.

At the date of this report the Board accordingly comprises three executive directors – RC Berry (Chief Executive Officer), and GP Louw (Chief Financial Officer), and PP Modisane all of whom are involved in the day-to-day operations of the group. This is currently balanced by nine non-executive directors, SE Jonah KBE (Chairman), A Joffe, RK Jonah, EHJ Stoyell, JG Best, A Kawa, MDL Marole, P Kingston and J van Rooyen. EHJ Stoyell, JG Best, A Kawa, MDL Marole, P Kingston and J van Rooyen are further considered to be independent as they are neither major shareholders in nor suppliers to Sentula. The non-executive directors contribute significant industry experience and expertise to the Board.

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

Board processes

The Board meets at least four times a year with additional meetings held when necessary.

An attendance table of Board meetings held during the year under review is set out below:

Ordinary Board meetings (six held)	
SE Jonah KBE (Chairman)	5
DCM Gihwala (Deputy Chairman)	4
JG Best *(Appointed on 18 July 2007)*	4
TR Hendry	6
J Holland *(Resigned on 11 July 2007)*	2
P Huysamer	2
A Joffe	6
RK Jonah	6
C Moorcroft	5
C Scharrighuisen *(Resigned on 30 November 2007)*	4
T Scharrighuisen *(Resigned on 19 April 2007)*	0
EHJ Stoyell	6
RC Berry (Chief Executive Officer)	5
GP Louw (Chief Financial Officer) *(Appointed on 1 August 2007)*	4

A Board Charter is in place to enhance corporate governance compliance and codify responsible stewardship of the Group. The Charter sets out the Board's duties and obligations, which include:

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

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

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

Code of Ethics

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

- ongoing training sessions;
- compliance with laws and regulations;
- meeting attendance;
- disciplined and proactive meeting participation;
- striving to improve individual performance;
- keeping personal transactions separate from those of the company;
- acting in Sentula's best interests; and
- confidentiality of the Group's information.

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

Company Secretary

All directors have unrestricted access to the advice and services of the Company Secretary and to company records, information, documents and property.

Corporate governance report *(continued)*

In terms of the Board Charter the Company Secretary must ensure that directors receive a Board pack and agenda timeously prior to Board meeting and takes and distributes the minutes of the meeting. The Company Secretary is further responsible for updating directors on any regulatory or legislative changes affecting the Group.

New appointments

New appointments to the Board are proposed by Board members, reviewed by the nomination committee and deliberated and approved by the Board as a whole. Board appointments are based on a blend of skills and experience. All Board appointments are to be ratified by Sentula shareholders.

Share dealing and conflicts of interest

The Board Charter stipulates that all directors and management with access to financial results and any other price-sensitive information are prohibited from dealing in Sentula shares during closed periods or prohibited periods. Directors are obliged to obtain clearance from the Chairman and Chief Executive Officer prior to dealing in the shares of the company and to report any share dealing (including transactions in terms of the Scharrig Share Scheme) to the Company Secretary who, together with the Chief Financial Officer and the sponsor, ensures that such information is released on SENS. Managers and others who are not directors and who have access to financial results and any other price-sensitive information must seek clearance from the Chief Executive Officer prior to dealing in shares of the company (including transactions in terms of the Scharrig Share Incentive Scheme).

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

Directors' interests and shareholdings are disclosed on page 98 of the annual report.

Board subcommittees

As part of its commitment to sound corporate governance, Sentula has an audit, risk and governance committee, and during the year a joint remuneration and nomination committee as well as an investment committee was formed. The audit, risk and governance committee has a Charter detailing its functions, levels of materiality and processes, which is reviewed annually in order to keep pace with regulatory requirements and international best practice. The remuneration and nomination committee will be drafting a charter, which will be adopted in the next financial year.

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

Audit, risk and governance committee

The audit and risk committee was established in 2005 and is governed by a formal Charter which is reviewed annually. The Charter sets out the committee's duties including assisting the Board in discharging its responsibilities regarding risk management, safeguarding of assets, financial control and reporting, internal controls and corporate governance.

The Charter further codifies that the committee comprise of a minimum of two independent non-executive directors, and that the Chairman may not be the Chairman of the Board. Accordingly the committee is chaired by independent non-executive director JG Best on account of his vast financial and industrial expertise, and during the year under review further comprised non-executive director A Joffe, a chartered accountant, independent non-executive director EHJ Stoyell, and non-executive director RK Jonah. On 15 September 2008, the audit, risk and governance committee was re-constituted and its members are currently JG Best (Chairman), J van Rooyen, D Marole and A Kawa, all of whom are independent non-executive directors.

The Chief Executive Officer, Chief Financial Officer, other executives and the external auditor attend committee meetings by invitation. The committee must consider on an annual basis the appropriateness of expertise and experience of the Company's Financial Director and must also recommend the annual financial statements for approval. Additionally, the audit, risk and governance committee must approve the audit fees and all fees for non-audit services from the company's auditors.

An attendance table for audit, risk and governance committee meetings held during the year is set out below:

Audit, risk and governance committee (six held)

JG Best (Chairman from 1 August 2007)	5
A Joffe (Chairman until 1 August 2007)	5
TR Hendry	4
RK Jonah	4
EHJ Stoyell	5

Remuneration and nomination committee

During the year under review the committee was chaired by independent non-executive director EHJ Stoyell. Dr P Huysamer was a member of the committee during the year under review, but post year-end has resigned from the Board, and A Joffe has been co-opted as a member of the committee. The committee further comprised non-executive Chairman Sir Sam Jonah, and non-executive Deputy Chairman DCM Gihwala. The Chief Executive Officer attends meetings by invitation and is obliged to recuse himself from discussions in respect of his own remuneration. An attendance table for remuneration and nomination committee meetings held during the year is set out below:

Remuneration committee (two held)

EHJ Stoyell (Chairman)	2
RK Jonah	1
P Huysamer	1
DCM Gihwala	1

Sentula MINING

Corporate governance report *(continued)*

Post year-end, the Remuneration and Nomination Committee has been split into two separate committees. Currently, the Remuneration Committee comprises EHJ Stoyell (Chairman), Sam Jonah KBE, A Joffe, P Kingston and A Kawa.

The current Nomination Committee is comprised of EJH Stoyell (Chairman), SE Jonah KBE, JG Best, A Joffe and J van Rooyen.

Investment Committee

The Investment Committee was established during 2007. It is chaired by independent non-executive director JG Best and further comprises non-executive director R Jonah and independent non-executive director EHJ Stoyell. It met once during the year with full attendance.

On 15 September 2008 the Investment Committee was re-constituted and its members are currently JG Best (Chairman), EHJ Stoyell, RK Jonah, A Joffe and D Marole.

Legislative compliance

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

Accounting and auditing

External audit

The report of the independent auditors on page 33 sets out the responsibilities of the external auditors.

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

Internal audit

The Group has an independent outsourced internal audit function, which is responsible for assisting the Board and management in the effective discharge of their responsibilities and reports directly to the audit, risk and governance committee. The scope of the internal audit function includes assessing the adequacy of internal controls, fraud prevention, risk management and safeguarding of assets. Unrestricted consultation is encouraged between the internal audit function, directors and management.

Internal controls

The Board is ultimately responsible for the Group's systems of internal control, assisted by the internal audit function and management who maintain comprehensive accounting records. In addition, the audit, risk and governance committee monitors internal control and submits reports to the Board. The systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements and to safeguard and maintain accountability of the

Group's assets. They are therefore designed to manage rather than eliminate risk of failure and opportunity risk.

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

In instances where internal controls were breached, remedial action has been taken and controls have been implemented. Furthermore, the directors have embarked upon an extensive internal control process to ensure that adequate systems of internal control are in place to mitigate significant risks to an acceptable level, monitored by appropriately trained personnel with suitable segregation of authority, duties and reporting lines and through the use of technology. During June 2008, the Board of Directors appointed a subcommittee, known as the investigation committee, to review the circumstances which led to the restatement of the 2007 financial results. The committee was chaired by non-executive Deputy Chairman DCM Gihwala and further comprised the chairman of the audit committee, JG Best, and KPMG Forensic team and at the date of this report, is chaired by JG Best. The preliminary report of the investigation committee has implicated certain past members of management in irregular activities associated with the accounting errors that resulted in the restatement. The results of the investigation will appear on SENS from time to time.

Risk management

The audit, risk and governance committee is responsible for ongoing risk assessment and monitoring, and recommends appropriate risk management strategies to the Board. The Board remains ultimately responsible for risk management. The systems are designed to provide reasonable assurance as to the integrity and reliability of the information in the financial statements and to safeguard and maintain the Group's assets.

Sustainability

The directors of Sentula Mining Limited believe that the fulfilment of social and environmental responsibilities is an imperative for a sustainable and competitive business, and have therefore included the report below.

Transformation

Sentula Mining Limited continues to support transformation in line with the Department of Trade and Industry codes and the Mining Charter. An internal assessment of the Group and its underlying mining services divisions and subsidiaries, to determine its contribution level to its client's procurement initiatives, was undertaken during the last quarter of the 2008 financial year. A strategy to improve the level of contribution, including the management thereof, has been implemented.

Procurement

Presently the Group focuses on procurement from accredited BEE suppliers in respect of its influenceable spend to meet its targets, as the majority of equipment and machinery used in the implementation of its services is not locally available and must be imported.

In respect of influenceable spend, Sentula focuses on procurement from black-owned businesses and suppliers, with a particular emphasis on small- to medium-sized enterprises. The Group actively strives to identify new entrant BEE service providers and suppliers from whom to procure goods and services for its businesses.

Employment equity

The Group is an equal-opportunity employer that does not tolerate discrimination in any form. Throughout the Group appointments are made in line with the Group's employment equity policy, developed under the guidance of the Group's employment equity committee, following consultation with the human resources department, to ensure that compliance is achieved. This in turn ensures that the Group's employee profile will become appropriately representative of the demographics of the regions and countries in which it operates.

Skills development and training

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

Formal training courses have been developed to encompass two broad areas:

- Health and safety
  - COMSOC 1 and 2 for safety officers
  - First-aid training
  - HIV/Aids awareness
  - Risk assessments
- Technical with original equipment manufacturer certification
  - Machine operators
  - Maintenance staff
  - Support providers

In order to meet the challenges of leadership skills provision of a growing organisation, Sentula focuses on succession planning by facilitating the advancement of all employees within the organisation, through formal programmes that have been developed to provide the feedstock for future management. Special emphasis is placed on the development of historically disadvantaged South Africans, in order to align the demographics of the company. Support, in the form of subsidies for further and higher education, is made available to all employees of the Group.

Sentula promotes an entrepreneurial business environment among its operating divisions and subsidiaries, through which staff members, which it recognises as key to the Group's ongoing success, can thrive. The Executive is striving to develop a delayered participative management structure with a culture of strong governance, sustainable forward-looking decision-making and a reward for performance-driven culture.

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

Sustainability (continued)

the development of more effective methods to achieve its overall aims.

Employee participation in the ownership of the Group is facilitated through the various Group Share Incentive Schemes, details of which are set out in the Directors' Report.

Safety, Health and Environment (SHE)

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

Appropriately qualified health and safety officers are appointed at each site on which Group divisional companies operate. These officers bear the responsibility of ensuring full compliance with the relevant health and safety legislation and requirements and report functionally to Group operational management.

Safety

Sentula accepts that the process of improving safety performance is dynamic and that the processes must be continually enhanced in order to meet changing environments and maintain compliance with the legislation. This strategy is complemented by the conducting of regular internal safety audits, the routine reporting of incidents and the implementation of risk-avoidance strategies that are constantly being updated to take account of potential new hazards, which have been identified.

Employee participation in the formulation and implementation of health and safety policies, taking cognisance of the requirements of our clients, remains an imperative, with all staff being encouraged to identify, report and prevent potential dangers becoming risks.

All supervisors, safety officers and plant and site managers are required to have a valid first-aid certificate, with this training being carried out at the medical facilities of the host mine.

Health

Sentula recognises the impact of occupational diseases and HIV/Aids on the Group's workforce.

The prevention of and monitoring for occupational illnesses is accomplished through the ongoing assessment of workplace risks, strict adherence to the use of personal protective equipment and routine medical surveillance.

A formal HIV/Aids policy has been adopted and the company actively supports client base, regional and national initiatives in this regard. The Group respects the right of all employees to maintain confidentiality regarding their HIV status and is committed to fostering a supportive working environment for employees infected with the virus.

Environment

Sentula is highly conscious of the potential environmental hazards inherent in its activities. As a service provider to the mining industry, the Group's employees are bound to comply strictly with the environmental procedures in place on the sites on which they operate. Employees are educated to avoid harmful environmental practices as a result of inappropriate use of equipment and machinery. All operating sites have an ISO 14001 rating and compliance with environmental procedures is maintained by means of regular audits.

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

Across its operating, development and exploration coal assets, Sentula complies with all relevant legislation and requirements.

Code of Ethics

A zero tolerance policy towards corruption, fraud, abuse or unethical business practice is being rolled out within the Group. The Group, however, does not hesitate to take the necessary action against any employee involved in such irregularities.

Stakeholder communication

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

Financial and company announcements are released on SENS, published in the business press, the company's website and sent directly to shareholders, where appropriate. Investor queries are dealt with by executive management.

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

Annual financial statements for the year ended 31 March 2008

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Independent auditor's report

To the members of Sentula Mining Limited

REPORT ON THE GROUP FINANCIAL STATEMENTS

We have audited the Group annual financial statements and the annual financial statements of Sentula Mining Limited, which comprise the balance sheets at 31 March 2008, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 37 to 97.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Basis for and qualified opinion on the Group's balance sheet and disclaimer of opinion on the Group's income statement and cash flow statement

The directors' report indicates that there was a breakdown in the internal control systems of the Company and its subsidiary in the current and preceding years and gives the effect of the irregularities arising therefrom on the financial statements. In particular, the directors' report also indicates that the carrying value of certain items of plant and equipment, in a subsidiary, may not have been based at actual cost and that the investigation of transactions reflected in a bank account of a subsidiary, not previously recorded, is in progress. The directors' report, furthermore, gives an explanation for this state of affairs.

In the absence of supporting documentation, we were unable to satisfy ourselves as to:

- the cost of the existing plant and equipment as disclosed in the notes;
- the appropriate disclosure of the impairment of the unrecorded funds amounting to R242 million in the income statement; and
- whether the impairment and the reduction in depreciation referred to in the directors' report, have been recorded in the correct accounting period.

In our opinion, except for the possible effects of the matters described in the preceding paragraphs, the Group financial statements present fairly, in all

Independent auditor's report *(continued)*

material respects, the consolidated financial position of Sentula Mining Limited at 31 March 2008 in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Because of the significance of the matters described in the preceding paragraphs we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Group's financial performance and cash flows for the year ended 31 March 2008. Accordingly, we do not express an opinion on the Group income statement and Group cash flow statement.

Unqualified opinion on the Company's financial statements

In our opinion, the financial statements of the Company present fairly, in all material respects, the separate financial position of Sentula Mining Limited at 31 March 2008, and its separate financial performance and separate 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified certain unlawful acts or omissions committed by persons responsible for the management of entities within the Group which constitute reportable irregularities in terms of the Auditing Profession Act, and have reported such matters to the Independent Regulatory Board for Auditors. The matters pertaining to the reportable irregularities have been described in the directors' report.

KPMG Inc.

Per Hendrik van Heerden
Chartered Accountant (SA)
Registered Auditor
Director
29 October 2008

Auditors
KPMG, Chartered Accountants (SA), Registered Accountants and Auditors
KPMG Crescent, 85 Empire Road, Parktown 2193 (Private Bag X9, Parkview 2122) Tel. 011 647 7111

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the Group annual financial statements and annual financial statements of the Company, comprising the balance sheets at 31 March 2008, the income statements, the statements of changes in equity and the cash flow statements for the year ended 31 March 2008, and the notes to the financial statements, which include a summary of significant accounting policies in conformity with International Financial Reporting Standards and in the manner required by the Companies Act, No 61 of 1973, as amended.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these 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.

The directors are responsible for the systems of internal control. These are designed to provide reasonable, if not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties.

The annual financial statements have been prepared in accordance with the Companies Act, No 61 of 1973, as amended, and International Financial Reporting Standards and are based on appropriate accounting policies, supported by reasonable and prudent judgements.

The directors are of the opinion that the Group has adequate resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The auditor is responsible for reporting on whether the Group annual financial statements and annual financial statements of the Company are fairly presented in accordance with the applicable financial reporting framework.

Approval of annual financial statements

The Group annual financial statements and the annual financial statements of the Company for the year ended 31 March 2008, set out on pages 42 to 97, were approved by the Board of Directors and are signed on its behalf by:

SE Jonah, KBE
Chairman

JG Best
Chairman: Audit, risk and governance

RC Berry
Chief Executive Officer

GP Louw
Chief Financial Officer

29 October 2008

Declaration of Company Secretary

In my capacity as Company Secretary, I declare that for the year ended 31 March 2008 the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, No 61 of 1973, as amended, and that all such returns are to the best of my belief true, correct and up-to-date.

Janet Salmon
Company Secretary

Boksburg
29 October 2008

Directors' report

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

NATURE OF BUSINESS

The Group derives its income from contract opencast mining, rehabilitation, earthworks, exploration drilling, crane hire, mining services and the mining of coal from its own investments in a number of coal mines. The CEO's report details the nature of each major subsidiary and the Group's coal investments. The parent company is a holding company.

FINANCIAL RESULTS

Based on the restated results for 2007 and the restated provisional results for 2008, turnover increased from R1,3 billion to R2,7 billion, operating profit adjusted for impairments, amortisation of intangible assets and the provision for the unaccounted funds of R242 million, increased from R199 million to R424 million and adjusted basic earnings per share from 49,1 cents to 127,9 cents.

Restatement of 2007 comparatives

During the 2008 financial year, as part of the accounting process, management reassessed the transactions in terms of which the assets and liabilities of Benicon Earthworks (Pty) Ltd and Fixed Trade CC were acquired during the 2007 financial year.

After due consideration, and obtaining third party professional advice, management concluded that these transactions were incorrectly accounted for in terms of International Financial Reporting Standards 3, Business Combinations, and that certain of the assets were overvalued and the fair value of the consideration paid on acquisition had been understated, at the time of the acquisition, resulting in the recognition of excessive negative goodwill of R37,3 million in the 2007 financial year.

It also transpired that R34 million of impaired assets had not been provided for in the 2007 financial year. The effect of these adjustments, together with adjustments for certain expenses which had not been provided for in the 2007 financial year resulted in profit attributable to shareholders being restated from R148,9 million to R85,3 million. This restatement was detailed in the publication of the reviewed results on 25 June 2008.

Post-year-end it became apparent that certain of the internal control systems of the Company and Scharrighuisen Opencast Mining (Pty) Ltd ("SOC") were overridden in the 2007 and 2008 financial years resulting in a number of irregularities which led to the restatement. Subsequent to the provisional results issued on 25 June 2008 KPMG's forensic team was engaged to assist in the investigation of these irregularities and further irregularities were identified. The effect of these irregularities, which included a number of erroneous accounting treatments, resulted in a further reduction in prior year profit attributable to shareholders to R45,9 million and therefore a total restatement of R102,9 million for the 2007 financial year. The corresponding figures have been restated accordingly, as disclosed in note 26.

Restatement of 2008 reviewed results

Also, subsequent to the provisional results, issued on 25 June 2008, the directors of the holding company became aware that the carrying values of some of the plant and equipment, in SOC, may not have been based on actual cost and that certain assets sold or traded were not removed from the asset register.

At the same time the ongoing forensic investigation revealed a bank account in the name of SOC that was not recorded in its accounting records ("the unrecorded bank account"). On further investigation it became apparent to the directors that there was a possible link between the inflated cost prices of certain items of plant and equipment and the transactions in the unrecorded bank account.

In the absence of adequate supporting documentation management embarked on a complete review of each item of plant and equipment on SOC's fixed asset register. The review entailed the verification of the

Directors' report *(continued)*

existence and an assessment of the value of each item of plant and equipment. As a result of the review the cost of plant and equipment was reduced by an amount of R242 million, with a corresponding reduction in depreciation.

Furthermore, it became apparent that certain payments from the unrecorded bank account, amounting to R242 million, may be recoverable and a receivable was raised. The transactions reflected in the bank account are still under investigation and, pending finalisation of the investigation, the receivable has been impaired in full in the 2008 financial year.

The Board is confident that the Group has, notwithstanding the adjustments to SOC's fixed asset register and the impairment of the receivable, adequate operating capacity and resources to meet its contractual obligations and growth objectives for the 2009 financial year.

The Board of Directors and management are satisfied, to the best of their knowledge and belief, and subject to any adjustments that may be required once the forensic investigation is completed that the Group's income statement and cash flow statement fairly present the financial performance of the Group, in, all material respects.

The Board of Directors and management:

- have reviewed the market values of the Group's assets and is satisfied that no further impairment is required;
- is in the process of implementing adequate internal controls to safeguard the Group's assets and ensure the integrity of its records;
- believe that although the forensic investigation is ongoing, any further restatements to the financial results that will result in a reduction to retained income on the balance sheet is unlikely; and
- will review the results of the ongoing forensic investigation and will take the necessary steps to recover the amounts written off.

GOING CONCERN

The directors have reviewed the Group's budget and cash flow forecasts. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the Group is a going concern and have continued to adopt the going-concern basis in preparing the financial statements.

REPORTABLE IRREGULARITIES

In terms of section 45 of the Auditing Professions Act 26 of 2005 the Auditor has reported the irregularities described in this report to the Independent Regulatory Board of Auditors.

All of the matters reported have been addressed to the satisfaction of the Auditor through corrective action and instituting the necessary controls to ensure that there is no recurrence of these events.

FINANCIAL SERVICES BOARD INVESTIGATION

The Company has continued working with the Financial Services Board in their investigation into allegations of shareholders trading with price sensitive information and the circumstances that led to the restatement of its 2007 financial results.

SHARE CAPITAL

Full details of the authorised and issued share capital of the Company are set out in note 19 to the annual financial statements. During the year the Company issued 47 135 041 ordinary shares to fund its acquisitions, the development of its coal mines and improve its capital structure. Unissued shares are under the control of the directors.

DIVIDENDS TO SHAREHOLDERS

An interim dividend, number 23, of 11 cents per share was paid to shareholders on 18 December 2007.
A final dividend, number 24, of 10 cents per share was declared on 25 June 2008 and paid to shareholders on 6 October 2008, resulting in a total dividend of 21 cents for the 2008 financial year.

DIRECTORATE

The directors of the Company and abridged curriculum vitae for each director are set out on pages 100 to 101.

DIRECTORS' REMUNERATION AND SHAREHOLDING

Details of the directors' remuneration are set out in note 31 to the annual financial statements and details of directors' shareholdings are set out under "shareholders' information".

DIRECTORS' INTERESTS IN CONTRACTS

No material contracts, in which directors have an interest/s, were entered into during the year, other than the transactions detailed in note 30 to the annual financial statements.

COMPANY SECRETARY AND REGISTERED OFFICE

Morestat Corporate Services (Pty) Ltd is the Company Secretary at the date of this report and their business and postal address is 24, 18th Street, Menlo Park, 0081. The Company's registered address is set out on page 115 of this report.

SUBSEQUENT EVENTS

Changes to the Board

The following changes to the Board of Directors took place post the year-end:

Resignations:
- T Hendry – 16 June 2008
- P Huysamer – 9 July 2008
- C Moorcroft – 8 September 2008
- D Gihwala – 11 September 2008

Appointments:
- A Kawa – 11 September 2008
- P Kingston – 11 September 2008
- D Marole – 11 September 2008
- J van Rooyen – 11 September 2008
- P Modisane – 1 October 2008

Financing facilities

During the course of the second quarter of the 2009 financial year, the Company secured further vehicle asset finance facilities in an amount of R200 million to fund the balance of its capital expenditure programme for the 2009 financial year.

Acquisitions

Post year-end, the following acquisitions were concluded:
- On 3 April 2007, the prospecting rights acquired as part of the Benicon Mining (Pty) Ltd acquisition were ceded and this acquisition became unconditional.
- On 16 September 2008, the acquisition by Jonah Coal (Botswana) (Pty) Ltd of an initial 43,32% equity interest in African Energy (Mauritius) (Pty) Ltd (Assenjo) was concluded. The Company holds an equity interest of 50% in Jonah Coal (Botswana) (Pty) Ltd. African Energy (Mauritius) (Pty) Ltd is the ultimate holder of a number of coal prospecting tenements in Botswana. On 1 October, Jonah Coal (Botswana) (Pty) Ltd acquired a further 6,68% equity interest in African Energy (Mauritius) (Pty) Ltd, thereby increasing its interest to 50%.

Directors' report *(continued)*

Completion of Koornfontein feasibility study

Post-year-end the independent feasibility study into the viability of the Koornfontein 4-seam was completed. The development decision of the 4-seam is still subject to Board approval.

BORROWING POWERS

In terms of article 34 of the articles of association, the Company has unlimited borrowing powers. During the past financial year, the Company refinanced its existing vehicle asset finance facilities of R1,5 billion by means of a four year fully amortising senior loan facility with the Standard Bank Ltd. This facility was subsequently syndicated to a number of banks by Standard Bank Ltd ("the syndicated facility").

The Company also makes use of a vehicle asset finance facility of R500 million from Absa Ltd. This facility is a fully amortising three year facility and is used to fund the Group's ongoing capital requirements.

The continued availability of these facilities, on their current terms and conditions, is dependent upon the ongoing compliance with, inter alia, a number of financial covenants. At the date of this report, the Company was in breach of its undertaking to provide Standard Bank with a copy of the Group's consolidated annual financial statements within 90 days after year-end, which will be remedied once the annual financial statements have been issued. This breach is as a result of the delays experienced in investigating the circumstances that led to a restatement of the 2007 financial results and the investigation into the irregularities referred to in this report.

The future growth of the Group is dependent on the continued availability of capital funding for capital acquisitions and the development of its coal assets. Management is in regular discussion with its financiers and do not believe that the breach, referred to in the preceding paragraph, will affect the Group's ability to continue to receive funding and hence its ability to continue as a going concern.

EMPLOYEE SHARE INCENTIVE SCHEME

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

	Directors	Staff	Total
Awards/options at beginning of the year	2 360 000	341 100	2 701 100
Options granted during the year	2 155 200	8 552 700	10 707 900
Lapsed		(123 000)	(123 000)
Exercised and delivered	(360 000)	(158 000)	(518 000)
Awards/options balance at end of the year	4 155 200	8 612 800	12 768 000

Historical information re: directors' unexercised options at 31 March 2008 is as follows:

	Share options at 1 April 2007		Share options granted during the year		Share options exercised and taken delivery of		Share options at 31 March 2008	
Director	**Number**	**Strike price (R)**	**Number**	**Strike price (R)**	**Number**	**Strike price (R)**	**Number**	**Strike price (R)**
TR Hendry	40 000	0,53	38 800	0,53	40 000	0,53	38 800	0,53
J Holland	40 000	0,53	38 800	0,53	40 000	0,53	38 800	0,53
	100 000	2,75			100 000	2,75		
C Moorcroft	40 000	0,53	38 800	0,53	40 000	0,53	38 800	0,53
	100 000	2,75			100 000	2,75		
C Scharrighuisen	40 000	0,53	38 800	0,53	40 000	0,53	38 800	0,53
RC Berry	2 000 000	10,00					2 000 000	10,00
GP Louw			2 000 000	20,00			2 000 000	20,00
	2 360 000		2 155 200		360 000		4 155 200	

Consolidated income statement for the year ended 31 March 2008

	Notes	2008 R'000	Restated 2007 R'000
Revenue	4	**2 656 039**	1 250 484
Cost of sales		**(2 112 874)**	(895 213)
Gross profit		**543 165**	355 271
Other income		**22 874**	—
Impairment		**(2 131)**	(34 613)
Provision for unaccounted funds	6	**(241 661)**	—
Administrative expenses		**(188 300)**	(175 809)
Profit from operations	5	**133 947**	144 849
Finance expense	8	**(158 311)**	(71 013)
Finance income	8	**8 766**	1 622
Excess of fair value of assets and liabilities acquired over purchase price	24	**77 411**	5 511
Income from investment in associate (net of tax)	9	**68 133**	—
Profit before taxation		**129 946**	80 969
Taxation	10	**(16 379)**	(26 604)
Profit for the year		**113 567**	54 365
Attributable to:			
– Equity holders of Sentula Mining Limited		**113 567**	45 976
– Minority interest		**—**	8 389
Earnings per share (cents)	11		
– Basic		**56,3**	30,4
– Diluted		**56,1**	30,1
Dividends per share (cents)	12		
Interim		**11,0**	7,0
Final		**10,0**	10,0
		21,0	17,0
Shares in issue at end of the year (000)	19	**235 566**	188 431
Weighted average number of shares at end of the year (000)	11	**201 699**	151 352
Diluted weighted average number of shares at end of the year (000)	11	**202 387**	152 690

Consolidated balance sheet at 31 March 2008

	Notes	2008 R'000	Restated 2007 R'000
Assets			
Non-current assets		**3 235 825**	1 588 590
Property, plant and equipment	13	**2 234 927**	1 302 318
Mineral rights	14	**364 305**	—
Intangible assets	15	**12 008**	38 667
Investment in equity-accounted associate	9	**233 550**	—
Goodwill	15	**372 691**	203 425
Deferred tax	23	**18 344**	44 180
Current assets		**1 137 753**	691 085
Inventories	16	**301 120**	210 394
Trade and other receivables	17	**551 458**	316 180
Cash and cash equivalents	18	**285 175**	164 511
TOTAL ASSETS		**4 373 578**	2 279 675
Equity and liabilities			
Total ordinary shareholders' funds		**1 892 298**	807 519
Share capital	19	**2 356**	1 884
Share premium	19	**1 558 640**	572 684
Treasury shares	19	**(30 779)**	(35 626)
Reserves		**32 721**	9 933
Retained earnings		**329 360**	258 644
Minority interest		**87 335**	8 389
Total shareholders' funds		**1 979 633**	815 908
Liabilities			
Non-current liabilities		**1 512 333**	522 659
Loans and borrowings	20	**1 232 865**	348 667
Rehabilitation provisions	21	**67 790**	—
Deferred tax	23	**211 678**	173 992
Current liabilities		**881 612**	941 108
Trade and other payables	22	**345 226**	308 069
Loans and borrowings	20	**472 458**	309 353
Other financial liabilities	25	**5 851**	284 586
Taxation payable		**58 077**	39 100
Total liabilities		**2 393 945**	1 463 767
TOTAL EQUITY AND LIABILITIES		**4 373 578**	2 279 675

Sentula MINING

Consolidated statement of changes in equity for the year ended 31 March 2008

	Notes	Share capital R'000	Share premium R'000	Employee share incentive reserve/ capital reserve R'000	Treasury shares R'000	Foreign exchange trans-lation reserve R'000	Retained earnings R'000	Non-distrib-utable reserve R'000	Minority interest R'000	Total ordinary equity R'000
Balance at 31 March 2006 as previously reported		1 374	100 055	6 076	(8 397)	—	217 397	13 866		330 371
Prior year adjustments	26		5 250	(5 469)	(5 297)	—	13 414	—		7 898
Restated balance as at 31 March 2006		1 374	105 305	607	(13 694)	—	230 811	13 866	—	338 269
Restated		—	—	—	—	—	45 976	—	8 389	54 365
Profit for the year as previously reported							148 852		8 389	157 241
Prior year adjustments – profit	26						(102 876)			(102 876)
Dividend paid	12						(20 923)			(20 923)
Foreign exchange translation						(5 043)	2 780			(2 263)
Restated share-based payments	26		13 464	503	10 443					24 410
Restated shares issued	26	510	453 915		(32 375)					422 050
Restated balance as at 31 March 2007		1 884	572 684	1 110	(35 626)	(5 043)	258 644	13 866	8 389	815 908
Profit for the year							113 567			113 567
Foreign currency translation movement						2 544				2 544
Nkomati minority as a result of business acquisition	24								87 335	87 335
Dividend paid	12						(42 851)			(42 851)
Share base payments			(4 073)	20 244	4 847		—			21 018
Minority acquired	24								(8 389)	(8 389)
Shares issued		472	990 029							990 501
Balance at 31 March 2008		**2 356**	**1 558 640**	**21 354**	**(30 779)**	**(2 499)**	**329 360**	**13 866**	**87 335**	**1 979 633**

Consolidated cash flow statement for the year ended 31 March 2008

	Notes	2008 R'000	Restated 2007 R'000
Cash flows from operating activities			
Profit for the year		**113 567**	54 365
Adjustments for:			
Depreciation	5	**225 243**	151 582
Provision for unaccounted funds	6	**241 661**	—
Amortisation of intangible assets	5	**46 258**	19 333
Impairment	5	**2 131**	34 613
Foreign exchange (gains)	5	**(5 790)**	(13 470)
Excess of fair value of assets and liabilities acquired over purchase price	24	**(77 411)**	(5 511)
Finance income	8	**(8 766)**	(1 622)
Finance expense	8	**158 311**	71 013
– Paid		**126 726**	61 260
– Accrued		**31 585**	9 753
Equity settled share-based payment expense	5	**20 606**	2 282
Income from investment in associate (net of tax)	9	**(68 133)**	—
Net gain on sale of property, plant and equipment	5	**(6 190)**	(2 870)
Income tax expense	10	**16 379**	26 604
Cash flows from operating activities before changes in working capital and provisions		**657 866**	336 319
Increase in inventories		**(78 020)**	(130 522)
Increase in trade and other receivables		**(161 469)**	(28 463)
Decrease in trade and other payables		**(29 298)**	46 153
Increase in provisions		**(250)**	—
Cash generated from operations		**388 829**	223 487
Income taxes paid		**(52 537)**	(5 083)
Interest paid		**(126 726)**	(61 260)
Net cash flows from operating activities		**209 566**	157 144
Investing activities			
Acquisition of subsidiaries, net of cash acquired	24	**(57 817)**	(17 326)
Acquisition of minority interest	24	**(13 880)**	—
Purchase of property, plant and equipment	13	**(1 083 582)**	(518 619)
Cost price adjustment on plant and equipment		**(241 661)**	—
Proceeds from disposal of property, plant and equipment		**150 863**	20 200
Purchases of investment in associate	9	**(165 417)**	—
Interest received	8	**8 766**	1 622
Net cash utilised in investing activities		**(1 402 728)**	(514 123)
Financing activities			
Proceeds from issue of ordinary shares		**698 730**	316 052
Proceeds from borrowings		**659 703**	203 209
Dividends paid	12	**(44 607)**	(21 411)
Net cash from financing activities		**1 313 826**	497 850
Net increase in cash and cash equivalents		**120 664**	140 871
Cash and cash equivalents at beginning of year		**164 511**	23 640
Cash and cash equivalents at end of year	18	**285 175**	164 511

Operational segment reporting for the year ended 31 March 2008

The Group is organised into six major operating segments, namely opencast mining and earthmoving, exploration drilling, drilling and blasting, crane hire, equipment trading and spares and coal mining. These segments are the basis on which the Group reports its primary segment information. Financial information about business segments is presented as follows:

Business segments

2008 (R'000)	Opencast Mining and earth-moving	Explora-tion Drilling	Drilling and Blasting	Crane Hire	Equipment Trading and Spares	Coal mining	Other	Elimina-tions	Consoli-dated
Revenues	1 315 533	774 179	132 430	28 960	404 937	—	—	—	2 656 039
Inter-segment revenue	44 385	—	69 658	—	17 762	—	—	(131 805)	—
Total segment revenue	1 359 918	774 179	202 088	28 960	422 699	—	—	(131 805)	2 656 039
Segment result	215 954	162 314	(6 865)	20 717	11 647		(28 159)		375 608
Provision for unaccounted funds	(241 661)								(241 661)
									133 947
Net finance costs									(149 545)
Excess of fair value of assets and liabilities acquired over purchase price						77 411			77 411
Share of profit of equity-accounted investees						68 133			68 133
Income tax expense									(16 379)
Profit for the period									113 567
Segment assets	2 147 011	767 456	197 088	75 725	205 072	461 091	268 241		4 121 684
Investment in equity-accounted associate						233 550			233 550
Unallocated assets									18 344
Total assets									4 373 578
Segment liabilities	161 956	102 488	14 977	1 108	36 972	69 909	1 736 780		2 124 190
Unallocated liabilities									269 755
Total liabilities									2 393 945
Capital expenditure	872 398	93 643	127 470	78 178	58 208	74 894	—	—	1 304 791
Depreciation	162 557	41 671	18 678	1 571	766	—	—	—	225 243
Amortisation of intangible assets	—	38 667	7 591	—	—	—	—	—	46 258
Impairment losses on property, plant and equipment	2 131								2 131

Business segments

2007 (R'000)	**Opencast Mining and earth-moving**	**Explora-tion Drilling**	**Drilling and Blasting**	**Crane Hire**	**Equipment Trading and Spares**	**Coal mining**	**Other**	**Elimina-tions**	**Consoli-dated**
Revenues	801 379	293 254	42 264		113 587	—	—	—	1 250 484
Inter-segment revenue	(1 962)	—	—	—	—	—	—	1 962	—
Total segment revenue	799 417	293 254	42 264	—	113 587	—	—	1 962	1 250 484
Segment result	234 660	72 220	(1 830)	—	826	—	19 606	(180 633)	144 849
Net finance costs									(69 391)
Excess of fair value of assets and liabilities acquired over purchase price	5 511								5 511
Income tax expense									(26 604)
Profit for the period									54 365
Segment assets	1 410 806	651 383	35 556	—	116 150	—	8 888	—	2 222 783
Unallocated assets									56 892
Total assets									2 279 675
Segment liabilities	707 577	558 873	59 231	—	51 960	—	(126 966)	—	1 250 675
Unallocated liabilities									213 092
Total liabilities									1 463 767
Capital expenditure	510 943	164 042	62 650	—	1 239	—	—	—	738 874
Depreciation	134 603	13 817	2 975	—	187	—	—	—	151 582
Amortisation of intangible assets	—	19 333	—	—	—	—	—	—	19 333
Impairment losses on property, plant and equipment			34 613	—	—	—	—	—	34 613

Geographical segments

	2008			2007		
(R'000)	**South Africa**	**Rest of Africa**	**Consolidated**	South Africa	Rest of Africa	Consolidated
Revenue from external customers	**2 227 178**	**428 861**	**2 656 039**	1 062 162	188 322	1 250 484
Segment assets	**3 726 472**	**395 212**	**4 121 684**	1 794 764	428 019	2 227 783
Capital expenditure	**1 254 207**	**50 584**	**1 304 791**	646 252	92 622	738 874

Notes to the annual financial statements for the year ended 31 March 2008

1 Basis of preparation

The Group financial statements are prepared on the historical cost basis except for the revaluation of certain financial instruments which are carried at fair value or amortised costs, as appropriate, and incorporate the following principle accounting policies which have been consistently applied:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

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

All amounts in the financial statements, reports and supporting schedules are stated to the nearest R'000 except where otherwise indicated.

Transactions included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which they operate ('the functional currency'). The consolidated financial statements are presented in South African rand, which is the Company's functional and presentation currency.

2 Significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these consolidated financial statements and have been consistently applied by Group entities.

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

2.1 Basis of consolidation

2.1.1 Subsidiaries

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. The results and cash flows of subsidiaries are included from the date that control commences until the date that control ceases. Intercompany transactions and balances between Group companies are therefore eliminated in full. The accounting policies of the subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

With the purchase of a minority interest the difference between the cost of the additional investment and the carrying amounts of the net assets at the date of exchange are recognised as goodwill.

In the financial statements of the Company, the investment in subsidiaries are measured at cost.

2.1.2 Special purpose entities

A special purpose entity is consolidated if based on an evaluation of the substance of its relationship with the Group and the entity's risks and rewards, the Group concludes that it controls the special purpose entity. Special purpose entities controllled by the Group are established under terms that impose strict limitations on the decision-making powers of the special purpose entity's management and that result in the Group receiving the majority of the benefits relating to the special purpose entity's operations and net assets are exposed to risk incident to the special purpose entity's activities, and retain the majority of the residual or ownership risks relating to the special purpose entity or its assets.

2.1.3 Associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are accounted for using the equity method and are initially recognised in the consolidated balance sheet at cost. The Group's share of post-acquisition profits and losses is recognised in the consolidated income statement, from the date significant influence commences until the date significant influence ceases, except that losses in excess of the Group's investment in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. The carrying amount of investment in associate is subject to impairment assessment at each balance sheet date.

In the financial statements of the Company, the investment in associate is measured at cost.

2.1.4 Business combinations

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

2.2 Functional currency and translation of foreign currencies

2.2.1 Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. Translation differences on non-monetary items are reported as part of the fair value gain and loss.

2.2.2 Foreign operations

The results and the financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the ruling rate at the date of that balance sheet;
- income and expenses for each profit and loss account are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised as a separate component of equity (in the foreign currency translation reserve).

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity (in the foreign currency translation reserve).

2.3 Intangible assets

2.3.1 Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of the acquiree. Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.3.2 Other intangibles

These relate to customer contracts and relationships acquired in the Company's subsidiaries. The intangible asset relating to these contracts and relationships is expected to be amortised over an 18-month period from the date of acquisition. The carrying amounts of other intangible assets with definite useful lives are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then the recoverable amount is estimated.

2.3.3 Impairment

The Company annually tests whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units is the greater of its value-in-use and its fair value less cost to sell. In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. These calculations require the use of estimates.

2.4 Property, plant and equipment

2.4.1 Recognition and measurement

Property, plant and equipment are measured at costs less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials and direct labour, and any costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

2.4.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of the property, plant and equipment are recognised in profit or loss as incurred.

2.4.3 Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

• buildings	50 years
• plant and equipment	5 years – 10 years
• motor vehicles	5 years
• furniture and fittings	10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

2.5 Impairment of non-financial asset

The carrying amount of the Group's assets, other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

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

Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit.

Impairment charges are included in the administrative expenses line in the consolidated income statement, except to the extent that they reverse gains previously recognised in the consolidated statement of changes in equity.

2.6 Inventories

Inventories are assets held-for-sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Inventories are stated at the lower of cost and net realisable value using the first-in-first-out method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and costs necessary to make the sale.

2.7 Provisions

Provisions are recognised for liabilities of uncertain timing or amount that have arisen as a result of past transactions and are discounted at a pre-tax rate reflecting current market assessments of the time value of money and the risks specific to the liability. Where the buyer has the right to return the goods the Group estimates the return rate based on past experience with similar sales and recognises revenue on this transaction with a corresponding provision against revenue for estimated returns. In accordance with the applicable legal requirements, a provision for rehabilitation of land and the related expense is recognised when the damage occurs, it is probable that a restoration expense will be incurred and the costs can be estimated reasonably.

2.8 Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Company has become a party to the contractual provisions of the instruments.

Financial assets and liabilities are set off and the net amount presented in the balance sheet, when the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group has not classified any of its financial assets as held to maturity or designated any instruments at fair value through profit and loss.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue of the instruments, and are subsequently carried at amortised cost using the effective interest rate method, less impairment losses.

Impairment losses are recognised when there is objective evidence that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a loss being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For trade receivables, which are reported net, such losses are recorded in a separate account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated losses. From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities immediately available, and bank overdrafts. Bank overdrafts held at the same financial institution are set off against bank reflected in current assets. It is the Group's policy not to allow overdrafts held by subsidiary companies, this is funded through a Centralised Treasury.

All short term cash investments are invested with a major financial institution in order to manage credit risk.

FINANCIAL LIABILITIES

Financial liabilities are classified according to the substance of the contractual arrangement entered into and the purpose for which the asset was acquired and include the following:

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Interest expense in this context includes initial transaction costs and premie payable on redemption, as well as any interest while the liability is outstanding.

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

2.9 Taxation

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

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

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for:

- the initial recognition of goodwill;
- the initial recognition of assets and liabilities that affect neither accounting nor taxable profit; and
- differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, unless specifically exempt. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantially been enacted by the reporting date.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group Company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis; or
- to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

2.10 *Share capital*

The Group's ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of tax effects.

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is net of tax effects, and is recognised as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

2.11 *Revenue*

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

2.12 *Borrowing costs*

Borrowing costs are not capitalised but recognised in the income statement in the period incurred.

2.13 *Dividends*

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

2.14 *Leased assets*

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are analysed between capital and interest.

2.15 *Segment reporting*

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a Group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented in respect of the Group's business and geographical segments. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments (other than investment property) and related revenue, loans and borrowings and related expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and other intangible assets other than gooodwill.

2.16 Employee benefits

2.16.1 Defined contribution plans

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

2.16.2 Short-term employee benefits

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

2.16.3 Share-based payment transactions

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period. Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

2.17 Contingent assets and liabilities

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

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

2.18 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of intangible assets and property, plant and equipment

As described in 2.4 above, the estimated useful lives of property, plant and equipment are reassessed at the end of each annual reporting period. The Group amortises its assets over their estimated useful lives, as more fully described in the accounting policies for property, plant and equipment and intangible assets. The actual lives of these assets can vary depending on a variety of factors, including technological innovation and maintenance programmes. Changes in estimates can result in significant variations in the carrying value and amounts charged to the consolidated income statement in specific periods.

Rehabilitation provision

Long-term environmental obligations are based on the Company's environmental plans, in compliance with current environmental and regulatory requirements.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance sheet date. Increases due to additional environmental disturbances are capitalised and amortised over the remaining lives of the mines. Annual increases in the provisions relating to the change in the net present value of the provision and inflationary increases are shown separately in the income statement.

The estimated ccost of rehabilitation is reviewed annually and adjusted as appropriate for changes in legislation or technology. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure, in view of the uncertainty of estimating the potential future proceeds.

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require an estimation of the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Inventories

The Company reviews the net realisable value of, and demand for, its inventory on a quarterly basis to provide assurance that recorded inventory is stated at the lower of cost or net realisable value. Factors that could impact estimated demand and selling prices include the timing and success of future technological innovations, competitor actions, supplier prices and economic trends.

Income taxes

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities [please give details and carrying values involved]. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Share-based payments

The Group has four types of equity-settled share-based remuneration schemes for employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of grant, excluding the impact of any non-market vesting conditions. The fair value of share options is estimated by using valuation models, such as Black-Schöles and binominal lattice, on the date of grant based on certain assumptions. Those assumptions are described in note 7 and include, among others, the dividend growth rate, expected volatility, expected life of the options and number of options expected to vest.

Sentula MINING

Notes to the annual financial statements *(continued)* for the year ended 31 March 2008

3 Adoption of new and revised statements

3.1 Standards and interpretations effective in the current year

The Group adopted IFRS 7 – Financial Instruments, effective for annual reporting periods beginning on or after 1 January 2007 and the amendments of IAS 1 – Presentation of Financial Statements.

The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosure provided in these financial statements.

The additional interpretations issued by the International Financial Reporting Interpretations Committee effective for the current year are: IFRIC 7 – Applying the restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies, IFRIC 8 – Scope of IFRS 2, IFRIC 9 – Reassessment of embedded derivatives, IFRIC 10 – Interim Financial Reporting and Impairment and IFRIC 11 – Group and Treasury Share Transactions. The adoption of these interpretations has not led to any changes in accounting policies in the Group.

3.2 Standards and interpretations in issue not yet adopted

The following interpretations were in issue but not yet effective:

- IAS 1 (Revised) – Presentations of Financial Statements (effective for accounting periods beginning on or after 1 January 2009)
- IAS 1 – Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation (effective for accounting periods beginning on or after 1 January 2009)
- IAS 23 (Revised) – Borrowing Costs Liquidation (effective for accounting periods beginning on or after 1 January 2009)
- IAS 27 (Revised) – Consolidated and Separate Financial Statements (effective for accounting periods beginning on or after 1 July 2009)
- IFRS 2 – Share-based Payments: Vesting Conditions and Cancellations (effective for accounting periods beginning on or after 1 January 2009)
- IFRS 3 (Revised) – Business Combinations (effective for accounting periods beginning on or after 1 July 2009)
- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations (effective for accounting periods beginning on or after 1 July 2009)
- IFRS 8 – Operating segments (effective for accounting periods beginning on or after 1 January 2009)
- IFRIC 12 – Service Concession Arrangements (effective for accounting periods beginning on or after 1 January 2008)
- IFRIC 13 – Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 July 2008)
- IFRIC 14 (IAS 19) – The Limit on a Defined Benefit Asset Minimum Funding requirements and their Interaction (effective for accounting periods beginning on or after 1 January 2008)

The directors anticipate that all of the above interpretations to the extent relevant will be adopted in the Group's financial statements for the year in which they become effective and that the adoption of those interpretations will have no material impact on the financial statements of the Group in the initial application.

		2008 R'000	Restated 2007 R'000
4	**Revenue**	**2 656 039**	1 250 484
	Group		
	Revenue is derived from opencast contract mining, rehabilitation, earthworks, mining services, exploration drilling, crane hire, and sale of equipment and spares.		
5	**Profit from operations**		
	After allowing for the following:		
	Income		
	Profit on disposal of property, plant and equipment	**8 017**	2 870
	Profit on foreign exchange	**5 790**	13 470
	Expenses		
	Bad debts written off	**71**	6 076
	Restraint of trade	**2 875**	8 750
	Auditors' remuneration		
	Audit fees – current year	**5 630**	1 323
	Other accounting services	**2 475**	1 139
	Loss on disposal of property, plant and equipment	**1 827**	—
	Amortisation of intangible assets	**46 258**	19 333
	Depreciation	**225 243**	151 582
	– plant and equipment	**202 707**	131 808
	– motor vehicles	**20 922**	19 061
	– furniture, fittings and equipment	**1 614**	685
	– buildings	—	28
	Impairment of property, plant and equipment	**2 131**	34 613
	Staff costs		
	– Salaries and wages	**529 349**	256 821
	– Provident fund	**21 510**	6 559
	– Equity-settled share-based payment transactions	**20 606**	2 282
	Operating lease charges		
	Premises		
	– Contractual amount	**8 374**	3 824
	Motor vehicles and equipment	**11**	3 757
	Future minimum lease payments		
	– up to 1 year	**9 988**	6 071
	– 1 to 5 years	**17 199**	11 130
	– more than 5 years	**9 438**	—

The lease agreements are entered into on market related terms and conditions and are subject to annual market related escalation in the lease rates. Property lease agreements are subject to a lease extension option.

6 Provision for unaccounted funds

The forensic investigation identified an undisclosed bank account which had not been accounted for at the time of the release of the reviewed results. This account has now been recorded in the ledger of Scharrighuisen Opencast Mining (Pty) Ltd and a provision has been created for the apparent irregular payments and transfers from this account. The directors' report discloses detailed information on the circumstances pertaining to this account.

Notes to the annual financial statements *(continued)* for the year ended 31 March 2008

		2008 R'000	Restated 2007 R'000
7	**Share-based payments**		
	Share appreciation rights scheme	**10 425**	—
	Schamin Trust scheme	**2 343**	2 701
		12 768	2 701

The following three schemes have been approved during the year by the annual general meeting held on 12 October 2007 and are defined as follows:

Share Appreciation Rights Scheme

The Share Appreciation Rights Scheme ("SARS") was established and approved by Sentula's shareholders, is a scheme whereby senior and middle management (the "employees") of Sentula (the "Company") are incentivised by means of the award of options, where the offer price is determined as the 30-day value-weighted average price (vwap) of Sentula's listed equity on the date of presentation of Sentula's annual results (the "Offer Date") and the employees can exercise the said options in five equal tranches annually from the 1st to the 6th anniversary of the Offer Date. The award and allocation of options under the scheme is governed by Sentula's remuneration committee acting under the direction of the Sentula Board. Options awarded during the year ending 31 March 2008 were offered at an average price of R21,85. The scheme is settled in shares.

	2008 000
Outstanding at the beginning of the year	—
Granted number of shares during the year	**10 425**
Number of shares exercised	—
Outstanding at the end of the year	**10 425**
Weighted exercise price	**2 185 cents**
Fair value	**61 630**
Average remaining life	**63 months**

The fair value of such share programme was determined by using the Binomial option valuation method. The following inputs were used:

- Issue price ranging from 1 870 cents to 2 360 cents,
- Exercise multiple of 2,2,
- Expected volatility of 33,8%,
- A staff turnover of 5,45% per annum,
- A forecast dividend growth rate of 20%,
- A historic five-year earnings growth rate of 61,7%,
- A historic five-year dividend growth rate of 53,4%.

Expected volatility was based on a filtered history of volatility of the Sentula Group from a period dating back to 2005; and has been adjusted to give recent history a higher weighting in determining the average expected volatility.

Deferred bonus scheme

Selected executives and employees of Sentula and its subsidiaries will in lieu of a discretionary bonus or a percentage thereof, be offered the right to receive a cash award equal to the sum of the market value of a number of notional Sentula issued ordinary shares as at the expiry of a specified employment period and a multiple to be determined by the Remuneration Committee at the time of offer of the deferred bonuses award and the aggregate of all dividends paid per Sentula ordinary share over the employment period and the number of bonus shares, comprising the deferred bonus award. The deferred bonus award is to be applied towards the obligatory subscription and/or purchase of Sentula ordinary shares.

All shares are awarded at the 30 day value weighted average price (vwap) of the Sentula's listed equity on the date of presentation of the Sentula's annual results (the "Offer Date") on the day of issue. The number of nominal Sentula shares issued during the current year was 281 052 shares (2007: 0), and represents a contingent liability of R4 975 million at 31 March 2008.

7 Share-based payments *(continued)*

Long-term incentive plan

Selected executives and employees of Sentula and its subsidiaries will receive a conditional right to receive a cash award ("LTIP award") equal to the market value of a number of notional Sentula issued ordinary shares on the date that the award becomes unconditional. The LTIP award is to be applied towards the obligatory subscription and/or purchase of Sentula ordinary shares.

No shares have been awarded under this scheme to date.

	2008 000	Restated 2007 000
Schamin Trust Scheme		
Previously the Group only operated an employee share incentive scheme, the following changes took place during the year under review:		
Outstanding at the beginning of the year	**2 701**	1 339
Granted number of options during the year	**283**	4 664
Lapsed	**(123)**	(164)
Number of options exercised	**(518)**	(3 138)
Outstanding at the end of the year	**2 343**	2 701
Weighted average price of options exercised	**2 182 cents**	1 034 cents
Fair value of options granted	**93**	5 790
Weighted average price of issued options	**53 cents**	958 cents
Weighted average price of outstanding options	**861 cents**	754 cents
Weighted average price of options lapsed	**53 cents**	53 cents
Issue price ranging from 53 cents to 1 000 cents		
Average remaining life	**51 months**	63 months

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

The same assumptions apply to the valuation method as disclosed under the SARS scheme.

8 Finance charges

	R'000	R'000
Finance income	**8 766**	1 622
– Financial institutions	**7 745**	1 622
– Loan to associate	**1 021**	—
Finance expense	**158 311**	71 013
– Non-current borrowings	**151 030**	50 666
– Bank overdraft	**5 169**	20 347
– Fees paid	**2 112**	—
Net finance expense	**149 545**	69 391

9 Equity-accounted investment

During the year the Group acquired a 49,998% investment in Siyanda Coal (Pty) Limited, which owns the Koornfontein coal mine. The Koornfontein coal mine is based in Mpumalanga, and is a large underground coal mining operation adjacent to Eskom's Komati power station with good infrastructure and accessibility to rail transport. The mine produces approximately 4 million tons of coal per year, of which about 1,5 million tons is exported annually utilising the company's Richards Bay Coal Terminal export allocation. The rationale for the transaction is to increase the Group's exposure to high quality coal operations and to benefit from the continued robust demand for thermal coal in the future.

	2008 R'000
Shares at cost	115 570
Loans acquired	49 847
Purchase of investment in associate	165 417
Income from investment in associate	68 133
Excess of fair value of assets and liabilities acquired over purchase price	49 847
Equity-accounted profits (net of tax)	18 286
	233 550

The loan bears interest at prime and is repayable in equal monthly instalments over five years. The loan is subject to priority payments in terms of the senior loan agreement.

Summary financial information for the equity-accounted investment, not adjusted for the percentage ownership held by the Group:

R'000	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenues	Expenses	Profit
2008									
Koornfontein (associate)	125 297	1 008 080	1 133 377	143 574	661 664	805 238	462 323	(132 506)	329 817

The year-end for the equity-accounted investment is 28 February 2008 and is reflected as per the summary of assets and liabilities in this note.

The transaction became effective on 31 January 2008 and Sentula's attributable portion of revenue and expenses for two months ending 31 March 2008 is equity accounted.

		2008 R'000	Restated 2007 R'000
10	**Taxation**		
	Current tax expense	**63 912**	35 351
	– SA normal	**57 758**	27 190
	– Foreign	**6 154**	8 161
	Secondary tax on companies	**4 821**	2 678
	Deferred taxation	**(52 354)**	(11 425)
	– Current year	**(52 354)**	(11 425)
		16 379	26 604
	Reconciliation of effective tax rate		
	Profit for the year	**129 946**	80 969
	Taxation	**(16 379)**	(26 604)
	Profit for the year after tax	**113 567**	54 365
	Income tax expense using 29%	**37 684**	23 481
	– Non deductible expenses	**74 632**	—
	– Assessed loss utilised/unredeemed Capex utilised	**(51 271)**	(7 036)
	– Rate differential in current year deferred tax due to change in income tax rate from 29% to 28%	**(7 024)**	—
	– Secondary tax on companies	**4 821**	2 678
	– Foreign tax adjustments	**6 152**	8 161
	– Tax effect of non-taxable income	**(28 856)**	(680)
	– Equity-accounted investment	**(19 759)**	—
	Income tax expense recognised in profit	**16 379**	26 604
	Effective tax rate (%)	**12,6**	32,9

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Notes to the annual financial statements *(continued)* for the year ended 31 March 2008

		2008	Restated 2007
11	**Earnings per share**		
	Basic earnings per share	**56,3**	30,4
	Diluted earnings per share	**56,1**	30,1
	Headline (loss) earnings per share	**(8,2)**	41,6
	Diluted headline (loss) earnings per share	**(8,2)**	41,3
	Adjusted basic earnings per share	**127,9**	49,1
	Adjusted diluted earnings per share	**127,4**	48,7
	The weighted average number of shares was:		
	Weighted average number of shares (R'000)	**201 699**	151 352
	Add: Potential share-based payment effect (R'000)	**688**	1 338
	Diluted weighted average number of shares (R'000)	**202 387**	152 690

Adjusted and headline earnings

The Group has also presented an adjusted earnings per share figure to exclude the impact of impairments, amortisation of intangible and other non-recurring items in order to present a more useful comparison for the years shown in the consolidated financial statements. Adjusted earnings per share has been based on the adjusted headline earnings for each financial year and on the same weighted average shares in issue as the basic earnings per share calculation. Headline earnings per share has been calculated in accordance with the new South African Circular 8/2007 entitled "Headline Earnings" which forms part of the Listing Requirements of the JSE Limited.

The adjustments made to arrive at headline earnings and adjusted earnings are as follows:	R'000	R'000
Net profit for the year attributable to equity holders of the parent	**113 567**	45 976
Adjust for:		
Profit on sale of plant and equipment	**(8 017)**	(2 870)
Loss on sale of plant and equipment	**1 827**	—
Impairment of plant and equipment	**2 131**	34 613
Excess of fair value of assets and liabilities acquired over purchase price – Koornfontein	**(49 847)**	—
Excess of fair value of assets and liabilities acquired over purchase price – Nkomati	**(77 411)**	—
Excess of the fair value of assets and liabilities acquired over purchase price – Benicon Opencast Mining	**—**	(5 511)
Tax effect of above adjustment	**1 177**	(9 206)
Headline earnings attributable to ordinary shareholders	**(16 573)**	63 002
Provision for unaccounted funds	**241 661**	—
Amortisation of customer base and workforce	**46 258**	19 333
Fair value adjustment on vendor liabilities	**—**	14 030
Foreign exchange adjustment on vendor liabilities	**—**	(13 470)
Tax effect on the above	**(13 415)**	(5 769)
Adjusted earnings attributable to minority shareholders	**—**	(2 825)
Adjusted earnings attributable to ordinary shareholders	**257 931**	74 301

		2008 R'000	Restated 2007 R'000
12	**Dividend paid**		
	Dividend No 20 of 7.0 cents per share paid on 28 August 2006 to members recorded on 25 August 2006		9 655
	Dividend No 21 of 7.0 cents per share paid on 18 December 2006 to members recorded on 15 December 2006		11 756
	Dividend No 22 of 10.0 cents per share paid on 27 August 2007 to members recorded on 24 August 2007	**21 057**	
	Dividend No 23 of 11.0 cents per share paid on 18 December 2007 to members recorded on 14 December 2007	**23 550**	
	Total dividend paid	**44 607**	21 411
	Dividends paid to subsidiaries	**1 756**	488
	Net dividend paid	**42 851**	20 923

13 Property, plant and equipment

R'000	2008 Cost	2008 Accumulated depreciation	2008 Net book value	2007 Cost	2007 Accumulated depreciation	2007 Net book value
Land and buildings	**21 571**	**23**	**21 548**	6 292	259	6 033
Mining assets	**51 045**	**7 376**	**43 669**	—	—	—
Plant and equipment	**2 739 123**	**719 452**	**2 019 671**	1 751 951	533 455	1 218 496
Motor vehicles	**207 039**	**64 661**	**142 378**	119 327	45 847	73 480
Furniture, fittings and equipment	**14 330**	**6 669**	**7 661**	8 471	4 162	4 309
	3 033 108	**798 181**	**2 234 927**	1 886 041	583 723	1 302 318

	Land and buildings	Mining assets	Plant and equipment	Motor vehicles	Furniture, fittings and equipment	Total	Total 2007
Net book value at beginning of year as previously reported	6 033	—	1 218 496	73 480	4 309	1 302 318	766 969
Reclassifications	5 316	—	(5 001)	(515)	65	(135)	—
Net book value at beginning of year	11 349	—	1 213 495	72 965	4 374	1 302 183	766 969
Additions due to acquisition of business combinations	—	43 669	164 748	12 396	396	221 209	220 255
Additions	10 199	—	987 419	81 459	4 505	1 083 582	518 619
Disposals	—		(142 098)	(2 575)	—	(144 673)	(17 330)
Depreciation	—	—	(202 707)	(20 922)	(1 614)	(225 243)	(151 582)
Impairment	—	—	(1 186)	(945)	—	(2 131)	(34 613)
	21 548	43 669	2 019 671	142 378	7 661	2 234 927	1 302 318

Notes to the annual financial statements *(continued)* for the year ended 31 March 2008

13 Property, plant and equipment *(continued)*

Assets pledged as security

The Group's obligations under the senior debt facility are secured by registered notarial bonds, which have a carrying amount of R1,801 million (2007: Rnil).

The Group's obligations under the instalment sale liabilities are secured by lessors' title to the financial assets, which have a carrying amount of R143 million (2007: R807,1 million).

Change in classifications

The change in the classification of the net book value at the beginning of the year is due to the erroneous inclusion of land and buildings and office equipment in plant and machinery and motor vehicles. The balance was included in repairs and maintenance in the income statement.

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.

	2008 R'000	Restated 2007 R'000
14 Mineral rights		
Carrying value at the beginning of year	—	—
Acquisition of Nkomati Mine	**364 305**	—
Carried at cost value at the end of the year	**364 305**	—

During the year the Group acquired the entire issued share capital on the Benicon Coal Group which holds the mining licence number 4198 in the magisterial district of Kamhlushwa in Mpumalanga consisting of the following farms: Grobler 479JU, Guillaume 480JU, Wildebeest 494JU, Rusplek 495JU, Sweet home 495JU, Bonnie vale 497JU, Excelsior 498JU, Murray 502JU, Fig tree 503JU, Beginsel 504JU and a portion of unsurveyed state land. The licence entitles the Benicon Coal group to mine until 19 October 2015.

	2008 R'000	Restated 2007 R'000
15 Intangible assets and goodwill		
Customer-based and workforce		
Carrying amount at beginning of the year	**38 667**	—
Gross carrying value	**58 000**	—
Accumulated amortisation	**(19 333)**	—
Fair value on acquisition of subsidiaries	**19 599**	58 000
Amortisation for the period	**(46 258)**	(19 333)
Carrying amount at the end of the year	**12 008**	38 667
Gross carrying value	**77 599**	58 000
Accumulated amortisation	**(65 591)**	(19 333)

The intangible assets, relating to the customer base and the assembled workforce have an estimate useful life of two and five years, respectively

	2008 R'000	Restated 2007 R'000
Goodwill		
Carrying value at beginning of the year	**203 425**	—
Acquisitions through business combinations	**72 564**	203 425
Acquisition of minority interest	**96 702**	—
Carrying value at the end of the year	**372 691**	203 425

Goodwill is not amortised but subject to an annual impairment test.

15 Intangible assets and goodwill *(continued)*

The recoverable amounts of the cash-generating units (CGUs) are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specified to the CGUs. The growth rates are based on industry growth forecasts. Charges in selling prices and direct costs are based on past practices and expectations of future changes in the market.

		2008 R'000	Restated 2007 R'000
16	**Inventories**		
	Finished goods	**5 739**	—
	Work-in-progress	**17 079**	6 410
	Consumables	**211 252**	118 009
	Spares	**67 050**	85 975
		301 120	210 394
17	**Trade and other receivables**		
	Trade receivables	**431 394**	259 598
	Other receivables	**102 912**	26 544
	Unaccounted funds	**241 661**	—
	VAT	**17 152**	30 038
		793 119	316 180
	Provision for unaccounted funds	**(241 661)**	—
		551 458	316 180

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 29.

		2008 R'000	Restated 2007 R'000
18	**Cash and cash equivalents**		
	Bank balances	**193 539**	164 075
	Call deposits	**91 264**	—
	Cash on hands	**372**	436
	Cash and cash equivalents	**285 175**	164 511

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and laibilities are disclosed in note 29.

Notes to the annual financial statements *(continued)* for the year ended 31 March 2008

		2008 R'000	Restated 2007 R'000
19	**Share capital and premium**		
	Authorised share capital		
	260 000 000 (2007: 260 000 000) ordinary shares of 1 cent each		
	Issued share capital		
	235 565 936 (2007: 188 430 895) ordinary shares of 1 cent each		
	Balance at beginning of year	**1 884**	1 374
	Shares issued for cash	**320**	265
	Shares issued for business acquisitions	**152**	210
	Shares issued to share incentive trust	—	35
	Balance at end of year	**2 356**	1 884
	Share premium		
	Balance at beginning of year	**572 684**	100 055
	Prior year adjustment	—	5 250
	Shares issued for cash	**698 410**	291 435
	Shares issued for business acquisitions	**291 619**	130 140
	Shares issued to share incentive trust	—	32 340
	Share-base payments	**(4 073)**	13 464
	Balance at end of year	**1 558 640**	572 684
	Treasury shares		
	Balance at beginning of year	**(35 626)**	(8 397)
	Prior year adjustments	—	(5 297)
	Shares issued	—	(32 375)
	Share options exercised	**4 847**	10 443
		(30 779)	(35 626)
	Total share capital, premium and treasury shares	**1 530 217**	538 942

		2008 R'000	Restated 2007 R'000
20	**Loans and borrowings**		
	Interest bearing borrowings		
	Secured at amortised costs		
	Standard Bank Senior Debt facility	1 546 585	
	Absa instalment sale agreement	158 738	
		1 705 323	
	Standard Bank Senior debt facility	1 546 585	
	Secured –		
	Amount owing in respect of plant, vehicles and equipment with book values amounting to R1,801 million (2007: R0 million)		
	The effective average interest rate applicable to these liabilities is 1,19% above 3 month JIBAR, reset quarterly		
	Aggregate repayments due as follows:-		
	Year ended 31 March		
	– 2009	410 335	
	– 2010	378 750	
	– 2011 and later	757 500	
		1 546 585	
	Absa	158 738	
	Secured –		
	Amount owing in respect of plant, vehicles and equipment with book values amounting to R143 million (2007: R0 million).		
	The effective average interest rate applicable to these liabilities is 2% below prime.		
	Aggregate repayments due as follows:		
	Year ended 31 March		
	– 2009	62 123	
	– 2010	55 822	
	– 2011 and later	40 793	
		158 738	

Notes to the annual financial statements *(continued)* for the year ended 31 March 2008

		2008 R'000	Restated 2007 R'000
20	**Loans and borrowings** *(continued)*		
	Suspensive sale agreements	—	658 020
	Amount owing in respect of plant, vehicles and equipment with book values amounting to R0 million (2007: R807,1 million).		
	The effective average interest rate applicable to these liabilities is 1,5% below prime.		
	Aggregate repayments due as follows:		
	Year ended 31 March		
	– 2008	—	309 353
	– 2009		240 982
	– 2010 and later		107 685
		—	658 020
	Balance at the end of the year	**1 705 323**	658 020
	Current portion of long-term borrowings	**(472 458)**	(309 353)
		1 232 865	348 667
	The Company's borrowing powers are unlimited in terms of the articles of association.		
21	**Rehabilitation provision**		
	Carrying value at the beginning of year	—	—
	Acquisition of Benicon Coal – Nkomati Mine	**67 790**	
	Carrying value at the end of year	**67 790**	—

The Group is exposed to environmental liabilities relating to is mining operations. Estimates of the cost of environmental and other remedial work, such as reclamation costs, close down and restoration and pollution control are made on an annual basis, based on the estimated useful life of the mine.

		2008 R'000	Restated 2007 R'000
22	**Trade and other payables**		
	Trade payables	**277 275**	214 556
	Other payables	**56 194**	92 896
	VAT	**11 757**	617
		345 226	308 069
23	**Deferred tax**		
	Balance at beginning of year	**129 812**	121 255
	Acquired through business combinations	**115 876**	19 982
	Originating temporary differences	**(52 354)**	(11 425)
	Balance at end of year	**193 334**	129 812
	The balance comprises:		
	Accelerated wear and tear for tax purposes on property, plant and equipment	**374 476**	284 460
	Fair value on business combinations and other	**105 079**	(2 986)
	Intangible assets	**5 488**	11 213
	Assessable losses	**(291 709)**	(162 875)
		193 334	129 812
	Deferred tax asset	**18 344**	44 180
	Deferred tax liability	**211 678**	173 992

Notes to the annual financial statements *(continued)* for the year ended 31 March 2008

	% shareholding acquired	Acquisition date	Contribution to consolidated profit/(loss) for the year ended 31 March 2008 R'000	Company profit/(loss) for the year ended 31 March 2008 R'000	Company revenue for the year ended 31 March 2008 R'000
24 Acquisitions of subsidiaries and minority interest					
24.1 Acquisitions of subsidiary companies during the year					
Benicon Coal (Pty) Ltd, a group engaged in the mining of coal with a 60% shareholding in Nkomati Anthracite (Pty) Ltd	100	31 March 2008	0	(5 035)	46 519
Classic Challenge Trading (Pty) Ltd, a company engaged in general trading and contracting	100	1 October 2007	13 715	20 721	122 250
Acquisitions of assets and liabilities					
The assets and liabilities of Pioneer Drilling & Blasting CC were acquired in a new company Scharrighuisen Drilling & Blasting (Pty) Ltd. The company is engaged in providing drilling and blasting services		1 June 2007	(13 430)	(13 430)	202 089
The assets and liabilities of Ritchie Crane Hire CC were acquired in a new company Ritchie Crane Hire (Pty) Ltd. The newly formed Ritchie Crane Hire (Pty) Ltd is engaged in providing cranes for hire and the Group holds 100% of its issued share capital		1 April 2007	14 114	14 114	28 960

Pre-acquisition book values	Benicon Coal (Pty) Limited R'000	Richie Crane Hire (Pty) Limited R'000	Classic Challenge Trading (Pty) Limited R'000	Assets and liabilities of Pioneer Drilling and Blasting CC R'000	Total R'000
24.1 *Acquisitions of subsidiaries and minority interest* *(continued)*					
Property, plant and equipment	59 898	36 402	25 042	51 098	172 440
Other receivables	4 474		9 651		14 125
Inventories	10 655	761	199	1 091	12 706
Receivables	18 584		17 058	22 504	58 146
Cash and cash equivalents	3 303		9 123	(6 226)	6 200
Leases			(19 165)	(37 038)	(56 203)
Long-term liabilities	(34 657)	(7 496)	(614)		(42 767)
Payables	(46 518)		(9 105)	(12 588)	(68 211)
Provisions	(68 040)				(68 040)
Tax payable			(13 454)		(13 454)
Book value	(52 301)	29 667	18 735	18 841	14 942
Fair value adjustments					
Property, plant and equipment			21 447	27 322	48 769
Receivables				1 538	1 538
Mineral rights	364 305				364 305
Intangibles	—		—	19 599	19 599
Deferred tax	(102 005)		(6 005)	(5 488)	(113 498)
Minority interest	(87 335)				(87 335)
Fair value of asset acquired	122 664	29 667	34 177	61 812	248 320
Goodwill/excess of fair value of assets and liabilities acquired over purchase price	(77 411)	17 739	35 138	19 687	(4 847)
Consideration paid					
Cash	112	21 776	22 929	19 200	64 017
Loan acquired	8 193				8 193
Ordinary shares	36 948	25 630	46 386	62 299	171 263
Costs of acquisition	45 253	47 406	69 315	81 499	243 473
Number of shares issued	1 719	1 481	2 069	3 032	8 301

The fair value of the shares issued as consideration is determined as the ruling market price at the effective date of acquisition.

24 Acquisitions of subsidiaries and minority interest *(continued)*

24.2 Prior year restatement of business combination

During the year-end financial reporting process a number of accounting errors were identified with respect to the recording of the business combination of Benicon Earthworks (Pty) Ltd. The errors mainly related to:
– incorrect fair value of the consideration paid;
– incorrect values attributed to certain assets and liabilities acquired;
– non-recognition of an assumed liability; and
– recognition of a fictitious creditor which was, subsequent to the acquisition, erroneously recognised in the income statement.

	As previously reported Benicon R'000	Restated Benicon R'000	Adjustment* R'000
Pre-acquisition carrying amounts			
Property, plant and equipment	100 234	85 765	(14 469)
Inventories	23 765	25 704	1 939
Receivables	28 495	24 588	(3 907)
Cash and cash equivalents	(4 259)	(4 259)	—
Long-term liabilities	(36 510)	(37 050)	(540)
Payables	(57 826)	(10 438)	47 388
Tax payable	—	(3 300)	(3 300)
Fair value of asset acquired	53 899	81 010	27 111
Excess of fair value of assets and liabilities acquired over purchase price	—	(5 511)	5 511
Consideration paid			
Cash	23 899	23 899	—
Vendor finance			
Ordinary shares	30 000	51 600	21 600
Costs of acquisition			
	53 899	75 499	21 600

**The adjustments relate to the gross restatement at acquisition and therefore differ from the amounts referred to in note 26 (column 2), as this column also takes into account the subsequent effect of the error at acquisition.*

24 Acquisitions of subsidiaries and minority interest *(continued)*

24.3 Acquisition of minority interest

During April 2007 the group acquired the remaining minority shareholding of 20% (80% was acquired in 2007) in Geosearch Holdings (Pty) Ltd, an exploration company. The group recognised a decrease in minority interest of R8 389.

	2008 R'000	Restated 2007 R'000
Property, plant and equipment	**30 011**	
Amortised customer base	**7 733**	
Goodwill	**37 291**	
Inventories	**6 752**	
Trade and other receivables	**30 506**	
Cash and cash equivalents	**14 589**	
Long-term liabilities	**(81 861)**	
Trade and other payables	**(28 929)**	
Tax payable	**(5 325)**	
Deferred tax liability	**(2 378)**	
	8 389	
Goodwill	**96 702**	
	105 091	
Cash	**13 880**	
Loan acquired	**(17 296)**	
Ordinary shares	**108 507**	
Costs of acquisition	**105 091**	
Number of shares issued	**5 946**	
24.4 Prior year acquisition of subsidiary		
During the prior year the group acquired 80% of Geosearch Holdings (Pty) Ltd		
Net asset value*		146 824
Intangibles		247 118
		393 942
Cash		21 185
Ordinary shares		78 750
Loan acquired		294 007
Cost of acquisition		393 942
Number of shares issued		15 000

**Net asset value includes cash acquired of R32 017.*

25 Other financial liabilities

	2008 R'000	Restated 2007 R'000
Vendor finance	**5 851**	284 586
	5 851	284 586

This relates to amounts payable to the vendors on the acquisition of businesses acquired during the year.

	Balance as previously reported on 31 March 2007	Share-based payment expenditure [1]	Benicon Earthworks (Pty) Limited acquisition adjustment [2]	Benicon Sales (Pty) Limited/ Enjee Trust [3]
26 Prior year restatement (R'000)				
Effect on opening retained earnings on 1 April 2006				
Retained earnings	217 397	13 414		
Share capital	1 374	—		
Share premium	100 055	5 250		
Employee share incentive reserve/ capital reserve	6 076	(5 469)		
Treasury shares	(8 397)	(5 297)		
Net effect on ordinary shareholders' funds	316 505	7 898	—	—
Cumulative effect for the year ended 31 March 2007				
Balance sheet				
Equity				
Share premium	532 370	18 714	21 600	
Employee share incentive reserve/ capital reserve	7 209	(6 099)		
Treasury shares	(16 411)	(19 215)		
Foreign currency translation reserve	(2 263)	—		
Retained earnings	344 838	1 995	(23 827)	
Net effect on ordinary shareholders' funds	865 743	(4 605)	(2 227)	0
Assets and liabilities				
Property, plant and equipment	1 399 575		(11 235)	
Receiver of Revenue	(26 960)	(4 605)	(3 300)	
Inventory	137 752			8 000
Long-term liability	(322 855)			(18 629)
Deferred taxation	(182 008)		12 308	
Trade receivables	338 462			
Trade payables	(252 441)			10 629
Goodwill and intangible assets	227 785			
Net effect on assets	1 319 310	(4 605)	(2 227)	(0)

Scharrighuisen Drilling and Blasting (Pty) Limited asset impairment [4]	Shares issued regarding restraint of trade [5]	Benicon Sales (Pty) Limited/ Scharrighuisen Opencast Mining (Pty) Limited [6]	Geosearch Holdings (Pty) Limited [7]	Loyalty rebates [8]	Reclassifi-cations [9]	Total adjustments	31 March 2007 Restated
						13 414	230 811
						—	1 374
						5 250	105 305
						(5 469)	607
						(5 297)	(13 694)
—	—	—	—		—	7 898	324 403
						40 314	572 684
						(6 099)	1 110
						(19 215)	(35 626)
				(2 780)		(2 780)	(5 043)
(24 567)	(6 212)	(16 882)	(4 049)	(12 652)		(86 194)	258 644
(24 567)	(6 212)	(16 882)	(4 049)	(15 432)	0	(73 974)	791 769
(34 613)		(51 409)				(97 257)	1 302 318
				(4 235)		(12 140)	(39 100)
		29 450		35 192		72 642	210 394
		12 827	(20 010)			(25 812)	(348 667)
10 046	2 538	25 275	1 654	375		52 196	(129 812)
	(8 750)	(14 322)		790		(22 282)	316 180
		(18 703)		(47 554)		(55 628)	(308 069)
			14 307			14 307	242 092
(24 567)	(6 212)	(16 882)	(4 049)	(15 432)	0	(73 974)	1 245 336

Notes to the annual financial statements *(continued)* for the year ended 31 March 2008

26 Prior year restatement (R'000) *(continued)*

Income statement

	Balance as previously reported on 31 March 2007	Share based payment expenditure [1]	Benicon Earthworks (Pty) Limited acquisition adjustment [2]	Benicon Sales (Pty) Limited/ Enjee Trust [3]
Revenue	1 368 760			
Cost of sales	822 357			
Gross profit	546 403			
Impairment				
Administrative expenditure	250 041	7 224	(1 307)	0
Profit from operations	296 362	(7 224)	1 307	0
Excess of fair value of assets and liabilities acquired			(37 287)	
Profit before tax	226 969	(7 224)	(35 980)	
Taxation expenditure	69 728	4 605	(12 074)	
Profit for year	157 241	(11 829)	(23 906)	0
Attributable to:				
– Equity holders of Sentula Mining Limited	148 852	(11 829)	(23 906)	0
Earnings per share (cents)				
– Attributable earnings	98,3	(7,8)	(15,8)	0,0

Reconciliation of disclosure in notes to the annual financial statements

	Balance as previously reported on 31 March 2007	Share based payment expenditure [1]	Benicon Earthworks (Pty) Limited acquisition adjustment [2]	Benicon Sales (Pty) Limited/ Enjee Trust [3]
Staff cost	240 935	1 148		
Impairment of plant and equipment				
Bad debts		6 076		
Restraint of trade				
Profit on foreign exchange	(19 173)			
Depreciation	152 780		(1 198)	
Profit on sale of assets	(2 978)		108	

Notes to the prior year restatement:

Note 1 – Recognition of accounting impact for share-based payments incorrectly accounted for in the prior year.

Note 2 – Correction of purchase price adjustment on acquisition of Benicon Earth Works (Pty) Ltd acquisition and correction of fair value of fixed assets. Refer to note 24 on business acquisitions.

Note 3 – Correction of balances on vendor loan accounts pertaining to funding for Benicon Sales (Pty) Ltd.

Note 4 – Impairment of 11 drill rigs acquired as part of the Fixtrade CC acquisition, which are deemed to be inappropriate for the business of Scharrighuisen Drilling and Blasting (Pty) Ltd.

Note 5 – Expenses associated with restraint of trade payments to previous director.

Note 6 – Adjustments resulting from the reconciliation of fixed asset register and accounts associated with funding arrangements.

Note 7 – Purchase price adjustments pertaining to acquisition of Geosearch Holdings (Pty) Ltd.

Note 8 – Post review adjustments relating to loyalty rebates and reallocations.

Note 9 – Reclassifications result from prior year accounting errors and change in disclosure in the current year.

Scharrighuisen Drilling and Blasting (Pty) Limited asset impairment	**Shares issued regarding restraint of trade**	**Benicon Sales (Pty) Limited/ Scharrighuisen Opencast Mining (Pty) Limited**	**Geosearch Holdings (Pty) Limited**	**Loyalty rebates**	**Reclassifi-cations**	**Total adjustments**	**31 March 2007 Restated**
[4]	**[5]**	**[6]**	**[7]**	**[8]**	**[9]**		
		(10 312)		(8 215)	(99 749)	(118 276)	1 250 484
		30 092		1 258	41 506	72 856	895 213
		(40 404)		(9 473)	(141 255)	(191 132)	355 271
34 613						34 613	34 613
	8 750	1 753	5 703	2 102	(98 457)	(74 232)	175 809
(34 613)	(8 750)	(42 157)	(5 703)	(11 575)	(42 798)	(151 513)	144 849
					42 798	5 511	5 511
(34 613)	(8 750)	(42 157)	(5 703)	(11 573)		(146 000)	80 969
(10 046)	(2 538)	(25 275)	(1 654)	3 858		(43 124)	26 604
(24 567)	(6 212)	(16 882)	(4 049)	(15 432)	0	(102 876)	54 365
(24 567)	(6 212)	16 882	(4 049)	(15 432)	0	(102 876)	45 976
16,2	(4,1)	(11,2)	(2,7)	(10,2)	0,00	(68,0)	30,4

		14 738				15 886	256 821
34 613						34 613	34 613
						6 076	6 076
	8 750					8 750	8 750
			5 703			5 703	(13 470)
						(1 198)	151 582
						108	(2 870)

		2008 R'000	Restated 2007 R'000
27	**Capital commitments**		
	Capital expenditure contracted for in respect of plant and equipment	**87 219**	71 800
	Capital expenditure authorised by the directors not contracted for in respect of plant and equipment	**503 415**	117 000
	Financing facilities are in place with financial institutions to fund the above capital expenditure.		

28 Contingent liabilities

To the best of our knowledge and belief there are no contingent liabilities to third parties and/or contingent assets not set out or referred to in this report which may materially affect the financial position of the Group.

29 Financial instruments

29.1 Risk management activities

In the normal course of its operations, the Group is exposed to currency, interest rate, liquidity and credit risk. This note describes the Groups' objectives, policies and processes for managing those risks and methods used to measure them. In order to manage these risks, the Group has developed a comprehensive risk management process to facilitate control and monitoring. The Board has overall responsibility for the determination of the Group's risk management objectives and polices and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's treasury function provides services to the businesses, coordinates access to domestic financial markets and monitors and manages the financial risks relating to the operations of the Group. Operational and business risks are reviewed and addressed on a monthly basis. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group does not enter into any or trade financial instruments, including derivative financial instruments, for speculative purposes.

29.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales and this risk is mitigated by dealing with creditworthy counterparties and a few major clients. It is Group policy to assess the credit risk of new customers before entering into contracts and is monitored on an ongoing basis.

Exposure to credit risk

The ageing of trade receivables at the reporting date was:

	2008 R'000	Restated 2007 R'000
Not past due	**272 042**	160 030
Past due 0 – 30 days	**100 399**	58 863
Past due 31 – 120 days	**57 356**	27 712
Past due 121 – 180 days	**902**	9 138
Past due 181 days and over	**695**	3 855
	431 394	259 598

29.3 Foreign exchange risk

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

Foreign exchange risk also arises when individual Group entities enter into transactions denominated in a currency other than the functional currency. It is Group policy that all such transactions should be hedged through Group treasury entering into a forward contract with a reputable bank.

29 Financial instruments *(continued)*

29.3 Foreign exchange risk *(continued)*

The Group is exposed to currency risk on purchases made on second-hand equipment globally. Purchases from these suppliers are made on a central basis and the risk is hedged using forward exchange contracts. At the balance sheet date the Group had no open foreign exchange contracts.

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

29.4 Interest rate risk

The Group is exposed to interest rate risk from long-term borrowings at variable rates. Fluctuations in interest rates impact on the value of the short-term investments and financing activities giving rise to interest rate risk. In the ordinary course of business the entities within the Group receive cash proceeds from it operations and are required to fund working capital and capital expenditure requirements. All entities within the Group are not permitted to borrow long-term from external sources. The cash is managed to ensure that all surplus funds held within the Group are invested with the centralised treasury. The surplus funds are invested to maximise returns whilst ensuring that the capital is safeguarded for the maximum extent possible by investing only with top financial institutions.

Contractual arrangement for committed borrowing facilities are maintained with two banking counterparts to meet the Group's funding requirements.

A sensitivity analysis is performed by assuming that the amount of the liability outstanding at the balance sheet date was outstanding for the whole year. A 200 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents managements assessment of a reasonable and possible change in interest rates.
If interest rates had been 200 basis points higher/lower and all the other variables were held constant, the Group's profit after tax for the year ended 31 March 2008 would decrease/increase by R23,4 million (2007: R9,9 million). This is attributable to the Groups' exposure to interest rates in its variable borrowings.

29.5 Liquidity risk management

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group manages liquidity risk via a centralised treasury, by maintaining adequate reserves, banking facilities and reserve borrowings facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. These tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

29 Financial instruments *(continued)*

29.5 Liquidity risk management *(continued)*

2008	Weighted average effective interest rate	Less than 1 month April R'000	1 – 3 months July R'000	3 months to 1 year March 09 R'000	1 – 5 years R'000	5+ years R'000	Total R'000
Senior debt facility	12,28%	126 272	94 688	189 375	1 136 250	—	1 546 585
Instalment sale agreement	12,45%	10 954	13 955	37 214	96 615	—	158 738

2007	Effective interest rate	Less than 1 month April	1 – 3 months July	3 months to 1 year Mar 2009	1 – 5 years	5+ years	Total
Instalment sale agreements	Ranging between 1,5% – 1% below prime	6 146	20 371	96 107	535 396		658 020

	2008 Book value R'000	2008 Fair value R'000	Restated 2007 Book value R'000	Restated 2007 Fair value R'000
29.6 Fair value of financial instruments				
Financial assets				
Trade and other receivables	**551 458**	**551 458**	316 180	316 180
Cash and cash equivalents	**285 175**	**285 175**	164 511	164 511
Financial liabilities				
Loans and borrowings	**(1 232 865)**	**(1 232 865)**	(348 667)	(348 667)
Trade and other payables	**(345 226)**	**(345 226)**	(308 069)	(308 069)
Short-term portion of loans and borrowings	**(472 458)**	**(472 458)**	(309 353)	(309 353)
Other financial liabilities	**(5 851)**	**(5 851)**	(284 586)	(284 586)

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

30 Related parties

30.1 Identity of related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Directors of the companies stated below are involved with Sentula Mining Limited:

– African Energy Botswana (Pty) Ltd
– Bavarian Metal Industries (Pty) Ltd
– Benicon Earthworks and Mining Services (Pty) Ltd
– Benicon Holdings (Pty) Ltd
– Benicon Mining (Pty) Ltd
– Calmar Trading CC
– CAMS (Pty) Ltd
– C & K Boilermaking (Pty) Ltd
– Central Africa Machine Sales (Pty) Ltd
– Enjee Trust
– GHL Properties (Pty) Ltd
– Giflo Investments (Pty) Ltd
– Jonah Coal (Pty) Ltd
– Jonah Coal Mauritius Ltd
– Mabapa Mining Ltd
– Martiq 406 CC
– Merafe Coal (Pty) Ltd
– New Joules Engineering
– Phoenix Steel (Pty) Ltd
– Phoenix Steel Mpumalanga
– STF Tyres
– STF Investments CC
– Sylco Plant Hire (Pty) Ltd

30.2 Related party transactions and balances

During the year the Company and its related parties, in the ordinary course of business, entered into various intergroup sale and purchase transactions.

	Capital expend-iture		**Expenses**		**Amounts owed by related parties**		**Amounts owed to related parties**	
	Year ended		**Year ended**					
	31/03/08 R'000	31/03/07 R'000	**31/03/08 R'000**	31/03/07 R'000	**31/03/08 R'000**	31/03/07 R'000	**31/03/08 R'000**	31/03/07 R'000
African Energy Botswana (Pty) Ltd	—	—	—	—	**2 076**	—	—	—
Bavarian Metal Industries (Pty) Ltd	**502 852***	221 153*	—	—	—	—	—	—
Benicon Earthworks and Mining Services (Pty) Ltd	—	—	—	—	**63**	7 061	—	14 055
Benicon Holdings (Pty) Ltd	—	—	—	—	—	—	—	1 122
Benicon Mining (Pty) Ltd				—	**12 000**	—	—	—
Calmar Trading CC	—	—	**59 733**	40 096	—	—	**5 074**	—
CAMS (Pty) Ltd	—	—	—	—	**1**	131	—	—
C & K Boilermaking (Pty) Ltd	—	—	**144**	—	—	—	—	—
Central Africa Machine Sales (Pty) Ltd	—	—	—	—	—	—	**487**	—
Enjee Trust	—	—	—	—	**17 466**	7 616	—	—
GHL Properties (Pty) Ltd	—	—	**456**	171	—	—	—	57
Giflo Investments (Pty) Ltd	—	—	**5 019**	4 235	—	—	**373**	306
Jonah Coal (Pty) Ltd	—	—	—	—	**3 432**	—	—	—
Jonah Coal Mauritius Ltd	—	—	—	—	**8 883**	—	—	—
Mabapa Mining Ltd	—	—	—	—	**1 141**	—	—	—
Martiq 406 CC	—	—	**330**	—	—	—	—	—
Merafe Coal (Pty) Ltd	—	—	—	—	**92**	—	—	—
New Joules Engineering	—	—	**171**	—	—	—	—	—
Phoenix Steel (Pty) Ltd	—	—	**225**	173	—	—	**15**	3
Phoenix Steel Mpumalanga	—	—	**4 632**	2 913	—	—	**152**	471
STF Tyres	—	—	**46 240**	40 329	—	—	**4 963**	2 383
STF Investments CC	—	—	**3 943**	5 633	—	—	**53**	1 856
Sylco Plant Hire (Pty) Ltd	—	—	—	17	—	—	—	—
	502 852	221 153	**120 893**	93 567	**45 153**	14 808	**11 117**	20 253

**Subject to ongoing forensic investigation.*

30 Related parties *(continued)*

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within 12 months of the reporting date. None of the balances are secured.

30.3 Key management personnel compensation

Key management personnel compensation comprised:	**2008 R'000**	2007 R'000
Short-term employee benefits	**10 088**	4 790
Share-based payments	**12 579**	2 281
	22 667	7 071

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

31 Directors' emoluments

2008

Executive directors	Basic R'000	Expense allow-ance R'000	Medical aid R'000	Share options R'000	Provident R'000	Bonus R'000	Total R'000
RC Berry	1 668	240	—	—	142	—	2 050
GP Louw (Appointed 1 August 2007)	1 231	—	11	—	—	—	1 242
C Moorcroft	882	100	21	2 737	20	832	4 592
J Holland (Resigned 11 July 2007)	246	30	3	2 737	21	—	3 037
C Scharrighuisen (Resigned 1 December 2007)	1 808	154	—	859	—	162	2 983
	5 835	524	35	6 333	183	994	13 904

Non-executive directors	Chairman's fees R'000	Deputy Chairman R'000	Director's fees R'000	Audit and Risk R'000	Gover-nance, Remune-ration and Nomi-nations R'000	Invest-ment R'000	Share options R'000	Total R'000
SE Jonah KBE	180							180
DCM Gihwala		150	90		18			258
A Joffe**			120	90				210
RK Jonah			120	90		18		228
JG Best (Appointed 18 July 2007)			85	79		23		187
EHJ Stoyell			120	90	45	18		273
P Huysamer			120		18			138
TR Hendry*			120	90			859	1 069
	180	150	775	439	81	59	859	2 543

31 Directors' emoluments *(continued)*

2007

Executive directors	Basic R'000	Expense allowance R'000	Medical aid R'000	Share options R'000	Provident R'000	Bonus R'000	Total R'000
J Holland	704	120	9	1 424	60	70	2 387
C Scharrighuisen	1 374		38	929	117	117	2 575
C Moorcroft	754	100	46	1 424	27	75	2 426
RC Berry (Appointed 1 January 2007)	390	60			33		483
	3 222	280	93	3 777	237	262	7 871

Non-executive directors	Director's fees R'000	Chair-man's fee R'000	Medical aid R'000	Share options R'000	Expense allowance R'000	Total R'000
TR Hendry*	120			929		1 049
T Scharrighuisen	120		38			158
A Joffe**	120					120
EHJ Stoyell	120					120
RK Jonah	120					120
DCM Gihwala	120	30				150
P Huysamer	120					120
SE Jonah KBE	60	30				90
	900	60	38	929	—	1 927

**Paid to Argent Industrial Limited.*
*** Paid to Coronation Capital.*

Company income statement for the year ended 31 March 2008

	Notes	2008 R'000	Restated 2007 R'000
Other income		**53 347**	23 274
Administrative expenses		**(27 722)**	(12 418)
Profit from operations	2	**25 625**	10 856
Finance expense	4	**(67 654)**	—
Finance income	4	**70 944**	22
Profit before taxation		**28 915**	10 878
Taxation	5	**(2 293)**	2 504
Profit for the year		**26 622**	13 382

Company balance sheet as at 31 March 2008

	Notes	2008 R'000	Restated 2007 R'000
Assets			
Non-current assets		**3 086 090**	551 460
Investment in equity-accounted associate	7	**165 417**	—
Loans to subsidiaries	17	**2 651 150**	511 553
Interest in subsidiaries	18	**251 943**	21 005
Share Incentive Trust loan	8	**15 042**	16 364
Deferred tax assets	14	**2 538**	2 538
Current assets		**196 128**	15 587
Trade and other receivables	9	**22 566**	15 587
Other financial assets	17	**18 740**	—
Cash and cash equivalents	10	**154 822**	—
TOTAL ASSETS		**3 282 218**	567 047
Equity and liabilities			
Total ordinary shareholders' funds		**1 559 821**	566 699
Share capital	11	**2 356**	1 884
Share premium	11	**1 552 153**	562 124
Reserves		**21 353**	1 110
(Accumulated loss)/retained earnings		**(16 041)**	1 581
Liabilities			
Non-current liabilities		**1 232 865**	—
Loans and borrowings	12	**1 232 865**	—
Current liabilities		**489 532**	348
Trade and other payables	13	**17 011**	285
Loans and borrowings	12	**472 458**	—
Taxation payable		**63**	63
Total liabilities		**1 722 397**	348
TOTAL EQUITY AND LIABILITIES		**3 282 218**	567 047

Sentula MINING

Company statement of changes in equity for the year ended 31 March 2008

	Share capital R'000	Share premium R'000	Employee share incentive reserve/ capital reserve R'000	(Accumulated loss)/ retained earnings R'000	Total ordinary shareholders' funds R'000
Balance at 31 March 2006 as previously reported	1 374	108 209	6 076	4 771	120 430
Prior year adjustments	—	—	(5 469)	5 469	—
Restated balance as at 31 March 2006	1 374	108 209	607	10 240	120 430
Restated	—	—	—	13 381	13 381
Profit for the year as previously reported				19 593	19 593
Prior year adjustments – profit				(6 212)	(6 212)
Dividend paid				(22 670)	(22 670)
Restated share based payments			503	630	1 133
Restated shares issued	510	453 915			454 425
Restated balance as at 31 March 2007	1 884	562 124	1 110	1 581	566 699
Profit for the year				26 622	26 622
Dividend paid				(44 607)	(44 607)
Share base payments			20 606		20 606
Share options exercised			(363)	363	—
Shares issued	472	990 029			990 501
Balance at 31 March 2008	**2 356**	**1 552 153**	**21 353**	**(16 041)**	**1 559 821**

Company cash flow statement for the year ended 31 March 2008

	Notes	2008 R'000	Restated 2007 R'000
Cash flows from operating activities			
Profit for the year		**26 622**	13 382
Adjustments for:			
Finance income	4	**(70 944)**	(22)
Finance expense	4	**67 654**	—
– Paid		**36 068**	—
– Accrued		**31 586**	—
Foreign exchange (gains)	2	**(5 790)**	—
Dividends received	2	**(47 557)**	(23 137)
Equity-settled share-based payment expense	2	**8 793**	2 282
Income tax expense	5	**2 293**	(2 504)
Cash flows from operating activities before changes in working capital and provisions		**(18 929)**	(9 999)
Increase in trade and other receivables		**(6 977)**	(14 664)
Increase/(decrease) in trade and other payables		**16 726**	(122)
Cash generated from operations		**(9 180)**	(24 785)
Income taxes paid	5	**(2 293)**	—
Interest paid		**(36 068)**	—
Net cash flows from operating activities		**(47 541)**	(24 785)
Investing activities			
Purchases of investment in associate	7	**(165 417)**	—
Increase in loans to subsidiaries		**(2 059 841)**	(267 404)
Net movement in financial assets		**(18 740)**	—
Interest received	4	**70 944**	22
Dividends received	2	**47 557**	23 137
Net cash utilised in investing activities		**(2 125 497)**	(244 245)
Financing activities			
Issue of ordinary shares	11	**698 730**	291 700
Proceeds from bank borrowings		**1 673 737**	—
Dividends paid	6	**(44 607)**	(22 670)
Net cash from financing activities		**2 327 860**	269 030
Net increase in cash and cash equivalents		**154 822**	—
Cash and cash equivalents at beginning of year		**—**	—
Exchange gains/(losses) on cash and cash equivalents			
Cash and cash equivalents at end of year	10	**154 822**	—

Notes to the company financial statements for the year ended 31 March 2008

		2008 R'000	2007 R'000
1	**Accounting policies**		
	The accounting policies are the same as the Group as set out on pages 48 to 56.		
2	**Profit from operations**		
	After allowing for the following:		
	Income		
	Dividends received from subsidiary	**47 557**	23 137
	Unrealised profit on foreign exchange	**5 790**	0
	Expenses		
	Restraint of trade payment	**2 875**	8 750
	Auditors' remuneration		
	Audit fees – current year	**2 445**	—
	Other accounting services	**337**	75
	Salaries and wages	**3 832**	0
	Provident fund	**191**	0
	Equity-settled share-based payment expenses	**8 793**	2 282

3 Share-based payments

Scheme whereby senior and middle management (the "Employees") of Sentula (the "Company") are incentivised by means of the award of options, where the offer price is determined as the 30 day value weighted average price (vwap) of the Company's listed equity on the date of presentation of the Company's annual results (the "Offer Date") and the Employees can exercise said options in five equal tranches annually from the 1st to the 6th anniversary of the Offer Date. The award and allocation of options under the scheme is governed by the Company's remuneration committee acting under the direction of the Company's Board. Options awarded during the year ending 31 March 2008 were offered at an average price of R21,85. The scheme is settled in shares.

On 30 June 2007, the Company's shareholders established and approved a share option programme that entitles key management personnel and senior employees to obtain share appreciation rights in the Company. In accordance with these programmes rights are exercisable, provided that the holders are still in the Company's employ, at 30 June 2012 and are to be settled in cash.

	2008
Share Appreciation Rights	
Outstanding at the beginning of the year	—
Granted number of shares during the year	**10 425**
Outstanding at the end of the year	**10 425**
Weighted average price of issued options	**2 185 cents**
Weighted average price of outstanding options	**2 185 cents**
Total value	**61 630**
Average remaining life	**106 months**

3 Share-based payments *(continued)*

The fair value of such share programme was determined by using the Binomial option valuation method. The following inputs were used:

– Issue price ranging from 1 870 cents to 2 360 cents
– Exercise multiple of 2,2
– Expected volatility of 33,8%
– A staff turnover of 5,45% per annum
– A forecast dividend growth rate of 20%
– A historic five-year earnings growth rate of 61,7%
– A historic five-year dividend growth rate of 53,4%

Expected volatility was based on a filtered history of volatility of the Sentula Group from a period dating back to 2005; and has been adjusted to give recent history a higher weighting in determining the average expected volatility.

Deferred bonus scheme

Selected executive and employees of Sentula and its subsidiaries will in lieu of a discretionary bonus or a percentage thereof, be offered the right to receive a cash award equal to the sum of the market value of a number of notional Sentula issued ordinary shares as at the expiry of a specified employment period and a multiple to be determined by the Remuneration Committee at the time of offer of the deferred bonus award and the aggregate of all dividends paid per Sentula ordinary share over the employment period and the number of bonus shares comprising the deferred bonus award. The deferred bonus award is to be applied towards the obligatory subscription and/or purchase of Sentula ordinary shares.

All shares are awarded at the 30 day value weighted average price (vwap) of the Sentula's listed equity on the date of presentation of the Sentula's annual results (the "Offer Date") on the day of issue. The number of nominal Sentula shares issued during the current year was 281 052 shares (2007: 0), and represents a contingent liability of R4 975 million at 31 March 2008.

Long-term incentive plan

Selected executives and employees of Sentula and its subsidiaries will receive a conditional right to receive a cash award ("LTIP award") equal to the market value of a number of notional Sentula issued ordinary shares on the date that the award becomes unconditional. The LTIP award is to be applied towards the obligatory subscription and/or purchase of Sentula ordinary shares.

No shares have been awarded under this scheme to date.

	2008 **000**	**Restated** **2007** **000**
Schamin Trust Scheme		
Previously the group only operated an employee share incentive scheme, the following changes took place during the year under review:		
Outstanding at the beginning of the year	**2 000**	—
Number of options exercised*	**(400)**	2 000
Outstanding at the end of the year	**1 600**	2 000
Weighted average price of issued options	—	1 000 cents
Weighted average price of outstanding options	**1 000 cents**	1 000 cents
Weighted average price of exercised options	**2 150 cents**	—
Average remaining life	**56 months**	68 months

**These shares were only issued post 31 March 2008.*

Notes to the company financial statements *(continued)* for the year ended 31 March 2008

		2008 R'000	Restated 2007 R'000
4	**Finance charges**		
	Finance income	**70 944**	22
	– Financial institutions	**4 559**	22
	– Intercompany interest	**65 364**	—
	– Loan to associate	**1 021**	—
	Interest paid	**67 654**	—
	– Non-current borrowings	**64 311**	—
	– Bank overdraft	**1 231**	—
	– Fees paid	**2 112**	—
	Net finance income	**(3 290)**	(22)
5	**Taxation**		
	Current tax expense	**—**	(34)
	– SA normal		(34)
	Secondary tax on companies	**(2 293)**	
	Deferred taxation	**0**	2 538
	– Current year		2 538
		(2 293)	2 504
	The total charge for the year can be reconciled to the accounting profit as follows:		
	Income tax using normal tax rate	**8 385**	3 155
	Tax effect on expenses that are not deductible in determining taxable profit		
	– Exempt income	**(8 385)**	(3 189)
	– Secondary tax on companies	**2 293**	
	– Permanent differences		2 538
	Income tax expense recognised in profit	**2 293**	2 504
	Effective tax rate (%)	**8**	23
6	**Dividend**		
	Dividend No 20 of 7,0 cents per share paid on 28 August 2006 to members recorded on 25 August 2006		10 285
	Dividend No 21 of 7,0 cents per share paid on 18 December 2006 to members recorded on 15 December 2006		12 385
	Dividend No 22 of 10,0 cents per share paid on 27 August 2007 to members recorded on 24 August 2007	**21 057**	
	Dividend No 23 of 11,0 cents per share paid on 18 December 2007 to members recorded on 14 December 2007	**23 550**	
		44 607	22 670

		2008 R'000	Restated 2007 R'000
7	**Investment in associated company**		
	At cost acquired during the year	**165 417**	—
8	**Share Incentive Trust loan**		
	An analysis of the Scharrig Share Incentive Trust loan is as follows:		
	Balance at beginning of loan period	**16 364**	8 341
	Loan repaid – dividends	**(603)**	(479)
	Shares issued to Trust	—	32 375
	Share options exercised	**(719)**	(23 873)
	Balance at end of year	**15 042**	16 364
	The unallocated shares are under the control of the trustees of the scheme.		
9	**Trade and other receivables**		
	Staff debtors	**3 838**	15 587
	Other receivables	**251**	—
	VAT	**4 939**	—
	Deferred fees paid	**13 538**	—
		22 566	15 587
	The Company's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 16.		
10	**Cash and cash equivalents**		
	Bank balances	**63 558**	—
	Call deposits	**91 264**	—
	Cash and cash equivalents at the end of the year	**154 822**	—
	The Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 16.		
11	**Share capital and premium**		
	Authorised share capital		
	260 000 000 (2007: 260 000 000) ordinary shares of 1 cent each		
	Issued share capital		
	235 565 936 (2007: 188 430 895) ordinary shares of 1 cent each		
	Balance at beginning of year	**1 884**	1 374
	Shares issued for cash	**320**	265
	Shares issued for business acquisitions	**152**	210
	Shares issued to share incentive trust	—	35
	Balance at end of year	**2 356**	1 884

Notes to the company financial statements *(continued)* for the year ended 31 March 2008

		2008 R'000	Restated 2007 R'000
11	**Share capital and premium** *(continued)*		
	Share premium		
	Balance at beginning of year	**562 124**	108 209
	Shares issued for cash	**698 410**	291 435
	Shares issued for business acquisitions	**291 619**	130 140
	Shares issued to share incentive trust	**—**	32 340
	Balance at end of year	**1 552 153**	562 124
	Total share capital and premium	**1 554 509**	564 008
12	**Loans and borrowings**		
	Interest-bearing borrowings		
	Secured at amortised costs		
	Non-current liabilities		
	Standard Bank Senior Debt facility	**1 546 585**	
	ABSA instalment sale agreement	**158 738**	
		1 705 323	
	Standard Bank Senior Debt facility	**—**	
	Secured by –		
	Amount owing in respect of wholly owned subsidiaries, plant, vehicles and equipment with book values amounting to R1 801 million (2007: R0)		
	The effective average interest rate applicable to these liabilities is 1,19% above 3-month JIBAR, reset quarterly		
	Aggregate repayments due as follows:		
	Year ended 31 March		
	– 2009	**410 335**	
	– 2010	**378 750**	
	– 2011 and later	**757 500**	
		1 546 585	
	Absa	**158 738**	
	Secured by –		
	Amount owing in respect of wholly owned subsidiaries, plant, vehicles and equipment with book values amounting to R143 million (2007: R0)		
	The effective average interest rate applicable to these liabilities is 2% below prime.		
	Aggregate repayments due as follows:		
	Year ended 31 March		
	– 2009	**62 123**	
	– 2010	**55 822**	
	– 2011 and later	**40 793**	
		158 738	
	Balance at end of the year	**1 705 323**	
	Current portion	**472 458**	
		1 232 865	

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

		2008 R'000	Restated 2007 R'000
13	**Trade and other payables**		
	Trade payables	**1 522**	
	Other payables	**15 489**	285
		17 011	285
14	**Deferred tax**		
	Balance at beginning of year	**2 538**	0
	Originating temporary differences		2 538
	Balance at end of year	**2 538**	2 538
	The balance comprises:		
	Restraint of trade	**2 538**	2 538

15 Prior year restatement

(R'000)	Balance as previously reported at 31 March 2007	Share-based payments (1)	Shares issued regarding restraint of trade (2)	Total adjust-ments	31 March 2007 Restated
Effect on opening retained earnings on 1 April 2008					
Retained earnings	4 771	5 469	—	5 469	10 240
Employee share incentive reserve/ capital reserve	6 076	(5 469)	—	(5 469)	607
Net effect on ordinary shareholders' funds	10 847	—	—	0	10 847
Cumulative effect for the year ended 31 March 2007					
Balance sheet					
Assets					
Deferred tax	0	—	2 538	2 538	2 538
Trade receivables	24 337	—	(8 750)	(8750)	15 587
	24 337	—	(6 212)	(6 212)	18 125
Reconciliation of disclosure in notes to the annual financial statements					
Bad debts	0	—	—	0	0
Deferred taxation	0	—	2 538	2 538	2 538
Restraint of trade	0	—	(8 750)	(8 750)	(8 750)
	19 594	—	(6 212)	(6 212)	13 382

Notes to the prior year statement:

Note 1 – Recognition of accounting impact for share-based payments incorrectly accounted for in the prior year.

Note 2 – Expenses associated with restraint of trade payments to C Scharrighuisen.

16 Financial instruments

16.1 Risk management activities

In the normal course of its operations, the Company manages a centralised treasury and is exposed to currency, interest rate, liquidity and credit risk. This note describes the companies' objectives, policies and processes for managing those risks and methods used to measure them. In order to manage these risks, the Company has developed a comprehensive risk management process to facilitate control and monitoring. The Board has overall responsibility for the determination of the Group's risk management objectives and polices and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The centralised treasury function provides services to the businesses, co-ordinates access to domestic financial markets and monitors and manages the financial risks relating to the operations of the Group. Operational and business risks are reviewed and addressed on a monthly basis. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Company does not enter into any or trade financial instruments, including derivative financial instruments, for speculative purposes.

16.2 Credit risk management

The Company does not have any credit risk as it has no debtors pertaining to the selling of goods and services. The Company is the holding company of the Group and fulfils a centralised treasury function.

16.3 Foreign exchange risk

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

Foreign exchange risk also arises when individual group entities enter into transactions denominated in a currency other than the functional currency. It is Group policy that all such transactions should be hedged through Group treasury entering into a forward contract with a reputable bank.

The company is exposed to currency risk on purchases made by the Group on second-hand equipment globally. Purchases from these suppliers are made on a central basis and the risk is hedged using forward exchange contracts. At the balance sheet date the Group had no open foreign exchange contracts.

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

16.4 Interest rate risk

The Company is exposed to interest rate risk from long-term borrowings at variable rates. Fluctuations in interest rates impact on the value of the short-term investments and financing activities giving rise to interest rate risk.

A sensitivity analysis is performed by assuming that the amount of the liability outstanding at the balance sheet date was outstanding for the whole year. A 200 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents managements' assessment of a reasonable and possible change in interest rates.

If interest rates had been 200 basis points higher and all the other variables were held constant, the Companies' profit after tax for the year ended 31 March 2008 would decrease by R6,2 million (2007: Rnil). This is attributable to the company exposure to interest rates in its variable borrowings.

16.5 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, which includes loans to subsidiaries, cash and cash equivalents, liabilities and equity, comprising issued share capital, reserve and retained earnings as disclosed.

Long-term borrowings pertain to loan from Standard Bank of South Africa and Absa, provided centrally to the subsidiaries for the funding of their capital expenditure.

16.6 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of directors, which provides sufficient guidance for the management of the Company's short-, medium- and long-term funding and liquidity management requirements.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. These tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

2008 (R'000)	Weighted average effective interest rate	Less than 1 month April 08	1 – 3 months July 08	3 months to 1 year March 09	1 – 5 years	5+ years	Total
Senior debt facility	12,28%	126 272	94 688	189 375	1 136 250	—	1 546 585
Instalment sale agreement	12,45%	10 954	13 955	37 214	96 615	—	158 738

16.7 Fair value of financial instruments

	2008		Restated 2007	
	Book value R'000	Fair value R'000	Book value R'000	Fair value R'000
Financial assets				
Trade and other receivables	22 566	22 566	15 587	15 587
Other financial assets	18 740	18 740	—	—
Cash and cash equivalents	154 822	154 822	—	—
Financial liabilities				
Loans and borrowings	(1 232 865)	(1 232 865)	—	—
Trade and other payables	(17 011)	(17 011)	(285)	(285)
Short-term portion of loans and borrowings	(472 458)	(472 458)	—	—

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

17 Related parties

17.1 Identity of related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Directors of the companies stated below were involved with the Group during the 2008 financial year:

African Energy Botswana (Pty) Ltd
Benicon Mining (Pty) Ltd
Jonah Coal (Pty) Ltd
Jonah Coal Mauritius Ltd
Mabapa Mining Ltd
Merafe Coal (Pty) Ltd

17.2 Related party transactions and balances

During the year the Company and its related parties, in the ordinary course of business, entered into various intergroup sale and purchase transactions.

	Amount owed by related parties 2008 R'000
African Energy Botswana (Pty) Ltd	2 076
Benicon Mining (Pty) Ltd	12 000
Jonah Coal (Pty) Ltd	3 432
Mabapa Mining Ltd	1 141
Merafe Coal (Pty) Ltd	91
	18 740

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within 12 months of the reporting date. None of the balances are secured.

18. Information on subsidiary companies

Name of subsidiary*	Issued share capital R'000	Percentage held by Sentula 2008	Percentage held by Sentula 2007
Scharrighuisen Opencast Mining	100	**100**	100
Benicon Opencast Mining	120	**100**	100
Benicon Sales	100 000	**100**	100
Geosearch Holdings	100	**100**	80
Scharrighuisen Drilling & Blasting*	100	**100**	100
Classic Challenge Trading	120	**100**	—
Ritchie Crane Hire	100	**100**	—
Benicon Coal	100	**100**	—
Rynov Investments	1	**100**	100
Edencliff	20 000	**100**	100
Caston Plant sales	120	**100**	100
Sentula Mauritius Ltd**	100	**100**	—
Non-operating subsidiaries	4 200	**100**	100

**The Company has subordinated R81,9 million of its loan in Scharrighuisen Drilling and Blasting (Pty) Ltd and will not request or accept repayment of the subordinated portion of the loan until the assets of the subsidiary, fairly valued, exceed its liabilities.*

***Incorporated in Mauritius.*

The directors' valuation of the above subsidiaries approximates the cost as disclosed above.

Main Business

A – Opencast mining and mining services
B – Exploration drilling
C – Drilling and blasting
D – Crane hire
E – Equipment trading and spares
F – Mining
G – Property investment
H – Foreign operations
I – Non-operating subsidiaries

Shares at cost (R'000)		Loans to subsidiaries (R'000)		Share options issued (R'000)		Main business
2008	2007	**2008**	2007	**2008**	2007	
21 004	21 004	**1 410 254**	306 706	**5 452**	—	A
	0	**314 896**	61 318	**2 870**	0	A
—	—	**108 970**	14 182	**—**	—	E
104 558	—	**398 674**	127 385	**2 200**	—	B
	—	**226 264**	426	**383**	—	C
69 315	—	**17 702**	102	**430**	—	A
	—	**60 087**	122	**478**	—	D
45 252	—	**32 363**	1 312	**—**	—	F
	—	**—**	—	**—**	—	G
1	1	**—**	—	**—**	—	I
—	—	**—**	—	**—**	—	E
—	—	**81 940**	—	**—**	—	H
—						I
240 130	21 005	**2 651 150**	511 553	**11 813**	—	

Shareholders' information for the year ended 31 March 2008

Analysis of shareholders	Number of share-holders	% of share-holders	Number of shares	% of share-holders
Range				
1 – 1 000	1 754	27,20	1 094 777	0,46
1 001 – 5 000	2 807	43,53	7 416 122	3,15
5 001 – 10 000	832	12,90	6 446 619	2,74
10 001 – 50 000	754	11,69	16 498 340	7,00
50 001 – 100 000	116	1,80	8 561 138	3,63
100 001 – and more	186	2,88	195 548 940	83,02
Total	6 449	100,00	235 565 936	100,00
Major shareholders (owning 5% or more of the share in issue)				
Public Investment Corporation			29 869 254	12,68
Liberty Group			16 553 714	7,03
Sankofa Trust			13 988 440	5,94
Shareholder spread				
Public	6 442	99,88	180 729 206	76,73
Non-Public	8	0,12	54 836 730	23,28
Holding 10% and more	1	0,02	29 869 254	12,68
Share Scheme	1	0,02	2 405 165	1,02
Associates	1	0,02	5 553 871	2,36
Directors	5	0,06	17 008 440	7,22
Total	6 450	100,00	235 565 936	100,00

Directors' shareholdings	Shares held			
Director	**Direct**	**Indirect**	**Total**	**% of total shareholding**
DCM Gihwala*	—	2 100 000	2 100 000	0,89
RK Jonah	—	6 994 220	6 994 220	2,97
SE Jonah	—	6 994 220	6 994 220	2,97
C Moorcroft**	920 000	—	920 000	0,39
GP Louw	1 000	—	1 000	—
	921 000	16 088 440	17 009 440	7,22

**Resigned 11 September 2008.*
***Resigned 8 September 2008.*

Shareholders' diary

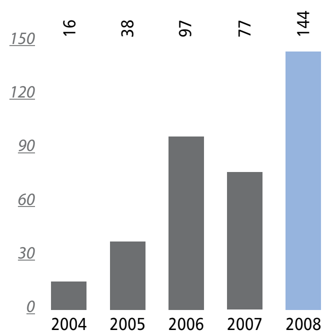
Financial year-end	31 March 2008
Reviewed results	25 June 2008
Audited results announced	22 October 2008
Reports and profit statement	
Half-year interim report	19 November 2008
Preliminary announcement of annual report	3 November 2008
Annual financial statements published	12 November 2008
Annual general meeting	4 December 2008

JSE performance

	2008	Restated 2007	2006	2005	2004
Number of shares traded ('000)	144 324	76 819	96 815	38 131	15 672
% of total issued shares	61,27	40,76	70,45	27,75	12,2
Value of shares trades (R'000)	3 093 980	973 849	435 700	84 155	12 563
Prices quoted (cents per share)					
– highest	2 650	1 845	925	375	150
– lowest	1 625	700	255	100	50
– closing	1 770	1 799	900	325	110
Market capitalisation at year-end (R'000)	4 169 517	3 389 871	1 236 878	446 650	141 047
Price earnings ratio	31,44	59,18	12,99	6,97	4,76
Earnings yield	3,18	1,69	7,70	14,30	21,00
Dividend yield	1,19	0,78	1,33	2,93	2,27

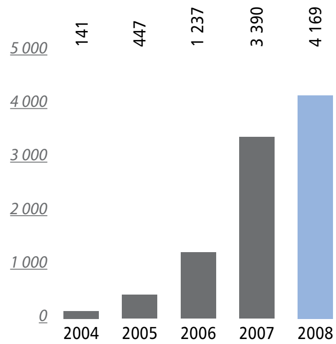
Number of shares traded

Five year history (R'000)



Market capitalisation at year-end

Five year history (R'000)



Directors' biographies for the year ended 31 March 2008

SE (Sam) Jonah *(KBE OSG)* (58)

Non-Executive Chairman – Appointed 2006

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

RC (Robin) Berry (46)

BSc Engineering (Mining)

Chief Executive Officer – Appointed 2007

Robin joined the Company as Chief Operating Officer in January 2007 and was promoted to Chief Executive Officer, effective 1 December 2007. He joined the Group from his former position as Chief Executive Officer of Operations for Anglo Coal SA. He brings a wealth of experience of over 20 years in the mining industry at both a managerial and operational level.

GP (Gideon) "Deon" Louw (45)

CA(SA), H Dip Tax Law (Wits), AMCT (UK), CFA Charterholder

Chief Financial Officer – Appointed 2007

Deon is a qualified accountant with specialist experience in mining finance. He joined Sentula, with effect from 1 August 2007, from Shanduka Coal, where he was responsible for the financial functions of the group, including the advising and coordinating of all aspects of due diligence across a number of SA coal mines. Prior to Shanduka, he worked as an independent adviser and for a number of years headed up the mining finance team at Investec.

A (Allan) Joffe (39)

BCom (Hons) GDA CA(SA)

Non-Executive Director – Appointed 2005

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

RK (Richard) Jonah (32)

BA Economics and Political Science

Non-Executive Director – Appointed 2005

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

EHJ (Hugh) Stoyell (64)

PR Eng, BSc Engineering (Mining), MBL FSAIMM

Independent Non-Executive Director – Appointed 2005

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

JG (Jonathan) Best (60)

MBA

Independent Non-Executive Director – Appointed 2007

Jonathan has over 40 years of experience with companies associated with the mining industry. He chairs the Sentula Audit, Risk and Governance Committee and brings strong financial expertise from his previous experience as Chief Financial Officer and Audit Committee member at AngloGold Ashanti. Prior to AngloGold he was non-executive independent director and Chairman of the Audit Committee of JSC Polymetal, a Russian-based mining company listed on the London Stock Exchange.

PT (Pulane) Kingston (38)

Masters in Law (International Law)

Independent Non-Executive Director – Appointed 2008

Appointed as independent non-executive director with effect from 11 September 2008, Pulane is the founder member and executive director of Sphere Holdings (Proprietary) Limited. Prior to Sphere, she was a senior associate partner at Edward Nathan & Friedland Inc.

ML (Marion) "Dawn" Marole (48)

BComm (Accounting), MBA

Independent Non-Executive Director – Appointed 2008

Dawn is an advisor to the Minister of Finance and holds directorship positions at Incwala Resources, JP Morgan Chase Bank (SA) and Richards Bay Minerals. She was appointed as independent non-executive director with effect from 11 September 2008.

A (Andisiwe) "Andy" Kawa (46)

Masters in Education and Arts, MBA

Independent Non-Executive Director – Appointed 2008

Appointed with effect from 11 September 2008 to the Board, Andy is the Chairman of Chuma Holdings (Proprietary) Limited and a director of Imara Capital SA where she advises on transformation. Additionally, she is a consultant to Aquarius Platinum on transformation matters related to both operational structure and the implementation of their Social Labour Plan.

J (Jeffrey) van Rooyen (58)

CA(SA)

Independent Non-Executive Director – Appointed 2008

Jeffrey is the founder and former president of the Association for the Advancement of Black Accountants of Southern Africa (ABASA). He currently serves on the board of Exxaro Resources Limited, Pick n Pay Holdings Limited and MTN Group Limited.

PP (Patrick) "Pat" Modisane (47)

BA (Hons)

Executive Director – Appointed 2008

Pat has been appointed as an executive director and Head of Transformation and Human Resources with effect from 1 October 2008. Prior to joining Sentula, he was regional manager Employee Relations and Transformation at AngloCoal. It was his core responsibility to effectively manage employee relations, strategies, practices and stakeholder management since 2005. Previously he was Human Resources manager at Kleinkopje, Greenside and New Vaal Collieries.

Notice of annual general meeting for the year ended 31 March 2008

Sentula Mining Limited
Incorporated in the Republic of South Africa
(Registration number 1992/001973/06)
Share code: SNU ISIN: ZAE000107223
("Sentula" or "the company")

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant or other professional adviser immediately.

Notice is hereby given that the annual general meeting of shareholders of the company will be held on Thursday, 4 December 2008 at 10:00 at the Sandton Sun, corner Fifth and Alice Streets, Sandton, Oleander Room to conduct the following business:

1. To receive, consider and adopt the annual financial statements of the company and the group for the financial year ended 31 March 2008, including the directors' report and the report of the auditors therein.
2. To re-elect, Mr A Joffe who, in terms of the company's articles of association, retires by rotation at this annual general meeting but, being eligible to do so, offers himself for re-election.
3. To re-elect, Mr EHJ Stoyell who, in terms of the company's articles of association, retires by rotation at this annual general meeting but, being eligible to do so, offers himself for re-election.
4. To re-elect, Mr RK Jonah who, in terms of the company's articles of association, retires by rotation at this annual general meeting but, being eligible to do so, offers himself for re-election.

   An abbreviated curriculum vitae in respect of each director offering himself for re-election appears on page 100 of the annual report to which this notice is attached.
5. To confirm the re-appointment of KPMG Inc. as independent auditors of the company for the ensuing financial year and to authorise the directors to determine the auditors' remuneration.
6. To approve the non-executive directors' remuneration for the year ended 31 March 2008 as reflected in note 31 to the annual financial statements.

As special business, to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

ORDINARY RESOLUTION NUMBER 1

Control of authorised but unissued ordinary shares

7. "**Resolved** by way of a general authority that the authorised but unissued ordinary shares in the capital of Sentula Mining Limited ("the company") be and are hereby placed under the control and authority of the directors of the company ("directors") and that the directors be and are hereby authorised and empowered to allot and issue all or any of such ordinary shares, or to issue any options in respect of all or any of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of sections 221 and 222 of the Companies Act (Act 61 of 1973), as amended, the articles of association of the company and the Listings Requirements of the JSE Limited from time to time."

ORDINARY RESOLUTION NUMBER 2

Approval to issue ordinary shares, and to sell treasury shares, for cash

8. "**Resolved that** the directors of Sentula Mining Limited ("the company") and/or any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to:
   - allot and issue, or to issue any options in respect of, all or any of the authorised but unissued ordinary shares in the capital of the company; and/or
   - sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of the company purchased by subsidiaries of the company,

   for cash, to such person/s on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the Companies Act (Act 61 of 1973), as amended, the articles of association of the company and its subsidiaries and the Listings Requirements of the JSE Limited ("the JSE Listings Requirements") from time to time.

   The JSE Listings Requirements currently provide, *inter alia*, that:

- the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- any such issue may only be made to "public shareholders" as defined in the JSE Listings Requirements and not to related parties;
- the number of ordinary shares issued for cash shall not in any one financial year in the aggregate exceed 15% (fifteen percent) of the number of issued ordinary shares. The number of ordinary shares which may be issued shall be based, *inter alia,* on the number of ordinary shares in issue, added to those that may be issued in future (arising from the conversion of options/convertibles) at the date of such application, less any ordinary shares issued, or to be issued in future arising from options/convertible ordinary shares issued during the current financial year; plus any ordinary shares to be issued pursuant to a rights issue which has been announced, is irrevocable and is fully underwritten, or an acquisition which has had final terms announced;
- this general authority will be valid until the earlier of the company's next annual general meeting and the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- a paid press announcement giving full details, including the impact on net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, will be published when the company has issued ordinary shares representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of ordinary shares in issue prior to the issue;
- in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE Limited of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities; and
- whenever the company wishes to use ordinary shares, held as treasury stock by a subsidiary of the company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares."

Under the JSE Limited ("the JSE") Listings Requirements, ordinary resolution number 2 must be passed by a 75% (seventy-five percent) majority of the votes cast in favour of the resolution by all members present or represented by proxy at the annual general meeting.

ORDINARY RESOLUTION NUMBER 3

Adoption of amendments to the Sentula Incentive Share Trust

9. "**Resolved that** the amendments to the Sentula Share Incentive Trust, the salient features of which are set out in the annexure to this notice of annual general meeting, and the terms of which, in compliance with Schedule 14 of the Listings Requirements of the JSE Limited, are contained in the replacement deed in respect of the Sentula Share Incentive Trust, a copy of which has been initialled by the Chairperson of the annual general meeting for the purposes of identification, be and is hereby approved and adopted by the company."

   In terms of the Listings Requirements of the JSE Limited, ordinary resolution number 3 requires approval of a 75% majority of votes cast in favour thereof by all shareholders present or represented by proxy. Furthermore, any shares held by existing participants may not participate in the vote.

SPECIAL RESOLUTION

General approval to acquire shares

10. **"Resolved,** by way of a general approval that Sentula Mining Limited ("the company") and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the company in terms of sections 85 to 89 of the Companies Act (Act 61 of 1973), as amended, the articles of association of the company and its subsidiaries and the Listings Requirements of the JSE Limited ("the JSE") from time to time. The JSE Listings Requirements currently provide, *inter alia,* that:

Notice of annual general meeting *(continued)* for the year ended 31 March 2008

- the acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the earlier of the company's next annual general meeting and the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected;
- the acquisitions of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty percent) of the company's issued ordinary share capital;
- the company or its subsidiaries may not acquire ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements;
- the repurchase of ordinary shares may only be undertaken if, after such repurchase, the company will still comply with paragraphs 3.37 to 3.41 of the JSE Listings Requirements concerning shareholder spread;
- when the company has cumulatively repurchased 3% of the number of the ordinary shares in issue at the time this general authority is granted ("initial number"), and for each 3% in aggregate of the initial number acquired thereafter, an announcement will be made; and
- at any point in time, the company may only appoint one agent to effect any acquisition/s on its behalf."

10.1 Reason and effect

The **reason for** and **effect of** this special resolution number 1 is to obtain an authority for, and to authorise, the company and the company's subsidiaries, by way of a general authority, to acquire the company's issued ordinary shares.

It is the intention of the directors of the company to use such authority should prevailing circumstances (including tax dispensations and market conditions) in their opinion warrant it.

10.2 Other disclosure in terms of section 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosure, which are contained in the annual report of which this notice forms part:

- directors and management – page 8;
- major shareholders of Sentula – page 98;
- directors' interests in securities – page 98;
- share capital of the company – page 66; and
- litigation statement – page 37.

10.3 Material change

There have been no material changes in the affairs or financial position of Sentula and its subsidiaries since Sentula's financial year-end and the date of this notice.

10.4 Directors' responsibility statement

The directors, whose names are given on page 35 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the special resolution and certify that to the best of their knowledge and belief there are no facts in relation to the special resolution that have been omitted which would make any statement in relation to the special resolution false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution together with this notice contains all information required by law and the JSE Listings Requirements in relation to the special resolution.

10.5 Adequacy of working capital

At the time that the contemplated repurchase is to take place, the directors of the company will ensure that:

- the company and the group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 months after the date of the notice of the annual general meeting;
- the consolidated assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the company and the group for a period of 12 months after the date of the notice of the annual general meeting;
- the issued share capital and reserves of the company and the group will be adequate for the purpose of the business of the company and the group for a period of 12 months after the date of the notice of the annual general meeting;
- the working capital available to the company and the group will be sufficient for the group's requirements for a period of 12 months after the date of the notice of the annual general meeting; and
- the company will provide its Sponsor, Merchantec (Proprietary) Limited, and the JSE with all documentation as required in Schedule 25 of the JSE Listings Requirements, and will not commence any repurchase programme until the Sponsor has signed off on the adequacy of its working capital, advised the JSE accordingly and the JSE has approved this documentation.

ORDINARY RESOLUTION NUMBER 4

Signature of documents

11. "**Resolved that** each director of Sentula Mining Limited ("the company") be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions to be proposed at the annual general meeting convened to consider this resolution which are passed (in the case of ordinary resolutions) or are passed and registered by the Registrar of Companies (in the case of special resolutions)."

12. Other business

To transact such other business as may be transacted at an annual general meeting.

Voting and proxies

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company. For the convenience of registered members of the company, a form of proxy is enclosed herewith.

The attached form of proxy is only to be completed by those ordinary shareholders who:

- hold ordinary shares in certificated form; or
- are recorded on the sub-register in "own name" dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker without "own name" registration and wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with the relevant Letter of Representation to attend the meeting in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms should be forwarded to reach the transfer secretaries, Link Market Services South Africa (Proprietary) Limited, at least 48 hours, excluding Saturdays, Sundays and South African public holidays, before the time of the meeting.

Forms of proxy may also be obtained on request from the company's registered office.

By order of the Board

Morestat Corporate Services (Proprietary) Limited
Company Secretary

Tuesday, 28 October 2008
Boksburg

Salient features of the Sentula Share Incentive Trust

for the year ended 31 March 2008

ANNEXURE A

The salient features of The Sentula Share Incentive Trust and the amendments thereto (underlined for ease of reference), the object and purpose of which is to provide an incentive to Eligible Employees to promote the continued growth of the Group by granting Options to enable Eligible Employees to acquire Shares in and thus an interest in the Company and to attract and retain suitably skilled and competent personnel, are set out below:

1. DEFINITIONS

"Designated Purchase Price"	in relation to an Option, the lowest daily ruling market price at which the Shares were sold on the JSE during the three-month period immediately prior to the Option Date in respect of such Option;
"Eligible Employee"	any person employed in a full-time administrative, financial or management capacity by a Group Employer (including, without limiting the generality thereof, an executive director);
"Fault Termination"	the termination of a Participant's employment with a Group Employer by reason of the Participant's resignation, retrenchment or dismissal by the Group Employer concerned (acting lawfully): provided that the Trustees, on the instruction of the Board, shall have a discretion to deem a Participant's resignation or retrenchment as a No-Fault Termination;
"Group"	the Company and its Subsidiaries from time to time;
"Group Employer"	in respect of a Participant, the Company within the Group by which that Participant is employed;
"No-Fault Termination"	the termination of a Participant's employment with a Group Employer by reason of the Participant's retirement, death, permanent disability, permanent incapacity or a deemed No-Fault Termination;
"Option"	an option granted to an Eligible Employee in terms of clause 16 to acquire Shares from the Trust;
"Option Period"	the period from the Option Date until the fifth anniversary of such date;
"Original Deed"	The Schamin Share Incentive Trust Deed dated 4 November 1997 constituting the Trust;
"Participant"	an Eligible Employee to whom an Option has been granted in terms of clause 16;
"Scheme"	the scheme to enable Eligible Employees to acquire Shares, the terms <u>and rules</u> of which are embodied in this Deed;
"Share"	an ordinary share in the issued share capital of the Company;
"Share Debt"	the amount for the time being owed by a Participant to the Trust in respect of the purchase of Shares pursuant to the Scheme, which amount may be increased from time to time, in each case and in regard to each Participant, in accordance with the directions of the Board, by such amount which may become payable by the Participant in question pursuant to all or any of the following: a. under section 8A of the Income Tax Act, in respect of any gains made by a Participant by the acceptance, exercise, cession or release of any right to acquire Shares in terms of the Scheme; and/or b. in respect of any interest liability incurred from time to time by a Participant on any amount owing to the Trust in terms of the Scheme, or any fringe benefit, whether under paragraph 11 of the Seventh Schedule of the Income Tax Act or otherwise; and/or c. under any new amendment or substitution for the Income Tax Act, which replaces the sections and schedules referred to above or which imposes the taxation liability envisaged above;
"Subsidiary"	any company which is a subsidiary of the Company within the meaning of the Act;
"Termination Date"	the date upon which a Participant's employment with a Group Employer terminates by reason of his death, retirement, permanent disability, <u>permanent</u> incapacity, <u>retrenchment</u>, resignation or dismissal;
"Trust"	the <u>Sentula</u> Share Incentive Trust, constituted in terms of the Original Deed <u>as the Schamin Share Incentive Trust</u>.

2. CONSTITUTION OF THE TRUST

2.1 It is recorded that the Trust was constituted in terms of the Original Deed.

2.2 No Trustee may be a Participant.

3. TRUSTEES

3.1 The number of Trustees shall be not less than two nor more than five.

3.3 The power of appointing new or additional Trustees shall be exercisable by the Board.

3.4 A Trustee may retire at any time, on 30 days notice in writing to the remaining Trustees and the Board, without assigning any reason therefore.

4.2 If, as a result of a Trustee becoming disqualified from acting as a Trustee, the number of Trustees remaining in office is reduced below the minimum specified in clause 3.1 above, the Board shall immediately appoint another Trustee to ensure that the stipulated minimum number of Trustees is maintained.

5.3 Shares beneficially held by the Trust will not have their votes at general meetings of the Company taken into account for the purposes of resolution approval in terms of the JSE's Listings Requirements or for determining the categorisation of transactions as detailed in those listing requirements.

7.1 A Trustee shall not be obliged to furnish any security to the Master of The High Court of South Africa or to any other office or official under the Trust Property Control Act, 1988 or any other law for the performance of his duties in terms hereof and all such security shall be and is hereby dispensed with.

12. NAME OF SCHEME

The Scheme shall be known as "The Sentula Employee Share Option Scheme".

14. ACQUISITION BY THE TRUST OF SHARES FOR THE SCHEME

14.2 The Board shall, on any subscription by the Trustees for Shares in accordance with clause 14.1 above, arrange for the allotment and issue of such Shares to the Trustees or their nominee (provided that such nominee shall be the Eligible Employee stipulated in the resolution contemplated in clause 15.2 below) at a price per share equivalent to the Designated Purchase Price, and such amount shall be payable in full by the Trustees to the Company on allotment.

15. ELIGIBILITY TO PARTICIPATE IN THE SCHEME

15.1 The persons eligible for participation in the Scheme shall be the Eligible Employees.

15.2 The Board may in its discretion, but subject to the provisions of the Act and this Deed, from time to time by resolution direct the Trustees to grant Options to Eligible Employees. Such resolution shall specify:

15.2.1 the name of the Eligible Employee;

15.2.2 the number of Shares which may be purchased pursuant to the exercise of the Option;

15.2.3 the Designated Purchase Price for the Shares which are the subject of the Options;

15.2.4 that portion of the Designated Purchase Price if any, per Share to be paid by the Eligible Employee on the exercise of the Option; and

15.2.5 that the remaining terms of the Option shall be in accordance with the terms set out in this Deed.

16. OPTIONS

16.1 The Trustees shall be obliged to grant Options to Eligible Employees as directed by resolution of the Board contemplated in clause 15.2 above to acquire Shares at the Designated Purchase Price.

Salient features of the Sentula Share Incentive Trust

(continued) for the year ended 31 March 2008

16.2 An Option granted in terms of clause 16.1 above:

16.2.1 shall be contained in an Option Notice which shall be in the form from time to time prescribed by the Trustees; and

16.2.2 shall be for a specified number of Shares at the Designated Purchase Price and on the terms and on the terms as stipulated in the resolution of the Board contemplated in clause 15.2 above.

16.3 Without detracting from any other terms and conditions of the Scheme as set out in this Deed, the terms and conditions applicable to an Option granted to an Eligible Employee are set out in this Part II of this Deed.

17. TERMS AND CONDITIONS APPLICABLE TO OPTIONS

17.1 Subject to the provisions of clauses 17.2 and 17.3 below, an Option may be exercised by a Participant during the Option Period relating to such Option and if not exercised, will lapse on the Business Day following the expiry of the Option Period, provided that an Option may only be exercised in the following tranches ("Tranches"), subject to clause 17.3 below:

17.1.1 in respect of a maximum of 20% of the Shares the subject of the Option, on the first anniversary of the Option Date or on either of the two Business Days immediately following the first anniversary of the Option Date;

17.1.2 in respect of a maximum of a further 20% of the Shares the subject of the Option, on the second anniversary of the Option Date or on either of the two Business Days immediately following the second anniversary of the Option Date;

17.1.3 in respect of a maximum of a further 20% of the Shares the subject of the Option, on the third anniversary of the Option Date or on either of the two Business Days immediately following the third anniversary of the Option Date;

17.1.4 in respect of a maximum of a further 20% of the Shares the subject of the Option, on the fourth anniversary of the Option Date or on either of the two Business Days immediately following the fourth anniversary of the Option Date; and

17.1.5 in respect of a maximum of a further 20% of the Shares the subject of the Option, on the fifth anniversary of the Option Date or on either of the two Business Days immediately following the fifth anniversary of the Option Date.

17.2 For the purposes of clauses 17.1 above:

17.2.1 where the relevant anniversary of an Option Date does not fall on a Business Day, the Participant may exercise the Option in respect of the relevant Tranche on any of the three Business Days immediately following the applicable anniversary date;

17.2.2 where a Business Day for exercise of an Option falls within a closed period or other prohibited period within the meaning of the JSE's Listings Requirements when the Participant concerned may not deal in Shares, the Participant may exercise the Option in respect of the relevant Tranche on any of the three Business Days immediately following the date on which the prohibited period ends to the satisfaction of the chairman or other director of the Company designated for the purpose of giving clearance to the Participant to deal in Shares.

17.3 Any Participant who does not exercise the Option in respect of any Tranche stipulated in clause 17.1 above shall have no further right in respect of the particular Tranche and the Option in respect of that particular Tranche, shall lapse.

17.4 Notwithstanding anything to the contrary contained in this clause 17, the Trustees, if directed by the Board, and if they consider that there are special circumstances (including, without limitation, circumstances involving the reorganisation, unbundling, selling or swapping of the assets or businesses of the Group), may anticipate the dates in clauses 17.1, 17.2 and 17.3 above (i.e. accelerate the exercise of the Options), in which event they shall be entitled to make such arrangements with the Participant as they consider appropriate in the circumstances.

17.5 An Option:

17.5.1 shall, subject to the provisions of clause 30 below, be personal to and only capable of being exercised by the Participant to whom it is granted or the Curator of the Participant concerned or the executor of the deceased estate of the Participant concerned: provided that the Trustees shall have discretion to determine whether the Curator is acting in the best interests of the Participant;

17.5.2 shall, in respect of any Tranche, unless otherwise specified in the Option Notice concerned, be exercised by notice in writing in such form as the Trustees may stipulate, and shall be delivered to the Trustees within the period specified in clause 17.1 above for its exercise, and for a valid exercise shall be accompanied by the requisite portion of the Designated Purchase Price and securities transfer tax for each Share, if any, stipulated in the Option Notice, for the number of Shares in respect of which the Option is being exercised, and by a duly completed dividend mandate contemplated in clause 24.3 below for any unpaid Share Debt in respect of that Tranche, in the circumstances contemplated in clause 18.1.2 below;

17.5.3 may, in respect of any Tranche, be exercised in part (in respect only of 100 (one hundred) Shares or multiples thereof) or in full, as the Participant may elect, due regard being had to the provisions of clauses 17.1 and 17.3 above;

17.5.4 shall, upon its exercise, without limiting the provisions of this Deed, be subject to clause 18 below and until the full Designated Purchase Price has been paid to the Trustees, also be subject to the following conditions:

17.5.4.1 the Shares in respect of which an Option has been exercised and all Scheme Capitalisation Shares and all Scheme Rights Shares linked thereto shall be registered as provided in clause 22 below (if applicable), and ownership in such Shares and all Scheme Capitalisation Shares and Scheme Rights Shares linked thereto shall vest in the relevant Participant but such Shares shall be pledged to the Trustees, if required in terms of clause 22 below (if applicable), until payment of the full Share Debt relating to such Shares;

17.5.4.2 for so long as a Participant has not discharged his Share Debt, the Shares in respect of which an Option has been exercised and all Scheme Capitalisation Shares and all Scheme Rights Shares linked thereto may not be sold or otherwise disposed of or transferred (otherwise than to the Trustees in the manner and on the basis as is expressly provided in clause 18.9 below), or in any way be pledged (save as contemplated in clause 22 below if applicable) or otherwise encumbered, unless the Trustees in their sole discretion consent thereto in writing.

18. PAYMENT OF PURCHASE PRICE ON EXERCISE OF AN OPTION

18.1 The full Designated Purchase Price of any Tranche of Shares which a Participant has acquired pursuant to the exercise of an Option, together with any securities transfer tax thereon, shall become due and payable by the Participant to the Trustees as and when the Option in respect of that Tranche is exercised. If a Participant requires financial assistance with respect to the payment of the Designated Purchase Price he shall notify the Trustees in writing simultaneously with the exercise of the Option in respect of such Tranche, and his notification to the Trustees shall specify whether the financial assistance he requires is:

18.1.1 that the Trustees sell on his behalf such portion of that Tranche as is necessary to realise sufficient funds to pay his Share Debt for that Tranche and such tax liability contemplated in the definition of "Share Debt" in clause 1.1 above which may be payable by that Participant pursuant to his exercise of the Option, in which event the Trustees shall sell on his behalf such portion of that Tranche of Shares not later than the second Business Day after the date on which the Participant exercised the Option and apply the proceeds in settlement of his Share Debt, unless the funds which can be realised even by the Trustees' selling the whole Tranche will be insufficient to pay his Share Debt and taxation liability aforesaid, in which case the Option shall be deemed not to have been exercised in respect of that Tranche; or

18.1.2 that he pledge all the Shares comprising the Tranche to the Trust, in which event the provisions of clauses 18.2 to 18.10 below and clause 19 below will apply.

Salient features of the Sentula Share Incentive Trust

(continued) for the year ended 31 March 2008

18.2 The Trust shall fund, save for such amount per Share as may be stipulated by the Board from time to time, the acquisition of Shares by a Participant pursuant to the exercise of an Option and (to the extent not covered by any dividends accruing to the Participant) any taxation liability of a Participant contemplated in the definition of "Share Debt" in clause 1.1 above as the Board may direct from time to time.

18.3 Any amount paid on the acquisition of Shares by a Participant and the dividends received by a Participant in respect of such Shares shall be applied towards payment of the Share Debt relating to all of the Shares which such Participant has acquired pursuant to the exercise of an Option.

18.4 The Share Debt due on any Shares shall, while any amount thereof remains unpaid, bear interest from time to time at the rate per annum, if any, determined from time to time by the Board.

18.8 Subject to clause 18.9 below and notwithstanding the provisions of clause 21 below, the Trustees shall be obliged (with the right to make such reasonable extensions as may be necessary in special circumstances) to demand repayment of the full Share Debt by not later than the sixth anniversary of the Option Date of the Shares to which such Share Debt relates.

18.9 The Trustees may elect, in their discretion, instead of enforcing the provisions of clause 18.8 above to enforce repayment of the outstanding Share Debt, to acquire such Participant's Shares at the Designated Purchase Price. In such event the full amount owing in respect of such Shares to the Trust together with accrued interest thereon shall, if not already due and payable, become immediately due and payable to the Trust and the Trustees shall be entitled to set off amounts payable on the acquisition of such Shares, against such amount owing to the Trust.

18.10 The provisions of clause 18.9 above shall apply *mutatis mutandis* if the Participant becomes insolvent, an attempt is made to attach his Shares or the Participant breaches any of the provisions of this Deed.

18.11 The Trustees may, in their discretion and as directed by the Board, waive their right to claim payment of the Share Debt in respect of a particular Participant. In such event, the provisions of the Scheme shall apply as if payment in terms of clause 18.8 above had been made and the Shares shall be released from pledge accordingly.

21. TERMINATION OF EMPLOYMENT

The provisions of this clause 21 shall apply in respect of Options granted to a Participant and Shares acquired by a Participant pursuant to the exercise of an Option, on termination of employment of such Participant by a Group Employer: provided that if a Participant ceases to be employed by one Group Employer but is indefinitely employed by another Group Employer, the provisions of this clause 21 shall not be applicable in such circumstances.

21.1 Unexercised Options: Fault Termination

If the employment of a Participant with the relevant group company is terminated by reason of a Fault Termination, the Options granted to such Participant pursuant to the provisions of clause 16 above which have not been exercised shall lapse and cease to be of any further force or effect.

21.2 Unexercised Options: No-Fault Termination

If the employment of a Participant with the relevant Group Company is terminated by reason of a No-Fault Termination, the Participant (or his executor or Curator, as the case may be (provided that the Trustees shall have a discretion to determine whether the Curator is acting in the best interests of the Participant), shall be entitled to accelerate the date for the exercise of any remaining Options or Tranches ("the Unvested Options"). The Participant shall exercise the Unvested Options by notice within 30 Business Days of the Termination Date (or such longer period as the Trustees, acting on the instruction of the Board, may determine) in respect of such Participant, failing which the Vested Options and the Unvested Options will lapse.

21.3 Exercised Options: Fault and No-Fault Termination

If the employment of a Participant with the relevant Group Company is terminated by reason of a No-Fault Termination or a Fault Termination, the Shares purchased by that Participant by virtue of having exercised an Option may be retained by such Participant, subject to the terms of this Deed; provided that:

21.3.1 in the event of a Fault Termination, the amount owing by the Participant to the Trust on account of his Share Debt shall be paid to the Trustees within 30 days of the Termination Date (or such longer period as the Trustees, acting on the instruction of the Board, may determine); and

21.3.2 in the event of a No-Fault Termination, the amount owing by the Participant to the Trust on account of his Share Debt shall be paid to the Trustees within 90 days of the Termination Date (or such longer period as the Trustees, acting on the instruction of the Board, may determine);

failing which the provisions of clause 17.2 above will apply.

21.4 **Deemed Fault Termination**

Notwithstanding anything to the contrary contained in this clause 21, if a Participant's employment with the relevant Group Company terminates for any reason whatsoever at a time when (whether known or unknown to the Company or the Trustees) that Participant was, or had been, guilty of conduct which would entitle, or would have entitled, the relevant Group Company to terminate his employment on the grounds of his dishonest and/or fraudulent and/or grossly negligent conduct, or any other similar ground, such Participant's employment shall be deemed to have been terminated by reason of a Fault Termination and the provisions of clauses 21.1 and 21.3 above shall apply where appropriate. In circumstances where the conduct contemplated in this clause 21.4 is only discovered subsequent to the exercise of the Vested Options and/or the Unvested Options as contemplated in clauses 21.1 and 21.2 above, the parties shall be restored to the position that should have applied, had the conduct contemplated herein been discovered as at the Termination Date or prior thereto.

23. SHARES AVAILABLE FOR THE SHARE OPTION SCHEME

23.1 Subject to the provisions of clauses 23.3 and 23.4 below, the number of Shares which may be purchased by, or allotted and issued to the Trustees in terms of the Schemes from time to time shall not exceed 23 556 594 shares (currently ten percent of the Shares which are in issue in the share capital of the Company), from time to time, or such greater number as may be authorised by the Company from time to time, subject to the prior approval of the JSE.

23.2 Subject to the provisions of clauses 23.3 and 23.4 and below, the maximum number of Shares which may be purchased by any one Participant pursuant to the Schemes shall not exceed five percent of the Shares which are in issue in the share capital of the Company from time to time, without the prior approval of the JSE.

23.3 In determining the number of Shares which may be subject to the Schemes as contemplated in clause 23.1 above or which may be acquired by a Participant as contemplated in clause 23.2 above, the Board may by resolution refrain from taking into account Shares which have been purchased by a Participant who has fully discharged the purchase price attributable to such Shares; provided that a period of ten years shall have lapsed from the relevant Option Date in respect of such Shares.

25. ASSIGNMENT OF RIGHTS OR OBLIGATIONS

Save where specifically otherwise stated in clauses 17.5 and 21.2 above, no Participant shall be entitled to cede any of his rights or delegate any of his obligations in respect of an Option or in respect of the purchase of Shares arising pursuant to the exercise of such Option.

Salient features of the Sentula Share Incentive Trust

(continued) for the year ended 31 March 2008

26. AMENDMENT TO THE SCHEME

26.1 The Scheme may be amended from time to time by the Board and the Trustees: provided that:

26.1.1 the terms or conditions applicable to any Option which has already been granted to Participants may not be altered without such consent on the part of the Participants concerned (treated as a separate class) as would be required under the Company's articles of association for variation or cancellation of the rights attached to those Shares;

26.1.2 no amendment in respect of the matters set out below shall operate unless such amendment has first been approved by the Company in a general meeting:

26.1.2.1 the persons who may become Participants under the Share Option Scheme;

26.1.2.2 the voting, dividend, transfer and other rights (including those arising on the liquidation of the Company) attaching to the Shares;

26.1.2.3 the total number of Shares which may be utilised for the purpose of the Schemes;

26.1.2.4 the fixed maximum entitlement for any one Participant;

26.1.2.5 the amount, if any, payable on the application for or acceptance of an Option;

26.1.2.6 the basis for determining the price payable for the Shares;

26.1.2.7 the procedure to be adopted on termination of employment of a Participant under the Scheme; and

26.1.2.8 any amendment of this clause 26.1.

28. REORGANISATION OF THE COMPANY

28.1 If the Company at any time after the grant of an Option:

28.1.1 is put into liquidation for purposes of reorganisation; or

28.1.2 is party to a scheme of arrangement affecting the structuring of its share capital; or

28.1.3 reduces its share capital; or

28.1.4 sub-divides or consolidates its Shares,

such adjustments shall be made to the number and the purchase price payable in respect of the Shares forming the subject matter of the Option, as a partner of the Auditors in his discretion may certify as being fair and reasonable in the circumstances subject (when necessary) to the sanction of the court.

28.2 If the Company is placed in liquidation otherwise than in terms of clause 28.1.1 above, all Options granted to Participants which have not at the date of liquidation of the Company been accepted or exercised shall automatically lapse.

32. RATIFICATION

Whereas a draft replacement deed setting out nearly all the provisions contained in this present Deed was approved by the Company in general meeting on 25 August 2006, and whereas the Board and Eligible Employees believed that immediately after such approval that draft deed was executed with all the provisions contained in this present Deed in replacement of the Original Deed, now therefore it is affirmed that anything done on or after 25 August 2006 before the execution of this present Deed and which could have been done under this present Deed had it been executed on that date is hereby ratified and confirmed, it being the intention that the Participants who before the execution of this Present Deed have not yet exercised all their Options shall grant their written consent to the replacement of the Original Deed by this Present Deed, and to the deeming of their Options as having been granted in terms of the Present Deed.

Form of proxy

Sentula Mining Limited
Incorporated in the Republic of South Africa
(Registration number 1992/001973/06)
Share code: SNU ISIN: ZAE000107223
("Sentula" or "the company")

For use only by ordinary shareholders who:

- hold ordinary shares in certificated form ("certificated ordinary shareholders"); or
- have dematerialised their ordinary shares ("dematerialised ordinary shareholders") and are registered with "own name" registration,

at the annual general meeting of ordinary shareholders of the company to be held on Thursday, 4 December 2008 at 10:00 at the Sandton Sun, cnr Fifth and Alice Streets, Sandton, Oleander Room.

Dematerialised ordinary shareholders holding ordinary shares other than with "own name" registration who wish to attend the annual general meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the relevant Letter of Representation to attend the annual general meeting in person or by proxy and vote. If they do not wish to attend the annual general meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. **Such ordinary shareholders must not use this form of proxy.**

I/We

(name/s in block letters)

Of (address)

being the holder of ______ ordinary shares in the capital of the company do hereby appoint (see note):

1. or failing him/her,

2. or failing him/her,

3. the Chairperson of the meeting,

as my/our proxy to act for me/us at the annual general meeting convened for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions ("resolutions") to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions, and/or to abstain from voting for and/or against the resolutions, in respect of the ordinary shares registered in my/our name in accordance with the following instructions:

		Number of ordinary shares		
		For	Against	Abstain
1.	To receive, consider and adopt the annual financial statements of the company and the group for the financial year ended 31 March 2008			
2.	To approve the re-election as director of Mr A Joffe who retires by rotation			
3.	To approve the re-election as director of Mr EHJ Stoyell who retires by rotation			
4.	To approve the re-election as director of Mr RK Jonah who retires by rotation			
5.	To confirm the re-appointment of KPMG Inc. as independent auditors of the company for the ensuing year			
6.	To approve the non-executive directors' remuneration for the financial year ended 31 March 2008			
7.	Ordinary resolution number 1 – control of authorised but unissued ordinary shares			
8.	Ordinary resolution number 2 – approval to issue ordinary shares, and to sell treasury shares, for cash			
9.	Ordinary resolution number 3 – adoption of amendments to the Sentula Share Incentive Trust			
10.	Special resolution – general approval to acquire shares			
11.	Ordinary resolution number 4 – signature of documents			

Signed at on 2008

Signature

Assisted by *(where applicable)*

Each ordinary shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and vote in place of that shareholder at the annual general meeting.

Form of proxy *(continued)*

Notes

1. The form of proxy must only be used by certificated ordinary shareholders or dematerialised ordinary shareholders who hold dematerialised ordinary shares with "own name" registration.
2. Dematerialised ordinary shareholders are reminded that the onus is on such shareholder to communicate with their CSDP or broker.
3. A shareholder entitled to attend and vote at the annual general meeting may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of such proxy(ies) whose names follow.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than 48 hours before the commencement of the annual general meeting.
6. If a shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the annual general meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The Chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or unless this requirement is waived by the Chairperson of the annual general meeting.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered with the company.
11. Where there are joint holders of ordinary shares:
    - any one holder may sign the form of proxy;
    - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
12. Forms of proxy should be lodged with or mailed to Link Market Services South Africa (Proprietary) Limited:

    Hand deliveries to:

    Link Market Services South Africa
    (Proprietary) Limited
    Fifth Floor, 11 Diagonal Street
    Johannesburg, 2001

    Postal deliveries to:

    Link Market Services South Africa
    (Proprietary) Limited
    PO Box 4844
    Johannesburg, 2000

    to be received by no later than 10:00 on Monday, 17 November 2008 (or 48 hours before any adjournment of the annual general meeting which date, if necessary, will be notified on SENS).
13. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory(ies).

Administration

Sentula Mining Limited
(previously Scharrig Mining Limited)
(Registration number 1992/001973/06)

Registered office
28 Patrick Road, Jet Park, Boksburg 1459
(PO Box 30193, Jet Park 1469)
Tel. 011 397 3870

Company Secretary
Morestat Corporate Services (Pty) Limited
24A 18th Street, Menlo Park 0081
(PO Box 35686, Menlo Park 0102)
Tel. 012 346 7787

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

Bankers
Standard Bank
Corporate and Investment Banking
3 Simmonds Street, Johannesburg 2001
(PO Box 61344, Marshalltown 2107)
Tel. 011 636 9155

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

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

Auditors
KPMG
Chartered Accountants (SA)
Registered Accountants and Auditors
KPMG Crescent, 85 Empire Road, Parktown 2193
(Private Bag X9, Parkview 2122)
Tel. 011 647 7111

Reporting Accountants
BDO Spencer Steward
BDO Place, 457 Rodericks Road, Linwood, Pretoria 0081
(PO Box 954367/8/9, Waterkloof 0145)
Tel. 012 348 2000

Attorneys
Werksmans
155 5th Street, Sandown, Sandton 2196
(Private Bag 10015, Sandton 2146)
Tel. 011 535 8000

Cliffe Dekker Hofmeyr
6 Sandown Valley Crescent, Sandown, Sandton 2196
(Private Bag X40, Benmore 2010)
Tel. 011 286 1100

Fluxmans Inc
11 Biermann Avenue, Rosebank, Johannesburg 2196
(Private Bag X41, Saxonwold 2132)
Tel. 011 328 1700

Sponsors
Merchantec (Pty) Ltd
2nd Floor, North Block, Hyde Park Office Towers
Corner of 6th Road and Jan Smuts Avenue
Hyde Park, 2196
(PO Box 41480, Craighall 2024)
Tel. 011 325-6363

PR/Communications
College Hill
Fountain Grove, 5 Second Road, Hyde Park, Sandton 2196
(PO Box 413187, Craighall 2024)
Tel. 011 447 3030

Corporate Finance Advisors
RFA Consulting (Pty) Ltd
1st Floor, 36 Fricker Road, Illovo 2196
(PO Box 691, Melrose Arch 2026)
Tel. 011 447 6115

Abbreviations

"BEE"	Black economic empowerment
"Benicon"	Benicon Earthworks and Mining Services (Pty) Limited
"the board"	The board of directors of Sentula Mining Limited
"the current year"	The financial year ending
"Geosearch"	Geosearch Holdings (Pty) Limited
"the group"	Sentula Mining Limited, subsidiaries, associates and affiliates
"JSE"	JSE Limited (The Johannesburg Stock Exchange)
"King II Report"	The King Report on Corporate Governance for South Africa 2002
"the previous year" or "the prior year"	The financial year ended
"SA"	South Africa
"Schamin" or "the company"	Sentula Mining Limited
"SENS"	Securities Exchange News Service
"Transbor"	Transbor (Pty) Limited
"the year" or "the year under review"	The financial year ended
"CCT"	Classic Challenge Trading (Pty) Ltd
"EE"	Employment equity