



THABEX EXPLORATION LIMITED
ANNUAL REPORT 2002



pure diamonds



PROFILE

Thabex has a diversified portfolio of mineral exploration projects in South and southern Africa.

Pure Diamonds Ltd, a wholly owned subsidiary of the Company, is established in the old mining camp of Kimberley and is focusing its exploration and mining activities on:

- *alluvial and kimberlite deposits*
- *diamonds of exceptional quality and size*
- *near surface diamondiferous deposits amenable to low cost mining.*

Pure Diamonds Ltd manufactures and markets high-quality pure cut diamonds.

Thabex also explores for gold, platinum and base minerals.

CONTENT

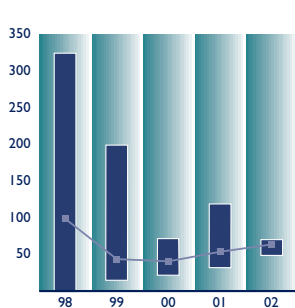
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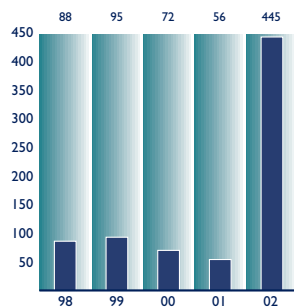
Explore, search and turn to account mineral projects in South and southern Africa, using professional teams, to benefit shareholders, employees and the peoples of the region

SALIENT FEATURES

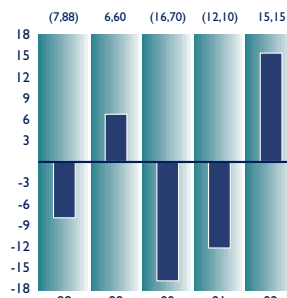
	COMPANY		GROUP	
	2002 R	2001 R	2002 R	2001 R
Number of shares at year-end	17 006 887	17 006 887	17 006 887	17 006 887
Net asset value per share (cents)	445,59	55,77	444,51	55,77
Earnings/(Loss) per share (cents)	16,23	(29,44)	15,15	(12,10)
Dividends per share (cents)	–	–	–	–



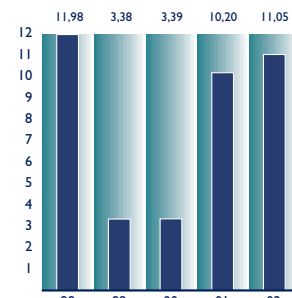
Share price (cents) ■ High/Low
■ Close



Net asset value per share (cents)



Earnings/Loss per share (cents)



Market capitalisation (Rm)



CHAIRMAN'S REVIEW

DEAR SHAREHOLDER

Your company commenced changing its business model to include the trading, manufacturing and marketing of quality-polished diamonds through wholly-owned subsidiary, Pure Diamonds Ltd ("Pure Diamonds"). Pure Diamonds is also engaged in the exploration and mining of alluvial diamonds and provides consulting services to previously disadvantaged communities.

The change in direction is necessitated by the general market sentiment towards small companies. Since the introduction of warrants on the JSE Securities Exchange South Africa ("JSE"), institutional, private and small investors have turned to these highly liquid and speculative instruments, which are underwritten by large financial concerns. The effect of investment rands moving towards cash warrants, whether for hedging or for speculation, has to some extent caused small companies to opt for delisting from the JSE.

Thabex is actively engaged to facilitate Black Economic Empowerment ("BEE") in the diamond industry, which for many years has been inaccessible to an aspirant black mining entrepreneur. Taung Diamonds Ltd, 50% held by BEE partner Khunologo Diamonds (Pty) Ltd and 50% by Pure Diamonds, is investigating various alluvial diamond prospects along the Vaal and Harts Rivers. Pure Diamonds has also extended a small loan to a BEE partner in the Lichtenburg district to enable him to afford a recovery unit to process diamondiferous gravels.

Thabex successfully disposed of its 40% shareholding in Pioneer Minerals (Pty) Ltd ("Pioneer") for R3,5 million and simultaneously settled a legal dispute against the initial shareholders of Pioneer.

Falconbridge Ventures of Africa (Pty) Ltd ("FVA"), a wholly-owned subsidiary of Falconbridge Ltd of Canada (listed on the TSE Code – FL) and joint venture partner, drilled three diamond boreholes on Platinexco (Pty) Ltd's ("Platinexco"), a wholly-owned subsidiary of Thabex, Mokopane (Potgietersrus) Platreef Project area on the farm

Piet Potgietersrus Town and Townlands 44KS. Two of the boreholes were drilled on the Uitloop 2 ultramafic body situated in the northern section of Platinexco's prospecting area. The third borehole was drilled near the Thabex prospecting shaft of 1991 and intersected a 37 m thick mineralised zone with similar grades as determined by Thabex during the full feasibility study completed during February 1992.

Both the intersections on the Uitloop 2 body did not intersect any mineralisation and on 29 January 2002, FVA gave notice that it will be terminating the Joint Venture Agreement at the end of April 2002. FVA will be providing Platinexco with all its prospecting and exploration information. Thabex has also agreed that the results obtained by FVA may be used for a scientific paper to be published by the University of Pretoria's Geology Department. In accordance with the new principles of the Draft Minerals Development Bill the publication of these results in this Annual Report and the more detailed scientific paper, will be the first comprehensive report published of drilling results on the Platreef.

The Company is presently engaging the services of an International Consultancy to utilise the additional information in the data base, from the FVA prospecting and exploration of the Platreef Project, to conduct a new feasibility study with the view of turning to account the project.

Gold prospecting remains confined to the potential alluvial gold deposits in the North West and Mpumalanga Provinces. The exploration of these deposits is at an early stage.

The Company earned a 5% interest in the Kowares base mineral project for conducting prospecting and exploration east of the town of Sesfontein in Namibia. The project is defined by EPL 2861 and covers an area of 27 077 hectares and is in a geological setting that is prospective for Volcanogenic Massive Sulphide ("VMS") base metal (copper-lead-zinc, with subsidiary gold and/or silver) targets. Thabex

and the present private owner are investigating the possibility to involve a joint venture partner to fund a regional geophysical and geochemical survey over the area.

Thabex acquired the mineral rights over the farm Remainder of Adjoining Geelvloer 197 measuring 3 042 hectares in the District of Kenhardt in the North Cape Province during 1997 for R1,6 million. The Geelvloer Project is a prospective mineralised area, which would warrant further investigation. The indicated resources are estimated at 8 Mt of potentially mineable ore grading at 0,8% Copper, 2,3% Zinc, 0,6% Lead, 24 g/t Silver and 0,8 g/t gold. There is potential to add to the existing Geelvloer indicated resources both along strike and at depth where grades appear to increase. The Company has re-evaluated the Geelvloer Project with the view to offering it to a potential joint venture partner.

The Company complies with the SAMREC Code and has also revalued its other mineral rights to reflect the value of these rights in terms of the best practice of the mining industry.

Conditions for very small market capitalisation companies remain difficult and the raising of new exploration investment funds is virtually impossible. Your board has decided not to recommend to shareholders that the Company should join the ever increasing number of delistings from the JSE. Notwithstanding the increased cost of maintaining Thabex's listing, your board believes that in a young democracy, such as South Africa's, one of the best means to create new job opportunities and economic growth is through the development of the country's primary industry – mining.

The Mining Resources sector of the JSE list has over the past decade experienced a massive concentration of mining companies striving to become bigger and better and to enter the world mining stage. The result of this concentration has created a mindset with investors in South Africa that big is beautiful and that only big mining companies



can explore successfully. Thabex, on the contrary, maintains the view that the country will only experience the successful development of its rich mineral endowment by having a large number of small, well funded exploration companies, to discover new deposits, implement new recovery technologies and provide the market depth for sustainable future growth of the mining sector.

The expected introduction of new mining legislation introduces further uncertainty for mining and exploration companies. Although the revised copy of the new Draft Minerals Development Bill has not been published yet, it is hoped that these anticipated changes to the Minerals Act would not deter further investment in the mining sector with ambiguities, for example, which BEE's would qualify for mineral rights or not, resulting in an increased risk factor when investment in a new project is considered. Furthermore, it appears that the Department of Minerals and Energy at present does not have the capacity to provide a "one stop shop" in providing up to date and relevant information to present and new entrants in the mining sector under the new proposed centralised mineral rights system.

Your company's shares were successfully transferred to the new STRATE ("Share Transactions Totally Electronic") system on 27 December 2001. As at the date of this review 84,54% of Thabex's shares were dematerialised. All shareholders with paper share certificates are encouraged to submit these to be dematerialised.

I wish to express Thabex's sincere appreciation to all the directors and employees of the Company for their exceptional dedication and loyalty during the past year.

M Welthagen
Chairman and Chief Executive

6 May 2002



DIRECTORATE AND ADMINISTRATION

DIRECTORS

M Welthagen

(Chairman and Chief Executive) P Eng (Int) MEng (Mining)
MPhil (Mineral Economics) BComm Hons (Economics)
MSAIMM FGSSA MECSA

JL Bosch

(Executive) MSc (Geology) PrSciNat MGSSA

AP Roux

(Non-executive) BAgric

JR Rapoo

(Non-executive) BComm (Accounting) Hons BCompt

Prof DL Reid

(Non-executive) DPhil (Geochemistry) MSc (Geology)
BSc Hons (Geology) PrSciNat MGSSA FSEG

SECRETARIES

SA Mineral Investments (Proprietary) Ltd
(Registration no 1981/004619/07)
51 Austin Street Northcliff Johannesburg 2195

REGISTERED OFFICE

KPMG Forum 1226 Schoeman Street Hatfield Pretoria 0083

BROKERS

PSG Online Securities Ltd (Member of the JSE Securities
Exchange South Africa) (Registration no 1996/000509/06)
3rd Floor TA Building 160 Jan Smuts Avenue Rosebank 2196

TRANSFER SECRETARIES

Computershare Investor Services Ltd
(Registration no 1958/003546/06)
11 Diagonal Street Johannesburg 2001

SPONSOR

PSG Investment Bank Ltd (Registration no 1998/017396/06)
1st Floor Old Kollege 35 Kerk Street Stellenbosch 7600

AUDITORS

KPMG Inc (Registration no 1999/021543/21)
KPMG Forum 1226 Schoeman Street Hatfield Pretoria 0083

COMMERCIAL BANKERS

First National Bank of Southern Africa Ltd
(Registration no 1971/009695/06) Commissioner Street Branch
87 Commissioner Street Johannesburg 2001

LAWYERS

Brink Cohen Le Roux & Roodt Inc (Registration no 1993/004501/21)
BCLR House 19 West Street Houghton Johannesburg 2198

STRATE

STRATE Ltd (Registration no 1998/22242/06)
5th Floor One Exchange Square 2 Gwen Lane Sandown 2196

POSTAL ADDRESS

PO Box 3899 Northcliff Johannesburg 2115

TELEPHONE NUMBER

0860 THABEX (0860 84 2239)

WEBSITE ADDRESS

www.thabex.com

E-MAIL ADDRESS

info@thabex.com

SHARE CODES

ISIN code ZAE000013686 **JSE code** TBX



GROUP STRUCTURE

	Diamex JV (Pty) Ltd	67,3%
	Pilanesberg Gold Holdings (Pty) Ltd	50%
	Platinexco (Pty) Ltd	100%
	Pure Diamonds Ltd	100%
	Thaba Egoli Mining and Exploration Ltd	100%

EXPLORATION PORTFOLIO

DIAMONDS	Pure Diamonds
	Taung Diamond Projects
GOLD	Pilanesberg Gold Projects
PLATINUM	Mokopane (Potgietersrus) Platreef Project
BASE MINERALS	Geelvloer Project: Lead-Zinc-Copper-Silver-Gold
	Kowares: Copper-Lead-Zinc



LOCATION OF EXPLORATION PROJECTS IN SOUTHERN AFRICA



Sea diamond deposits
 Alluvial diamond deposits
 Kimberlite pipe
 Kimberlite fissure
 Thabex exploration projects

REVIEW OF EXPLORATION PROJECTS

The following projects are being explored, investigated and evaluated

Thabex is focusing its exploration activities on the exploration and turning to account its high-quality diamond projects and the marketing of diamonds to the manufacturers of diamond jewellery, private buyers and investors. Thabex is also investigating the potential of its Mokopane (Potgietersrus) Platreef Project through joint venture partners such as the joint venture with Falconbridge Ventures of Africa (Pty) Ltd which ended on 30 April 2002.

DIAMONDS

Pure Diamonds Ltd (“Pure Diamonds”) (Thabex – 100%)

This company is establishing a market for polished quality pure diamonds and provides consulting services to empowerment companies wishing to enter into diamond prospecting and marketing. Pure Diamonds has initiated various empowerment projects ranging from small-scale mining in the Lichtenburg district to larger potential projects in the Kimberley region.



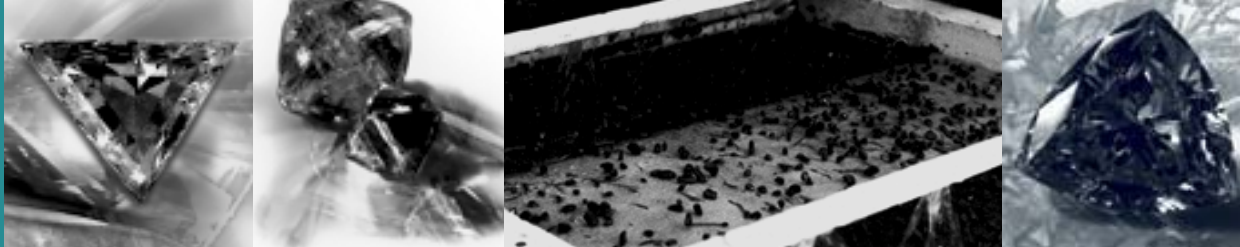
Taung Diamond Mines Ltd (“Taung Diamonds”) (Pure Diamonds – 50%)

Taung Diamonds ceased its exploration activities along the Vaal River in the Christiana district of the North West Province and abandoned its prospecting permit in the area.

Cinprop 0002 (Pty) Ltd (“Cinprop”), in which company Taung Diamonds holds a 10% shareholding, is at present in the process of finalising its negotiations with the Baphuduhucwana Tribal Authority. On signing the agreement Cinprop plans to commence mining and further prospecting operations along the Harts River in the Taung district of the North West Province.

Diamex JV (Pty) Ltd (“Diamex”) (Thabex – 67,3%)

Having assisted Taung Diamonds with the initial prospecting along the Vaal River, the company has utilised some of its exploration mining and recovery equipment to assist previously disadvantaged persons and communities to prospect, explore, mine and evaluate their potential diamondiferous gravel areas. Diamex is also considering, subject to a contracting agreement being reached with Taung Diamonds, to act as manager and operator for a mining operation.



REVIEW OF EXPLORATION PROJECTS (continued)

Pioneer Minerals (Pty) Ltd (“Pioneer”)

Pioneer completed a drilling and bulk sampling programme on the farm Remhoogte 152 near the town of Prieska in the Northern Cape Province. To continue to explore and evaluate the Pioneer properties, Pioneer entered into an agreement with a contractor to fund further closer-spaced drilling and to do further exploration in the form of trial mining on the properties for a period of twelve months.

A total of 257 percussion boreholes representing 2 233 meters have been drilled in selected areas. Pioneer has applied for a mining permit on the farm Remhoogte 152, approximately 21 km south west of Trans Hex’s Saxendrift alluvial diamond mining operations along the Orange River.

During December 2000 the Initial Shareholders in Pioneer sold their 60% shareholding to the contractor for R2,75 million in terms of an option agreement with New Hope. The option agreement was entered into prior to the commencement of the exploration and trial mining contract with Pioneer. This option agreement was not disclosed to Thabex until the middle of January 2001. Thabex’s board, in the interest of good corporate governance, declared a dispute since it believed that the sale and transfer of the Initial Shareholders’ 60% in Pioneer were not

transacted according to the terms and conditions of the Shareholders’ Agreement between Thabex and the Initial Shareholders, and referred the dispute for arbitration. Full details of the dispute between Thabex and the Initial Shareholders are contained in the Directors’ report of the Company’s Annual Report for the period ended 28 February 2001, which was published on 8 May 2001. A copy of the Annual Report for 2001 is available on Thabex’s website – www.thabex.com.

On 15 May 2001, Thabex, Pioneer and New Hope entered into an agreement whereby Thabex disposed of its 40% shareholding in Pioneer for R2,604 million and the repayment of its loan account to Pioneer of R896,000. The agreement also provided for the settlement of the above dispute.

GOLD

Pilanesberg Gold Holdings (Pty) Ltd (“Pilanesberg Gold”) (Thabex – 50%)

Pilanesberg Gold is a gold, platinum and silver bullion trading company and is continuing to investigate the potential of various alluvial gold deposits in the North West and Mpumalanga Provinces.

PLATINUM

Platinexco (Pty) Ltd (“Platinexco”)

(Thabex – 100%)

A full feasibility study on the Mokopane (Potgietersrus) Platreef Project was completed during February 1992. The study concentrated on the south-western portion of the Platreef deposit Thabex discovered in 1989 on the farm Piet Potgietersrus Town and Townlands 44KS in the Northern Province. LTA-Process Engineers Ltd and SRK Consulting conducted the study on behalf of the Company. The project did not proceed as metal prices at that stage were at a cyclical low and the feasibility study included the capital expenditure for a smelter to be constructed, which rendered the RIRR of the project not viable.

During November 1999, Thabex reported that it is engaged in the re-evaluation of its Mokopane (Potgietersrus) Platreef Project, including, inter alia, the investigation of new recovery technologies and new geological models on the formation of massive sulphide-base mineral deposits.



On 31 August 2000, Thabex ceded all its options and prospecting rights, in terms of its Prospecting and Option Agreement with the Mogalakwena Municipality (formerly the Transitional Local Council of Greater Potgietersrus), dated 1 December 1999, to its wholly-owned subsidiary, Platinexco (Pty) Ltd (“Platinexco”).

As an exploration company Thabex was not able to raise funds for a new feasibility study for the Platreef Project. To achieve its objective to turn the project to account, Thabex

and Platinexco entered into an agreement with Falconbridge Ventures of Africa (Pty) Ltd (“FVA”).

FVA is a wholly-owned subsidiary of Canadian-listed Falconbridge Ltd. The agreement provided for a joint venture to be established (51% FVA and 49% Platinexco) once FVA has spent R5,2 million on further exploration of the farm Piet Potgietersrus Town and Townlands 44KS in the Northern Province.



REVIEW OF EXPLORATION PROJECTS (continued)

FVA conducted an extensive exploration and prospecting programme including the drilling of three core drill boreholes.

The results reported are as follows:

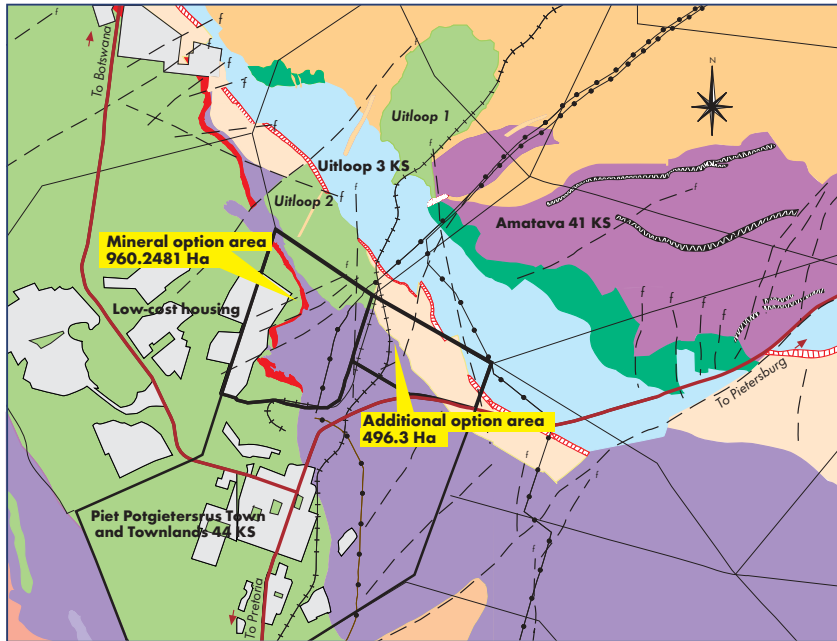
Uitloop 2 ultramafic body

Borehole number (50° incline)	Total depth (m)	Depth (m)	Intersection			
			True width (m)	PGE (g/t)	Ni (%)	Cu (%)
TL01-1	187	–	–	–	–	–
TL01-2	521	–	–	–	–	–

Platreef

Borehole number (50° incline)	Total depth (m)	Depth (m)	Intersection			
			True width (m)	PGE (g/t)	Ni (%)	Cu (%)
TL01-3	229	78,02	2,62	1,07	0,30	0,21
		84,75	1,75	1,26	0,31	0,20
		90,59	0,82	2,82	0,32	0,82
		95,62	1,42	0,62	0,09	0,10
		101,54	1,53	1,34	0,80	0,50
		106,94	1,77	1,50	0,30	0,39
		142,26	0,92	1,08	0,09	0,17

MAP I MOKOPANE (POTGIETERSRUS) PLATREEF PROJECT



0 5 km
SCALE: 1 : 100 000

Geological Legend

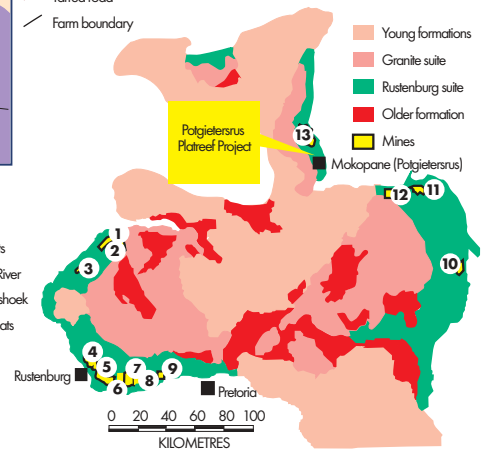
- Karoo Sequence
- Sediments
- Volcanics
- Granite
- Mafic
- Platreef
- Sediments
- Sediments
- Dolomite
- Sediments
- Granite
- Amphibolite/mafic/seds
- Banded iron formation
- Railway line
- Power lines
- Tarred road
- Farm boundary

Geological Legend






- Young formations
- Granite suite
- Rustenburg suite
- Older formation
- Mines

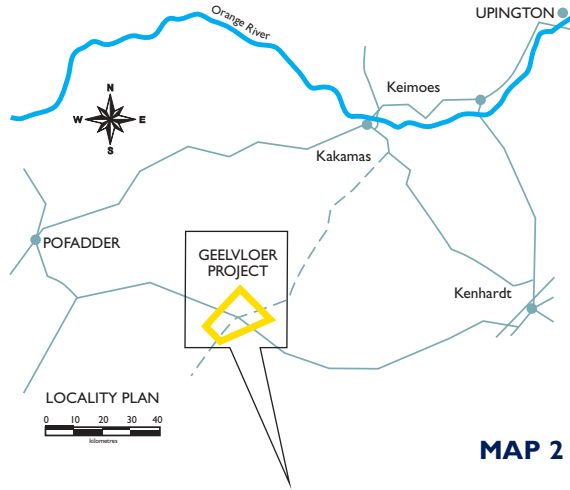
PGM Mines

- ① Amandelbult
- ② Northam
- ③ Union
- ④ Impala
- ⑤ Rustenburg
- ⑥ Karee
- ⑦ Western Plats
- ⑧ Eastern Plats
- ⑨ Crocodile River
- ⑩ Maandagshoek
- ⑪ Lebowa Plats
- ⑫ Messina
- ⑬ PP Rust



























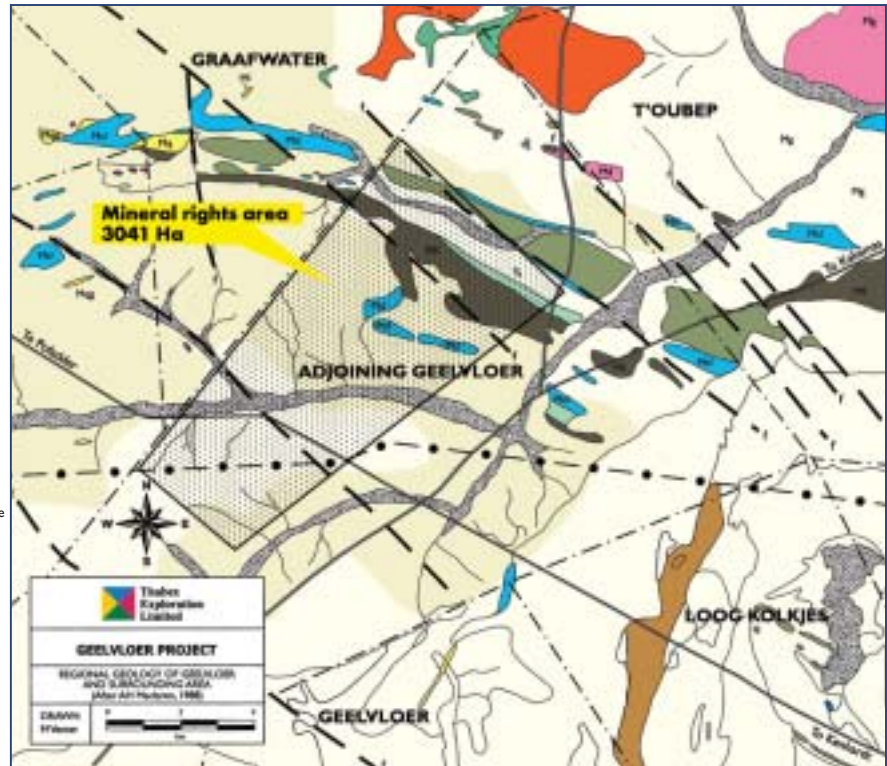
LEGEND

-  Fault
-  Dry water-course
-  Farm boundary
-  Main road
-  Power line



MAP 2 GEELVLOER PROJECT

- | | |
|----------------------|--|
| QUATERNARY | <ul style="list-style-type: none">  Alluvium  Deposits in pans  Calcrete  Sand and superficial cover  Gravel of Dwyka Formation  Float of Dwyka Formation |
| POST TO SYN-TECTONIC | <ul style="list-style-type: none">  Shale  Karoo dolerite  Vein quartz  Pegmatite  Pyroxene-bearing diorite  Granodiorite-tonalite |
| PRE-TECTONIC | <ul style="list-style-type: none">  Glossy quartzite  Granular quartzite  Iron Formation  Muscovite-quartz schist  Red alkali-feldspar granite gneiss  Megacrystic alkali-feldspar granite  Calc-silicate gneiss  Marble  Pyroxenite  Calc-silicate conglomerate  Quartzo-feldspathic gneiss  Leptite Leucogneiss Para-amphibolite gneiss Cluster amphibolite |



REVIEW OF EXPLORATION PROJECTS (continued)

The two boreholes drilled on the Uitloop 2 ultramafic body, in the northern area of Platinexco prospecting area did not intersect any mineralisation. The third borehole was drilled on the Platreef mineralisation near the prospecting shaft in the south of the prospecting area. This intersection indicated a mineralised zone of 37 meters thick similar to the Platreef zone, which was drilled by Thabex during 1991.

On 29 January 2002, FVA notified Thabex that it would be terminating its Option and joint venture Agreement on 30 April 2002. The main reason for the termination is that the prospect did not comply with FVA's criteria for the total targeted nickel or PGE resource tonnages. The result of this termination would be that 100% of the Mokopane (Potgietersrus) Platreef Project reverts back to Platinexco. FVA has spent a total of R1,39 million on prospecting and exploration of the area.

Platinexco will utilise the results of the FVA drilling on the Platreef to enhance its database of the Project and continue to investigate the opencast mining potential of the indicated mineral resource of 23,69 million tonnes at 0,3% Ni equivalent (2,48 g/t Pt equivalent) at 0,25% equivalent Ni cut-off as previously reported.

Platinexco's Prospecting Permit PP48/2001 covers an area of 1 276 ha and excludes an area of approximately 180 ha on the western border of the prospecting area, which was sterilised by the development of a low-cost housing project, named Aluta Park, during 1995. In view of the FVA results, Thabex will be abandoning the additional area of 496,3 hectares (see Map 1).

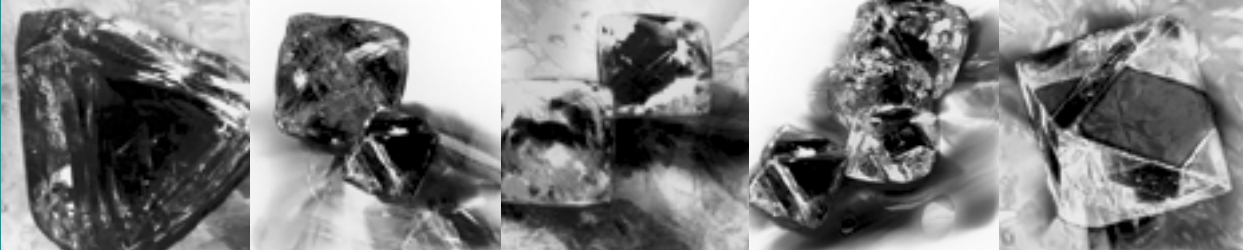
BASE MINERALS

Kowares Project (Thabex – 5%)

Thabex has been conducting exploration east of the town of Sesfontein in Namibia and earned a 5% interest in the Kowares base mineral project. The project is defined by EPL 2861 and covers an area of 27 077 hectares.



Prospecting consisted of the sampling of various showings of copper mineralisation and a single comprehensive geological traverse of the southeastern part of the EPL was made. Although the existence of hydrothermal copper mineralisation was established, it appeared to be too localised to be of importance in itself, with no apparent indication of connection to a major mineralising system. However, the geological setting is very prospective for Volcanogenic Massive Sulphide (VMS) base metal (copper-lead-zinc, with subsidiary gold



REVIEW OF EXPLORATION PROJECTS (continued)

and/or silver) targets. It is considered that the combination of widespread copper mineralisation and this geological setting is sufficiently encouraging to justify carrying out a systematic evaluation of the EPL.

Thabex has not finalised its assessment of the project and is considering offering the project to a potential joint venture partner.

Geelvloer Project (Thabex – 95%)

The Geelvloer deposit is located on the Remaining Extent (known as Kraandraai) of the farm Adjoining Geelvloer 197, approximately 80 km south-west of Kakamas in the Bushmanland region of the Northern Cape province (see Map 1).

The Geelvloer deposit comprises massive sulphide mineralisation occurring in a sequence of metamorphic rocks. Previous drilling by Phelps Dodge, Newmont and Gencor has identified three separate stratabound mineralised zones, dipping 25° to 30° to the north-east. These zones vary in width from 1 – 8 m, and contain significant amounts of zinc (1,80 – 4,23%), copper (0,50 – 1,00%), lead (0,40 – 0,89%), silver (18 – 34 g/t) and gold (0,04 – 0,85 g/t) in a sequence of metamorphic rocks. Thabex estimates indicated resource to be 8 million tonnes grading at 0,8% copper, 2,3% zinc, 0,6% lead, 24 g/t silver and 0,8 g/t gold.

On Adjoining Geelvloer, base metal mineralisation is developed over a strike length of 1 500 m in a variable sequence of grey biotite gneiss that dips 28° north-east. Diamond drilling has delineated a relatively high grade mineralised shoot with a strike length of 400 m. The higher grade shoot pitches east-northeast at 22°, and continues from surface to 3 000 m down plunge. The deepest borehole intersected the mineralised zone at a vertical depth of 1 140 m. The 1 – 7 m thick ore zone is contained in a sulphide-bearing horizon up to 17 m in thickness. While massive sulphide mineralisation does occur, sulphides are more commonly disseminated to semi-massive, and appear to have been remobilised. Pyrite is the common sulphide mineral, while chalcopyrite and sphalerite are the predominant ore minerals. Significant amounts of gold and silver are associated with the base metal mineralisation. The area is served by good gravel roads, is approximately 45 km from the Sishen-Saldanha railway line, while the Escom power line passes over the property. Percussion drilling has shown the existence of adequate underground water supplies.

Thabex is continuing the evaluation of the Geelvloer Project and is considering all the modifying factors relating to the project, prior to commencing negotiations to enhance the project's value and turn the Geelvloer Project to account for the Company.



pure diamonds

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DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2002

The directors are responsible for monitoring the preparation and the integrity of the financial statements and related information included in this Annual Report.

The operations of the Group do not warrant the establishment of full administrative and accounting departments. These functions are mainly performed by the executive directors in consultation with the board of directors and independent consultants. Nothing has come to the attention of your directors to indicate that any material breakdown in the functioning of controls, procedures and systems has occurred during the year under review. The auditors concur with the above statement by the directors.

The directors are also aware of the need to be compliant with the SAMREC Code, as defined in the Listing Requirements of the JSE.

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and incorporate responsible disclosure in line with the accounting philosophy of the Group. The financial statements are based on appropriate accounting policies consistently applied and supporting reasonable and prudent judgements and estimates.

The directors believe that the Group will be a going concern in the year ahead. For this reason they continue to adopt the going concern basis in preparing the annual financial statements.

The annual financial statements for the year ended 28 February 2002 set out on pages 20 to 38 were approved by the directors on 6 May 2002 and are signed on their behalf by

M Welthagen
Chairman and Chief Executive

6 May 2002

CORPORATE GOVERNANCE STATEMENT

The board of directors continues to remain fully committed to the principles of corporate governance as advocated by the King Committee report and endorses the code of conducting the business of the Company with the highest degree of integrity and in accordance with generally accepted corporate practice.

BOARD OF DIRECTORS

The board presently consists of two executive and three non-executive directors which ensures full and effective control over the Group. Directors are carefully selected to ensure a wide variety of expertise, skills and experience which allow independent judgement and opinions.

INTERNAL CONTROLS

All financial and related matters vest in a cash flow budget committee whose primary responsibility is to maintain adequate control and to authorise all capital, operating and non-operating expenditure. The adequacy and effectiveness of the accounting systems and controls are undertaken in collaboration with the external auditors.

GENERAL

The board of directors is committed to formalising the establishment of separate technical and audit committees as soon as is practical.

REPORT OF THE INDEPENDENT AUDITORS FOR THE YEAR ENDED 28 FEBRUARY 2002

To the members of Thabex Exploration Limited

We have audited the annual financial statements and Group annual financial statements of Thabex Exploration Limited set out on pages 20 to 38 for the year ended 28 February 2002. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Company and of the Group at 28 February 2002 and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

KPMG Inc
Pretoria

6 May 2002

SECRETARIES' STATEMENT

In terms of the Companies Act, 1973, we hereby certify that the Company has lodged, with the Registrar of Companies, all such returns as are required of a public company in terms of the Act, and that all such returns are true, correct and up to date.

SA Mineral Investments (Pty) Ltd
Secretaries

Pretoria
6 May 2002

SAMREC CODE

Whilst the annual report has been prepared for the benefit of the shareholders, sufficient information is disclosed for any interested party to make an informed judgement about the merits of the Company's exploration projects.

The requirements have also been met of the new JSE Listing Requirements, which incorporate the South African Code for Reporting of Mineral Resources and Mineral Reserves ("SAMREC Code" as defined by the South African Institute of Mining and Metallurgy "SAIMM"). The financial statements do not itemise detailed exploration information such as individual borehole results, assays and modelling criteria as required in a Competent Persons Report "CPR", although on page 43 a more comprehensive analysis of the Group's exploration prospects is tabled.

CONVERSION TO STRATE

STRATE – Share Transactions Totally Electronic is an electronic settlement environment for transactions to be settled and transfer of ownership to be recorded electronically, which will be managed by STRATE Limited (registration number 1998/022242/06).

The Company's shares were converted to the STRATE system on 27 December 2001. From the conversion date paper share certificates were no longer good for delivery. As at 28 February 2002, 84,54% of Thabex's ordinary shares were dematerialised.

DIRECTORS' REPORT

THE DIRECTORS HAVE THE PLEASURE IN PRESENTING THEIR REPORT FOR THE YEAR ENDED 28 FEBRUARY 2002

Nature of business Thabex Exploration Ltd ("Thabex") (Registration number 1988/000763/06) is a mining and exploration Company listed on the JSE Securities Exchange South Africa in the "Mining Resources – Mining Exploration" sector of the list under the abbreviated name "Thabex" (ISIN code: ZAE000013686 JSE code: TBX).

Thabex explores for diamonds, gold, platinum and base minerals. The Company's main exploration projects are located in Southern Africa. The projects range from grass-roots exploration to drill-defined deposits. The focus of Thabex's future mining and exploration activities is on diamonds through its wholly-owned subsidiary, Pure Diamonds Ltd.

SUBSTANTIAL SHAREHOLDERS

According to the register of members of the Company at 28 February 2002, the following shareholders were the only members holding 5% or more of the ordinary issued share capital of the Company:

	Number of shares held	% of issued capital
First National Nominees (Pty) Ltd	3 694 725	21,73
PSG Nominees (Pty) Ltd	3 459 336	20,34
Standard Bank Nominees Tvl (Pty) Ltd	2 845 789	16,73
Lewtop (Pty) Ltd	1 600 400	9,41
Total	11 600 250	68,21

DIRECTORS' INTERESTS

The directors' direct interests in the ordinary share capital of Thabex were:

	Directly		Indirectly		%
	Bene- ficial	Non- bene- ficial	Bene- ficial	Non- bene- ficial	
M Welthagen	1 000	–	1 709 192	–	10,05
JL Bosch	16 000	–	–	–	0,09
JR Rapoo	20 000	–	–	–	0,12
Prof DL Reid	16 600	–	–	–	0,10
AP Roux	16 000	–	171 000	–	1,10
Total	69 600	–	1 880 192	–	11,46

M Welthagen has a 10,05% indirect interest in the Company held through The Marius Welthagen Trust's direct 54,59% interest in Saminco Ltd. AP Roux has an indirect interest of 171 000 ordinary shares in the Company or 1,01%.

No material change in the above interests occurred since year-end to the date of this report.

SHARE CAPITAL

The authorised share capital of the Company is 100 000 000 ordinary shares of 10 cents each (2001: 100 000 000).

As at 28 February 2002 the issued share capital of the Company comprised 17 006 887 (2001: 17 006 887) ordinary shares of 10 cents each.

DIVIDENDS

No dividends are proposed in respect of the 2002 financial year (2001: nil).

MANAGEMENT

The Company has not entered into any management agreement with its directors or any other company.

SECRETARIAL SERVICE

SA Mineral Investments (Pty) Ltd, a company indirectly controlled by Marius Welthagen, acts as company secretaries to Thabex. This company is also a share dealing company and during the year purchased in aggregate of 282 000 Thabex ordinary shares at an average price of 42 cents per share. The sole purpose of the trading in Thabex shares is to act as market maker for Thabex shares if no such function is performed by any other entity. All such trading activities are reported on the SENS system as required by the JSE.

OPTIONS, MINERAL AND PARTICIPATION RIGHTS

The directors are satisfied that the mineral rights held by Thabex are fairly valued in terms of best practice and in terms of the SAMREC Code. Your chairman, who is suitably qualified to perform such a task, produced a CPR on the Mokopane (Potgietersrus) Platreef Project and the Geelvloer Project. Using this report as a basis the Group has valued these projects by R63 536 000 which amount has been reflected as a non-distributable reserve. The CPR valued Thabex's interest in Taung Diamonds at cost.

NON-CONVERTIBLE REDEEMABLE DEBENTURES

The delisting of the debentures was approved at the meetings held on 9 August 2001 and 14 January 2002 by 100% of debentureholders present or represented by proxy. Consequently they were delisted from the JSE on 12 February 2002.

At a meeting of debentureholders held on 22 April 2002 the redemption of the debentures was approved by 100% of debentureholders present or represented by proxy. Accordingly the debentures were redeemed on that date by set off against the Blue Springs Investments (Pty) Ltd ("Blue Springs") debt.

DIRECTORS' REPORT

THE DIRECTORS HAVE THE PLEASURE IN PRESENTING THEIR REPORT FOR THE YEAR ENDED 28 FEBRUARY 2002

As at the date of this Annual Report the South African Reserve Bank ("SARB") had not yet completed its investigation, which commenced during December 1999, into third party transactions relating to the debentures. It must be re-emphasised that Thabex entered into the debenture agreements in good faith and trust and with the advice of the Company's corporate advisors at the time. All relevant documentation relating to the issue of the debentures was forwarded to the JSE and SARB and their approval was obtained prior to the issue of the debentures.

SUBSEQUENT EVENTS

No event of a material nature has occurred between the balance sheet date and the date of this report.

LITIGATION

Following the failure of Blue Springs and Bitachon Investments (Pty) Ltd ("Bitachon") to pay R399 967 plus interest thereon for administration and other statutory expenses, Thabex was granted summary judgement with costs against Blue Springs and Bitachon for payment of the outstanding amounts (Case number 01/26492). Thabex is in the process of taking execution of the judgement.

Diamex JV (Pty) Ltd ("Diamex"), after negotiations for repayment, has also instituted legal proceedings against G Makae for failure to repay a short-term loan of R100 000 (case number 2002/4838). On 24 April 2002 Diamex was granted summary judgement in this case and will proceed with execution to recover the loan, with interest and costs.

DIRECTORATE AND ADMINISTRATION

The directors in office at the date of this report are set out on page 4 of this report. In accordance with Article 93 of the Company's Articles of Association, M Welthagen will retire from office at the annual general meeting to be held on Wednesday, 24 July 2002, but being eligible, offers himself for re-election.

M Welthagen
Chief Executive

6 May 2002

SUBSIDIARIES AND INVESTMENTS

	Issued share capital	Effective interest %	Shares at cost or valuation		Current account	
			2002 R	2001 R	2002 R	2001 R
Subsidiaries						
Diamex JV (Pty) Ltd (Registration number 1997/014096/07)	10 000	67,3	67 600	67 600	106 246	1 904 720
Pilanesberg Gold Holdings (Pty) Ltd (Registration number 1987/000711/07)	9 400	50	46 550	46 550	9 324	–
Platinexco (Pty) Ltd (Registration number 1988/002343/07)	2 500	100	10 310 993	110 993	174 191	126 818
Pure Diamonds Ltd (Registration number 1998/008449/06)	50 010 000	100	500 100	500 100	121 964	5 141
Thaba Egoli Mining & Exploration Ltd (Registration number 1994/008806/06)	27 000 000	100	60 007 673	8 400 000	1 942 415	1 693 214
Deduct:						
Provisions for writedown			–	(1 728 327)	–	(1 904 720)
			70 932 916	7 396 916	2 354 140	1 825 173
Associated companies						
Taung Diamond Mines Ltd (Registration number 1995/001724/06)			500 000	500 000	–	–
Pioneer Minerals (Pty) Ltd (Registration number 1991/006123/07) (Note 4)	16 700	40	–	110 640	–	896 000
Deduct:						
Provisions for writedown			–	(110 640)	–	(896 000)
			500 000	500 000	–	–

The attributable interest in the aggregate net losses of subsidiaries is R59 886 (2001: R972 594).

The Company disposed of its entire shareholding in Pioneer Minerals (Pty) Ltd for a total consideration of R3,5 million.

The investment in Taung Diamond Mines Ltd has not been equity accounted as the effect on the financial statements would not be materially different to that disclosed.

BALANCE SHEETS AT 28 FEBRUARY 2002

	Note	COMPANY		GROUP	
		2002 R	2001 R	2002 R	2001 R
Assets					
Non-current assets		73 365 426	9 246 503	72 952 899	9 354 692
Property, plant and equipment	2	78 369	24 414	72 452 899	8 854 692
Interest in subsidiaries	3	73 287 057	9 222 089		
Interest in associated companies	4	–	–	500 000	500 000
Current assets		2 554 847	549 694	3 139 942	667 750
Inventories		1 179 327	184 210	1 179 327	184 210
Trading investments		115 200	–	174 200	28 400
Trade and other receivables		705 847	63 904	880 064	120 337
Cash and cash equivalents		554 473	301 580	906 351	334 803
Total assets		75 920 273	9 796 197	76 092 841	10 022 442
Equity and liabilities		–	–	–	–
Capital and reserves					
Share capital	5	1 700 689	1 700 689	1 700 689	1 700 689
Share premium	6	17 202 741	17 202 741	17 202 741	17 202 741
Non-distributable reserves	7	63 536 000	–	63 536 000	–
Accumulated loss		(6 658 010)	(9 418 040)	(6 717 896)	(9 418 040)
Ordinary shareholders' funds		75 781 420	9 485 390	75 721 534	9 485 390
Non-current liabilities		–	–	194 774	26 059
Outside shareholders' interest		–	–	23 420	26 059
Long-term liabilities	8	–	–	171 354	–
Current liabilities					
Trade and other payables		138 853	310 807	176 533	510 993
Total equity and liabilities		75 920 273	9 796 197	76 092 841	10 022 442
Net asset value per share (cents)		445,59	55,77	445,24	55,77

INCOME STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

	Note	COMPANY		GROUP	
		2002 R	2001 R	2002 R	2001 R
Revenue	9	4 024 787	220 000	4 024 787	247 000
Operating income/(loss)	10	2 760 030	(482 737)	2 700 144	(1 455 331)
Provision for writedown of interest in associated company		–	(287 698)	–	(287 698)
Provision for writedown of loan to subsidiary		–	(1 904 720)	–	–
Provision for writedown of goodwill		–	–	–	(66 328)
Provision for writedown of investment in subsidiaries		–	(1 728 327)	–	–
Net profit/(loss) for the year		2 760 030	(4 403 482)	2 700 144	(1 809 357)
Weighted average number of shares in issue during the year		17 006 887	14 958 767	17 006 887	14 958 767
Income/(Loss) per share (cents)	11	16,23	(29,44)	15,88	(12,10)
Headline income/(loss) per share (cents)	11	16,23	(3,23)	15,88	(9,73)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2002

	Share capital R	Share premium R	Accumulated loss R	Non- distributable reserve	Total R
Company					
Balance at 29 February 2000	1 478 860	16 781 850	(5 014 558)	–	13 246 152
Proceeds from issue of shares	221 829	–	–	–	221 829
Net share premium received	–	420 891	–	–	420 891
Net loss for the year	–	–	(4 403 482)	–	(4 403 482)
Balance at 28 February 2001	1 700 689	17 202 741	(9 418 040)	–	9 485 390
Revaluation of investments	–	–	–	63 536 000	63 536 000
Net income for the year	–	–	2 760 030	–	2 760 030
Balance at 28 February 2002	1 700 689	17 202 741	(6 658 010)	63 536 000	75 781 420
Group					
Balance at 29 February 2000	1 478 860	16 781 850	(7 608 683)	–	10 652 027
Proceeds from issue of shares	221 829	–	–	–	221 829
Net share premium received	–	420 891	–	–	420 891
Net loss for the year	–	–	(1 809 357)	–	(1 809 357)
Balance at 28 February 2001	1 700 689	17 202 741	(9 418 040)	–	9 485 390
Revaluation of mineral and option rights	–	–	–	63 536 000	63 536 000
Net income for the year	–	–	2 700 144	–	2 700 144
Balance at 28 February 2002	1 700 689	17 202 741	(6 717 896)	63 536 000	75 721 534

CASH FLOW STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

	COMPANY		GROUP	
	2002 R	2001 R	2002 R	2001 R
Cash utilised in operating activities				
Cash generated by/(utilised in) operations (note 1)	2 781 978	(470 784)	2 749 290	(530 878)
Cash (utilised in)/generated by working capital (note 2)	(1 924 214)	103 468	(2 235 044)	207 441
	857 764	(367 316)	514 246	(323 437)
Cash (expended in)/generated by investing activities				
Acquisition of property, plant and equipment	(75 903)	(2 456)	(111 413)	(29 577)
Decrease in investment in subsidiaries	(528 968)	(24 952)	–	–
	(604 871)	(27 408)	(111 413)	(29 577)
Cash effects of financing activities				
Proceeds from issue of shares	–	221 829	–	221 829
Net share premium on issue of shares	–	420 891	–	420 891
Increase in long-term loan	–	–	171 354	–
Decrease in capital introduced by minority shareholders	–	–	(2 639)	(13 063)
	–	642 720	168 715	629 657
Net increase in cash and cash equivalents	252 893	247 996	571 548	276 643
Cash and cash equivalents at beginning of year	301 580	53 584	334 803	58 160
Cash and cash equivalents at end of year	554 473	301 580	906 351	334 803

NOTES TO THE CASH FLOW STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

	COMPANY		GROUP	
	2002 R	2001 R	2002 R	2001 R
1 Cash generated by/(utilised in) operations				
Operating income/(loss) for the year	2 760 030	(482 737)	2 700 144	(1 455 331)
Adjusted for –				
Depreciation of fixed assets	21 948	11 953	49 146	333 149
Impairment of fixed assets	–	–	–	618 704
Surplus on disposal of trading investments	–	–	–	(27 400)
	2 781 978	(470 784)	2 749 290	(530 878)
2 Cash (utilised in)/generated by working capital				
(Decrease)/Increase in working capital				
Inventories	(995 117)	(34 210)	(995 117)	(34 210)
Trading investments	(115 200)	–	(145 800)	47 000
Trade and other receivables	(641 943)	(23 696)	(759 727)	(23 945)
Trade and other payables	(171 954)	161 374	(334 400)	218 596
	(1 924 214)	103 468	(2 235 044)	207 441

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

1 Accounting policies The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous financial year. The accounting policies of the subsidiaries and associates are consistent with those of the holding company.

1.1 Statement of compliance The financial statements and Group financial statements are prepared in accordance with South African statements of Generally Accepted Accounting Practice and the requirements of the South African Companies Act.

1.2 Basis of preparation The financial statements and Group financial statements are prepared on the historical cost basis.

1.3 Basis of consolidation The Group financial statements incorporate the assets, liabilities and results of the operations of the Company and all its subsidiaries.

The results of subsidiaries acquired or disposed of during a financial year are included from the effective dates of acquisition or to the effective dates of disposal as appropriate.

Goodwill is any excess of the cost of an acquisition over the Group's interest in the fair value of the identifiable assets acquired. Goodwill is carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying amount of goodwill is reviewed annually and written down for impairment where considered necessary.

1.4 Associated companies An associate company is one over which the Group has the ability to exercise significant influence, but not control, and which it intends to hold as a long-term investment. The Group's share of post-acquisition results of associate companies is incorporated in the financial statements, using the equity method of accounting, from the effective dates of their acquisition until the effective dates of their disposal.

1.5 Property, plant and equipment These assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided for on the straight-line basis, over the estimated useful lives of the assets.

Options, mineral and participation rights The cost of options acquired is capitalised. Should the option be terminated or not exercised on due date, the cost thereof is written off and charged against income.

Mineral and participation rights are maintained at valuation less recoupments, but are written down to nominal value when there is little likelihood of the particular rights being exploited.

Where considered appropriate, mineral and participation rights are revalued to reflect current market values.

Land development and exploration expenditure Expenditure on land development and exploration is written off in full in the year in which it is incurred.

1.6 Impairment The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use.

1.7 Inventories Inventories comprising polished diamonds are carried at the lower of cost and net realisable value, and are determined using the first-in first-out method.

1.8 Financial instruments

Measurement Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

Investments Unlisted investments are shown at fair value, unless their fair value cannot be reliably determined, in which case they are shown at cost less accumulated impairment losses.

Trade and other receivables Trade and other receivables originated by the Group are stated at cost less provision for doubtful debts.

Cash and cash equivalents Cash and cash equivalents are measured at fair value.

Financial liabilities Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

Derivative instruments Derivative instruments are measured at fair value.

Gains and losses on subsequent measurement Gains and losses arising from a change in the fair value of financial instruments that are not a part of a hedging relationship are included in net profit or loss in the period in which the change arises.

Offset Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.9 Revenue Revenue comprises diamond and commodity sales to customers exclusive of value-added tax, investment income and other non-operating income.

1.10 Cash and cash equivalents For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, all of which are available for use by the Group, unless otherwise stated.

1.11 Investment income Interest is recognised on a time proportion basis, taking account of the principal outstanding and the interest rate over the period to maturity, when it is probable that such income will accrue to the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

	COMPANY		GROUP	
	2002 R	2001 R	2002 R	2001 R
2 Property, plant and equipment				
At cost	137 926	62 023	274 844	199 525
Accumulated depreciation	59 557	37 609	150 806	103 363
Net book value	78 369	24 414	124 038	96 162
Opening balance	24 414	33 911	96 162	1 045 559
Additions	75 903	2 456	77 021	2 456
Impairment of fixed assets	–	–	–	(618 704)
Depreciation	(21 948)	(11 953)	(49 145)	(333 149)
Closing balance	78 369	24 414	124 038	96 162
Options, mineral and participation rights (annexure I)				
At valuation on 28 February 2002	–	–	72 328 861	8 758 530
Total property, plant and equipment	78 369	24 141	72 452 899	8 854 692
3 Interest in subsidiaries				
At – cost	7 396 916	9 125 243	–	–
– valuation	63 536 000	–	–	–
Less: Provision for writedown of investment	–	(1 728 327)	–	–
	70 932 916	7 396 916	–	–
Subsidiaries' net indebtedness	2 354 140	3 729 893	–	–
Less: Provision for writedown of loan to subsidiary	–	(1 904 720)	–	–
	2 354 140	1 825 173	–	–
Total interest in subsidiaries	73 287 057	9 222 089	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

	COMPANY		GROUP	
	2002 R	2001 R	2002 R	2001 R
4 Interest in associated companies				
<i>Taung Diamond Mines Ltd</i>				
Carrying value of investment:				
Shares at cost	–	–	500 000	500 000
	2002	2001		
Summary of financial information	R	R		
Share capital and share premium	I 070 007	I 070 007		
Accumulated loss	(57 765)	(44 383)		
Shareholders' funds	I 012 242	I 025 624		
Long-term liability	47 366	27 143		
	I 059 608	I 052 767		
Investment	I 030 000	I 030 000		
Net current assets	29 608	22 767		
	I 059 608	I 052 767		
Pure Diamonds Ltd has a 37,5% share in Taung Diamond Mines Ltd, an unlisted company, whose principal business is that of mining and exploration in all its aspects.				
<i>Pioneer Minerals (Pty) Ltd</i>				
Carrying value of investment:				
Shares at cost	–	110 640	–	110 640
Loan account	–	896 000	–	896 000
	–	1 006 640	–	1 006 640
Provision for writedown of investment	–	(1 006 640)	–	(1 006 640)
	–	–	–	–
Thabex Exploration Ltd disposed of its 40% share in Pioneer Minerals (Pty) Ltd, on 15 May 2001.				
Total interest in associated companies	–	–	500 000	500 000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

	COMPANY		GROUP	
	2002 R	2001 R	2002 R	2001 R
5 Share capital				
Authorised				
100 000 000 (2001: 100 000 000) ordinary shares of 10 cents each	10 000 000	10 000 000	10 000 000	10 000 000
Issued				
17 006 887 (2001: 17 006 887) ordinary shares of 10 cents each	1 700 689	1 700 689	1 700 689	1 700 689
The unissued share capital is under the control of the directors, subject to the Companies Act and the rules, requirements and regulations of the JSE, until the next annual general meeting.				
6 Share premium				
Balance at beginning of year	17 202 741	16 781 850	17 202 741	16 781 850
Arising on issue of shares	–	443 658	–	443 658
	17 202 741	17 225 508	17 202 741	17 225 508
Share issue and listing expenses written off	–	(22 767)	–	(22 767)
Balance at end of year	17 202 741	17 202 741	17 202 741	17 202 741
7 Non-distributable reserve				
Arising on revaluation of investment in subsidiaries				
– Platinexco (Pty) Ltd	10 200 000	–	–	–
– Thaba Egoli Mining and Exploration Ltd	53 336 000	–	–	–
	63 536 000	–	–	–
Arising on revaluation of mining rights				
– Mokopane (Potgietersrus) Platreef Project	–	–	10 200 000	–
– Geelvloer Project	–	–	53 336 000	–
	–	–	63 536 000	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

	COMPANY		GROUP	
	2002 R	2001 R	2002 R	2001 R
8 Long-term liabilities				
Long-term liabilities	–	–	171 354	–
<i>Debentures (unsecured non-convertible)</i>				
<i>15,3% debenture</i>				
50 000 at R1,00 at a premium of R1 018	50 950 000	50 950 000	50 950 000	50 950 000
Deduct debenture issue expenses	(950 000)	(950 000)	(950 000)	(950 000)
	50 000 000	50 000 000	50 000 000	50 000 000
<i>18% B-debenture</i>				
400 000 at R0,01 at a premium of R999,99	400 000 000	400 000 000	400 000 000	400 000 000
	450 000 000	450 000 000	450 000 000	450 000 000
Deduct amount advanced to Blue Springs	(450 000 000)	(450 000 000)	(450 000 000)	(450 000 000)
	–	–	–	–
a) Long-term liabilities comprise outside shareholders' loans which have no fixed period of repayment and carry no fixed rate of interest.				
b) The debentures were redeemed on 22 April 2002 by way of set off against the amount advanced to Blue Springs.				
9 Revenue				
Sale of polished diamonds and trading investments	524 787	220 000	524 787	247 000
Sale of shares in associated company	3 500 000	–	3 500 000	–
	4 024 787	220 000	4 024 787	247 000
10 Operating income/(loss) is arrived at after taking into account				
Interest received	143 999	(5 816)	167 145	(5 829)
Management fees received	50 048	–	72 965	–
Consulting fees received	320 000	–	320 000	–
Auditors' remuneration	57 998	48 900	75 398	64 490
– Audit fees	30 000	30 000	47 500	43 260
– Underprovision previous year	27 998	18 900	27 898	21 230

NOTES TO THE CASH FLOW STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

	COMPANY		GROUP	
	2002 R	2001 R	2002 R	2001 R
10 Operating income/(loss) is arrived at after taking into account (continued)				
Depreciation of fixed assets Rate per annum 20%				
– Plant and equipment	21 948	11 953	49 146	333 149
Directors' emoluments				
– for services as directors	270 352	138 855		
Impairment of property, plant and equipment	–	–	–	618 704
Interest paid				
– Bank overdraft	25	1 478	41	1 558
– SARS	5 496	–	5 496	–
Secretarial fees	179 241	74 923	179 241	74 923
11 Income/(Loss) per share				
The calculations of income/(loss) and headline income/(loss) per share are as follows:				
Income/(Loss)	2 760 030	(4 403 482)	2 700 144	(1 809 357)
Headline income/(loss)	2 760 030	(482 737)	2 700 144	(1 455 331)
Weighted average ordinary shares in issue	17 006 887	14 958 767	17 006 887	14 958 767
Earnings/(Loss) per share (cents)	16,23	(29,44)	15,88	(12,10)
Headline earnings/(loss) per share (cents)	16,23	(3,23)	15,88	(9,73)
Reconciliation between income/(loss) and headline loss				
Net income/(loss) attributable to ordinary shareholders	2 760 030	(4 403 482)	2 700 144	(1 809 357)
Adjustments for:				
Provision for writedown of interest in associated company	–	287 698	–	287 698
Provision for writedown of loan to subsidiary	–	1 904 720	–	–
Provision for writedown of goodwill	–	–	–	66 328
Provision for writedown of investment in subsidiaries	–	1 728 327	–	–
Headline earnings/(loss)	2 760 030	(482 737)	2 700 144	(1 455 331)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

12 Taxation

The Company has a computed loss of R3 121 885 (2001: Computed R5 887 411) which is available for set-off against future taxable income.

13 Financial instruments

Exposure to currency, interest rate and credit risk arises in the normal course of the Group's business.

13.1 Currency risk

The Group incurs currency risk as a result of purchases, sales and borrowings in foreign currencies. The currencies in which the Group primarily deals are UK Pounds and US Dollars.

13.2 Interest rate risk

The Group generally adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis. Except in respect of the convertible notes, interest rate swaps are used to convert the interest on fixed rate borrowings to a floating rate. Interest rate options and futures are used to hedge repricing risk on floating rate borrowings.

13.3 Repricing analysis

The following table identifies the period until those financial instruments that are sensitive to interest rate risk reprice.

	Effective interest rate %	Total	6 months or less	6 – 12 months	1 – 5 years R000
Cash balances (net) – Group	8	906 351	906 351	–	–
Long-term liabilities – Group	–	171 354	–	–	171 354

13.4 Credit risk

With the exception of loans to directors, no collateral is required in respect of financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Reputable financial institutions are used for investing and cash-handling purposes.

At balance sheet date there were no significant concentrations of credit risk.

13.5 Fair values

The fair values of all financial instruments are substantially identical to carrying amounts reflected in the balance sheet.

14 Related party transactions**14.1 Identity of related parties**

M Welthagen, the Chairman and Chief Executive of Thabex Exploration Ltd, holds directorships in each of the Group's subsidiaries, namely:

Diamex JV (Pty) Ltd

Pilanesberg Gold Holdings (Pty) Ltd

Platinexco (Pty) Ltd

Pure Diamonds Ltd

Thaba Egoli Mining and Exploration Ltd

M Welthagen furthermore holds directorships in the following companies not controlled by Thabex:

Maxzon Fusion (Pty) Ltd

Maxzon Investments (Pty) Ltd

Miningweb (Pty) Ltd

SA Mineral Investment Corporation Ltd

SA Mineral Investments (Pty) Ltd (Group Secretaries)

Southern Mineral Brokers (Pty) Ltd

M Welthagen and JL Bosch are directors of Taung Diamond Mines Ltd, an associate company controlled by Pure Diamonds Ltd.

JL Bosch is also a director.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

JR Rapoo holds directorships in the following companies not controlled by Thabex:

Bofokeng Investment Syndicate (Pty) Ltd
 Bohirima Industrial Holdings (Pty) Ltd
 Fabvest Investment Holdings Ltd
 Northwest Transport Investments (Pty) Ltd
 Premier Foods Ltd
 SA Mineral Investment Corporation Ltd

AP Roux holds directorships in the following companies not controlled by Thabex:

SA Mineral Investment Corporation Ltd
 SA Mineral Investments (Pty) Ltd

14.2 Material related party transactions

14.2.1 Included in interest in subsidiaries are loans owing to Thabex by the following companies:

Diamex JV (Pty) Ltd	R106 245
Pilanesberg Gold Holdings (Pty) Ltd	R9 324
Platinexco (Pty) Ltd	R174 191
Thaba Egoli Mining and Exploration Ltd	R1 942 415

14.2.2 Consulting fees received by Thabex Southern Mineral Brokers (Pty) Ltd:

R320 000

14.2.3 Directors' remuneration paid by Thabex:

For managerial services

M Welthagen	R207 252
JL Bosch	R60 000

For other services

Prof DL Reid	R3 100
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R270 352

ANNEXURE 1 FOR THE YEAR ENDED 28 FEBRUARY 2002

	2002 R	2001 R
Options, mineral and participation rights		
1 Diamex JV (Pty) Ltd		
Development costs capitalised	65 872	65 872
2 Platinexco (Pty) Ltd		
Exploration costs capitalised	278 164	243 833
At valuation	10 200 000	–
Prospecting Agreement with the Mogalakwena (Potgietersrus) Municipality dated 1 December 2000 over the farm Piet Potgietersrus Town and Townlands 44KS, 1 276 hectares in extent (see Map 1) and the first right of refusal over an additional 2 724 hectares.		
	10 478 164	243 833
3 Thaba Egoli Mining and Exploration Ltd		
The Group has concluded agreements with the owners of the mineral rights over the following property whereby all rights and obligations under the original prospecting and option contracts relating to these properties have been ceded to the Group.		
Geelvloer Project		
At valuation	61 784 825	8 448 825
Remainder of Adjoining Geelvloer 197 measuring 3 041,5989 hectares situated in the Kenhardt District (see Map 2).		
	72 328 861	8 758 530
Valuation of the Company's options, mineral and participation rights was reported by M Welthagen in a Competent Person's Report ("CPR") dated 20 April 2002, as defined by the SAMREC Code and in Chapter 12 of the JSE Listing Requirements. The CPR will be available for inspection at the Company's registered address until the AGM on 24 July 2002.		

SHAREHOLDER ANALYSIS

Classifications	No of holders	% of current holders	No of units	% of issued capital
Individuals	334	63,258	1 794 746	10,553
Limited companies	4	0,758	9 821	0,058
Nominee companies or trusts	19	3,598	432 364	2,542
Growth funds/unit trusts	1	0,189	2 000	0,012
Pty companies	9	1,705	51 048	0,300
Close corporations	3	0,568	139 339	0,819
Trustee of a trust	1	0,189	200 000	1,176
General securities depository	157	29,735	14 377 569	84,540
Grand totals	528	100,00	17 006 887	100,00

NOTICE OF ANNUAL GENERAL MEETING

This document is important and requires your immediate attention

If you are in any doubt about what action you should take, consult your stockbroker, attorney, banker, financial adviser, accountant or other professional adviser immediately.

If you have disposed of all your shares in Thabex Exploration Ltd you should pass this document and the enclosed proxy form to the purchaser of such shares or the stockbroker, banker or other agent through whom the disposal was effected for transmission to the purchaser.



("Thabex")

(Registration number 1988/000763/06)

(Incorporated in the Republic of South Africa)

Explore our website

www.thabex.com e-mail info@thabex.com

ISIN code ZAE000013686

Listed on the JSE – Code TBX

Notice is hereby given that the fourteenth Annual General Meeting of members of Thabex Exploration Ltd will be held at KPMG Forum, 1226 Schoeman Street, Hatfield, Pretoria on Wednesday, 24 July 2002, at 10:00 for the following:

- 1 To receive, consider and adopt the annual financial statements of the Company for the year ended 28 February 2002.
- 2 To elect directors in accordance with the provisions of the Company's articles of association.
- 3 To determine, in terms of articles 88 and 89 of the articles of association, the directors' remuneration.
- 4 To renew the general authority of the directors to allot and issue all or any portion, subject to the provisions of the Companies Act, 1973, as amended, and the listing requirements of the JSE Securities Exchange South Africa ("JSE"), of the remaining shares in the authorised but unissued share capital of the Company upon such terms and conditions as they may determine.
- 5 In terms of the Listing Requirements of the JSE and subject to not less than 75% of those shareholders of Thabex present in person or represented by proxy and entitled to vote at the Annual General Meeting at which this resolution is proposed, vote in favour of this resolution, the directors be given the specific authority to allot and issue for cash without restriction, all or any of the unissued ordinary shares in the share capital of Thabex placed under their control as they in their discretion deem fit, subject to the following limitations:
 - 5.1 that this authority shall not extend beyond 15 (fifteen) months from the date of this Annual General Meeting;
 - 5.2 that a paid press announcement giving full details, including the impact on net asset value and earnings per share, will

NOTICE OF ANNUAL GENERAL MEETING

be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of shares of that class in issue prior to the issues;

- 5.3 that issues in the aggregate in any one year will not exceed 10% of the number of shares of any class of the Company's issued share capital, including instruments which are compulsorily convertible into shares of that class, provided further that such issues shall not in aggregate in any three-year period exceed 15% of the Company's issued share capital of that class, including instruments which are compulsorily convertible into shares of that class; and
- 5.4 that, in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the average closing price of the shares in question, as determined over the 30 days prior to either the date of the paid press announcement or, where no announcement is required and none has been made, the date of issue of the instruments.
- 5.5 any such issue will only be made to public shareholders as defined in paragraph 4.22 of the Listing Requirements of the JSE.

- 6 To authorise any Director or Alternate Director of the Company to sign all such documents and to do all such things as may be necessary for or incidental to the implementation of the above-mentioned special and ordinary resolutions to be proposed at the Annual General Meeting.

A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend and speak and vote in his stead. A proxy need not be a member of the Company. Proxy forms must reach the registered office of the Company at least 48 hours before the time of holding the meeting.

Dematerialised shareholders who wish to attend the annual general meeting or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary authority to attend the annual general meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the member and his/her CSDP or broker.

By order of the Board

SA Mineral Investments (Pty) Ltd
Secretaries

Pretoria
6 May 2002

FORM OF PROXY THABEX EXPLORATION LIMITED



(Incorporated in the Republic of South Africa)
 (Registration number 1988/000763/06)
 ("Thabex" or "the Company")

For use at the annual general meeting of members of the Company, to be held at KPMG Forum, 1226 Schoeman Street, Hatfield, Pretoria at 10:00 on Wednesday, 24 July 2002.

I/We _____

being the holders of _____

ordinary shares in the Company, do hereby appoint

1 _____ or failing him

2 _____ or failing him

3 the chairperson of the annual general meeting, as my/our proxy to act for me/us at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote on the ordinary and special resolutions in respect of the ordinary shares in the issued capital of the Company registered in my/our name/s in accordance with the following instructions (see note 2):

Ordinary resolutions	Number of votes (one vote per share)		
	In favour	Against	Abstain
1 Adoption of financial statements			
2 Election of director: M Welthagen			
3 To approve directors' fees			
4 To place the unissued shares under control of the directors			
5 To waive pre-emptive rights			
6 To authorise signature of documents			

Insert an "X" in the relevant space above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of less than all the shares that you own in the Company, insert the number of ordinary shares held in respect of which you desire to vote. Unless otherwise instructed my/our proxy may vote as he/she thinks fit.

Signed at _____ on _____ 2002

Signature _____

Assisted by me (where applicable) _____

Each member is entitled to appoint one or more proxies (none of whom need be a member of the Company) to attend, speak and, on a poll, vote in place of that member at the annual general meeting.

NOTES

- 1 A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the member. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
- 2 Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of ordinary shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the members' votes exercisable thereat. A member or the proxy is not obliged to use all the votes exercisable by the member or by the proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member or by the proxy.
- 3 Forms of proxy must be received at the Company's transfer secretaries, Mercantile Registrars Ltd, 11 Diagonal Street, Johannesburg, 2001 (PO Box 1053, Johannesburg, 2000) by no later than 10:00 on Monday, 22 July 2002.
- 4 The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
- 5 Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairman of the annual general meeting.
- 6 Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
- 7 A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.
- 8 The chairman of the annual general meeting may reject or accept a form of proxy which is completed and/or received other than in accordance with these notes if he is satisfied as to the manner in which the member wishes to vote.
- 9 Dematerialised shareholders who wish to attend the annual general meeting or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary authority to attend the annual general meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the member and his/her CSDP or broker.

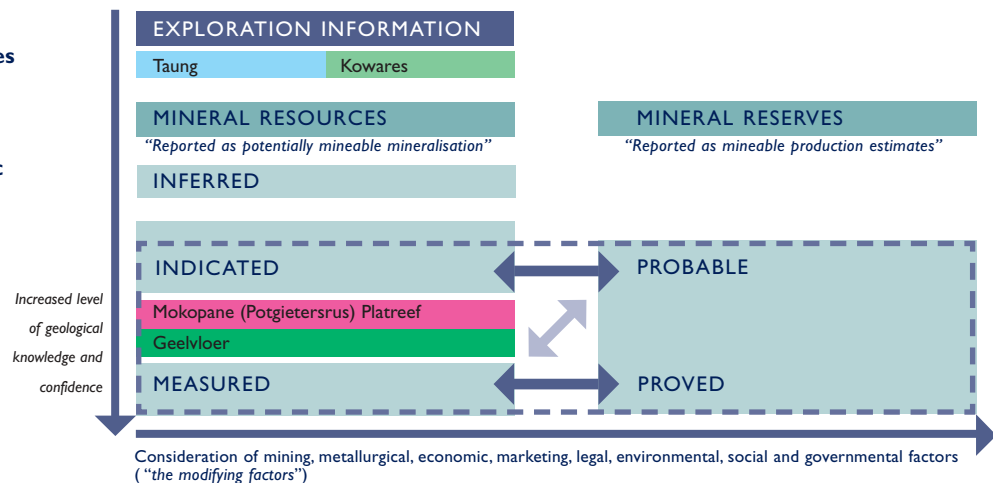
SUMMARY OF MINERAL RESERVES AND MINERAL RESOURCES

Holding company	Attributable to			Area of interest	Mineral type	Permit no	Area Ha	Boreholes		Mineral resources				Valuation Rm			
	Thabex	Pure Diamonds	Taung					Inferred	Indicated	Measured	Tonnes	Grade	Tonnes		Grade	Tonnes	Grade
Pure Diamonds Ltd	100%				Diamond trading											-	
Taung Diamond Mines Ltd ⁽¹⁾		37,50%		Vaal River	Alluvial diamonds											0,50	
Cinprop 0002 (Pty) Ltd			10%	Harts River	Alluvial diamonds	TP26/2000	1 700									-	
Diamex JV (Pty) Ltd	67,30%			Vaal River	Mining company											-	
Kowares Project	5%			Namibia	Copper, gold, silver	EPL2861	27 011									-	
Pilanesberg Gold Holdings (Pty) Ltd	50%				Gold trading											-	
Platinexco (Pty) Ltd ⁽²⁾	100%			Mokopane (Potgietersrus)	Platinum Group Copper, nickel, cobalt	PP48/2001	1 276	96	33			23,69	0,30% equivalent Ni (0,2,48 g/t equivalent Pt)			10,48	
Geelvloer Project	95%				Zinc, copper, lead, silver, gold	Cession of mineral rights	3 041		28			8	2,4% Zn, 0,8% Cu, 0,6% Pb, 24 g/t Ag, 0,8 g/t Au			61,78	
Total																72,82	

⁽¹⁾ Taung Diamonds is valued at cost (see page 21).

⁽²⁾ The measured resources of Platinexco have been determined by a feasibility study completed during 1992. These resources have been classified as indicated resources until a new feasibility has been compiled.

Framework for classifying tonnage and grade estimates reflecting different degrees of geoscientific confidence and technical and economic evaluation as defined by the SAMREC Code





SHAREHOLDERS' DIARY

Annual general meeting	24 July 2002
Interim report	26 November 2002
Annual report 2003 financial year	7 May 2003

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Limited**