

# EXPLORATION THABEX



**Thabex  
Exploration  
Limited**

A N N U A L R E P O R T 1 9 9 7



## Mission statement

---

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.

## Contents

1	Profile and salient features
2	Chairman's statement
3	Directorate and administration
4	Project localities
5	Exploration portfolio
6	Review of exploration projects
11	Financial statements
24	Notice of annual general meeting
24	Shareholders' diary
24	Shareholders' analysis
25	Website map

---

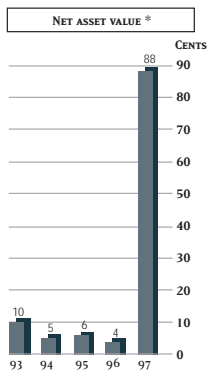


## Profile

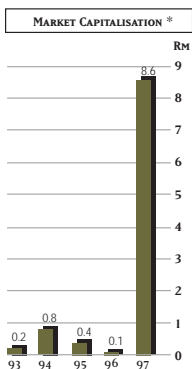
The year under review has been a very positive one for Thabex Exploration Limited. The Group has returned to its principal activity, exploration, under the guidance of a strong management team and committed employees

Thabex has a diversified portfolio of mineral exploration projects in South and Southern Africa. The company explores for diamonds, gold, platinum and base minerals.

The restructuring of the company has made it possible to pursue its main objective, that of creating real wealth for its shareholders with due cognisance of Thabex's social and environmental responsibilities.



## Salient features



	Company		Group
	1997 R	1996 R	1997 R
Number of shares at year-end*	9 763 252	1 066 384	9 763 252
Loss per share (cents)	0,8	6,9	1,6
Dividends per share (cents)	—	—	—
Borrowings as a percentage of shareholders' equity (%)	1	125	4,6
Current assets to current liabilities	0,52	0,20	0,42
Net asset value per share (cents)	86,09	4,06	88,32

\* Adjusted for 1 : 10 consolidation

# Chairman's statement

---

**Dear Shareholder** The past year has been a dramatic turning point in the history of your company. A new board of directors was appointed on 27 March 1996 and on 21 September 1996 the restructuring proposals put forward by the board were approved, resulting in an exciting new dawn for the company. Thabex is now actively involved in its principal business, that of exploring for minerals.

Thabex was delisted on 21 May 1996 by the Johannesburg Stock Exchange ("JSE"), at the instigation of the previous board after they had cancelled the platinum prospecting rights at Potgietersrus, the company's only asset of any value. They notified the JSE that they will apply for delisting once the company had been deregistered.

Since taking office your board has assembled a new exploration portfolio which is diversified in:

- geological assurance and certainty,
- stage of feasibility assessment, and
- economic viability.

The projects range from grass roots projects to large pre-feasibility stage projects and are described in greater detail in the review of exploration projects.

The board has also re-tendered for the previously held platinum prospecting rights at Potgietersrus.

Thabex has acquired a 40% interest in the Cape Town based exploration company, Pioneer Minerals (Pty) Ltd ("Pioneer"), with an option to acquire a further 20% at any time during the next two years. The rationale for this acquisition is to generate new exploration projects and obtained an active exploration associate. Pioneer has a considerable mineral exploration data base on South Africa, including the Newmont data at Marydale in the Northern Cape Province and Namibia. This geological data base was assembled prior to Newmont leaving South Africa in the early eighties.

Thabex will therefore, as an exploration company, strive to:

- create real wealth for its shareholders by turning to account some of its properties;
- develop, as far as possible, its smaller properties into going concerns in a socially responsible and environmentally friendly manner;
- seek joint venture partners to explore and develop its larger properties.

To achieve its objects your board has recommended that Thabex raise sufficient operating capital by way of the proposed re-listing of the company on the JSE during the ensuing year. Shareholders will be informed about the developments in this regard.

Investigations are continuing into the activities of the previous board and the management company they represented.

I wish to express my sincere appreciation and thanks for the overwhelming support of shareholders for the new course being followed by the new board, as well as the other members of the board for their commitment to direct Thabex successfully into the next millennium.



Dr JC Linde

Chairman

1 July 1997

DR JC LINDE (CHAIRMAN), M WELTHAGEN (CHIEF EXECUTIVE OFFICER), JR RAPOO, PROF DL REID, AP ROUX



## Directorate & administration



### DIRECTORS

Dr JC Linde (Chairman)  
D Phil (Mineral Economics),  
BSc (Hons)(Geology), GDE. AEP

M Welthagen (Chief Executive Officer)  
MEng (Mining), MPhil (Mineral Economics),  
BComm Hons (Economics)

JR Rapoo  
BComm (Accounting), Hons B Compt

Prof DL Reid  
D Phil (Geochemistry),  
MSc (Geology), BSc (Hons)(Geology)

AP Roux  
B Agric

### POSTAL ADDRESS

PO Box 3899  
Northcliff  
Johannesburg  
2115

### AUDITORS

KPMG  
KPMG Forum  
427 Hilda Street  
Hatfield  
Pretoria  
0083

### BANKERS

First National Bank of South Africa Limited  
(Registration number 71/09695/06)  
Stock Exchange Branch  
11 Diagonal Street  
Johannesburg  
2001

### REGISTERED OFFICE

2nd Floor  
KMPG Forum  
427 Hilda Street  
Hatfield  
0083  
Tel +27+11 678-0791  
Fax +27+11 476-3960  
e-mail [thabex@cis.co.za](mailto:thabex@cis.co.za)  
Website [www.thabex.com](http://www.thabex.com)

### LAWYERS

Brink Cohen Le Roux & Roodt Inc  
(Registration number 93/04501/21)  
South Wing PPS Building  
6 Anerley Road  
Parktown  
Johannesburg  
2193

### TRANSFER SECRETARIES

Mercantile Registrars Limited  
(Registration number 87/00519/06)  
6th Floor  
Mercantile Building  
94 President Street  
Johannesburg  
2001

### SECRETARIES

SA Mineral Investments (Pty) Limited  
(Registration number 81/04619/07)  
51 Austin Street  
Northcliff  
Johannesburg  
2195



**Thabex  
Exploration  
Limited**

100%

DOUGLAS MINING & EXPLORATION (PTY) LTD

40%

PIONEER MINERALS (PTY) LTD

100%

THABA EGOLI MINING & EXPLORATION LTD

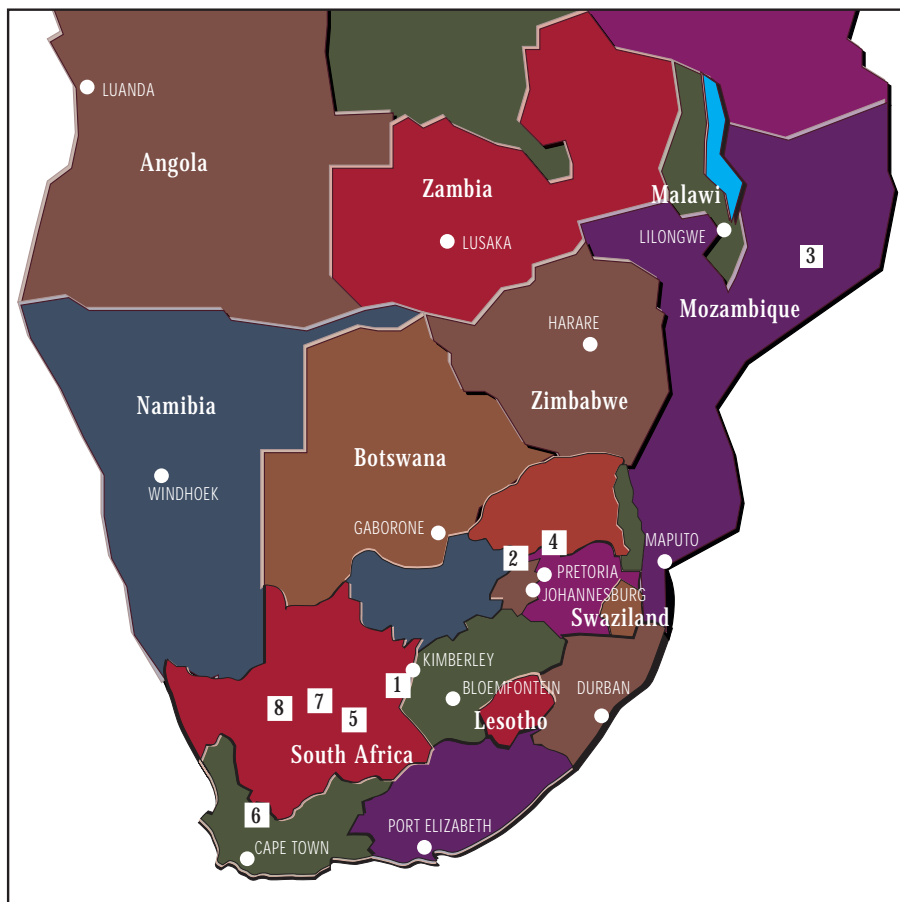
100%

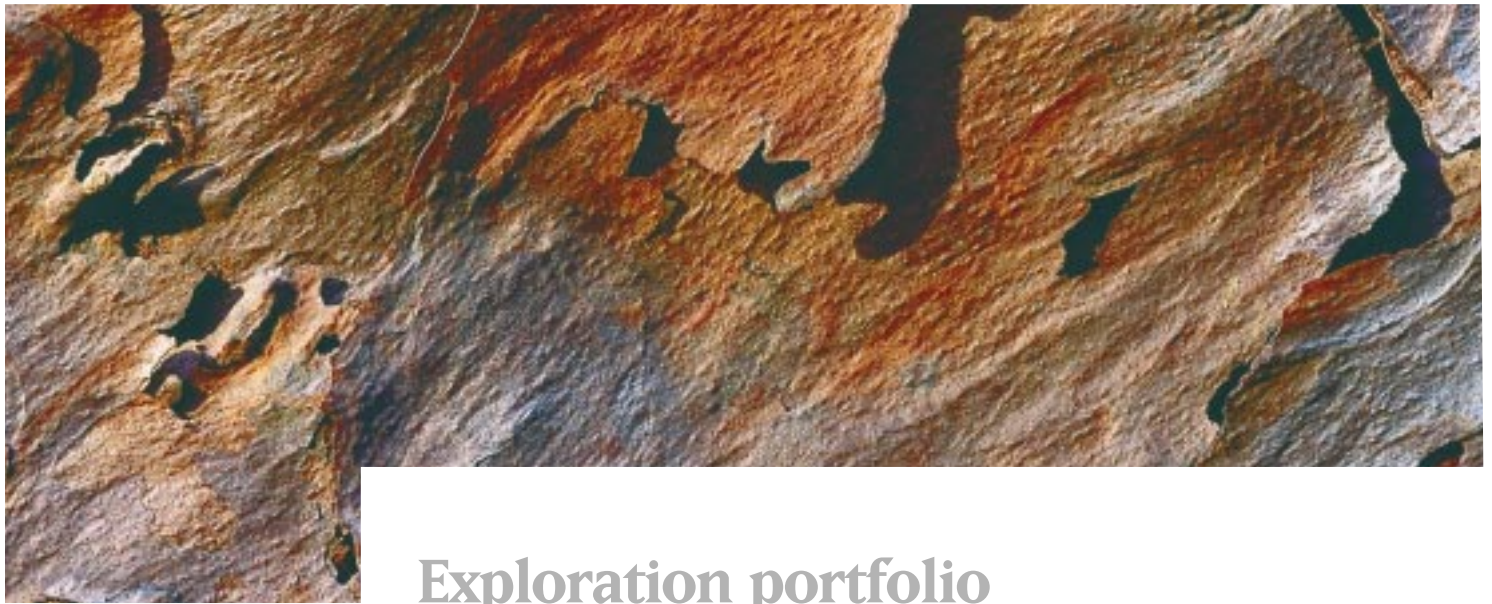
STEYNSDORP GOLD MINING COMPANY (PTY) LTD

## Project localities

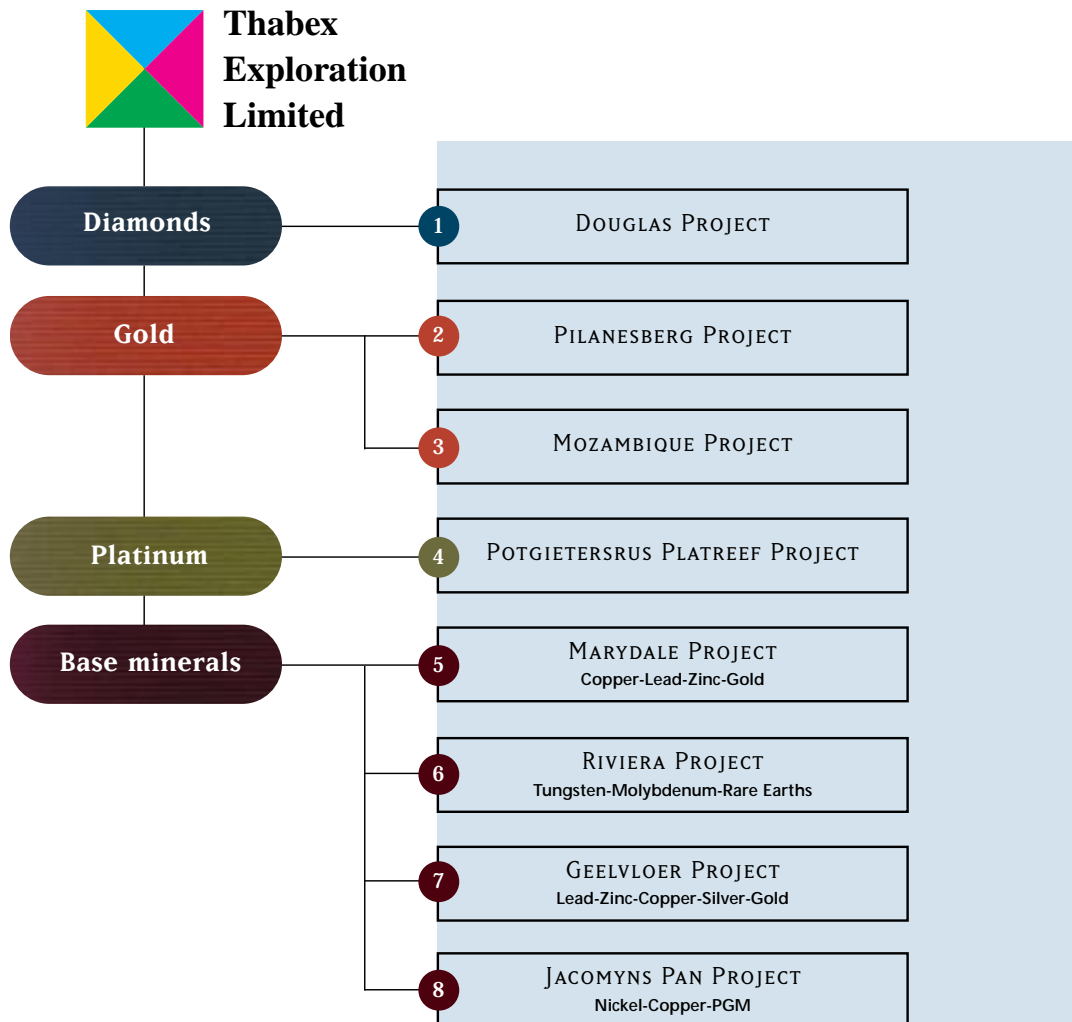


MAP SHOWING  
LOCATION OF  
PROJECTS





# Exploration portfolio





# Review of exploration projects

The following projects are being explored, investigated and evaluated on a dynamic basis:

## Exploration projects

### DIAMONDS

#### 1 Douglas Project (100%)

On 22 October 1996 Thabex acquired 100% of the equity of Douglas Mining & Exploration (Proprietary) Limited ("DME"), a diamond exploration company. DME has been actively exploring the diamondiferous gravels along the Vaal River in the vicinity of the Northern Cape town of Douglas. An application for a mining permit on the Remaining Extent of Stand 1 of the Douglas Municipality was successful. DME started trenching on the property during December 1996 and to date has established the following probable mineable tonnages on four terraces. Thabex is currently negotiating a possible joint venture with an East Rand earth moving contractor, in order to commence mining operations on the Douglas project area.

### GOLD

#### 2 Pilanesberg Project (90%)

On 6 June 1997, Thabex concluded an option with Batecor to do follow-up exploration drilling and possibly start a small open cast gold mining operation by the end

#### DOUGLAS PROJECT: MINEABLE

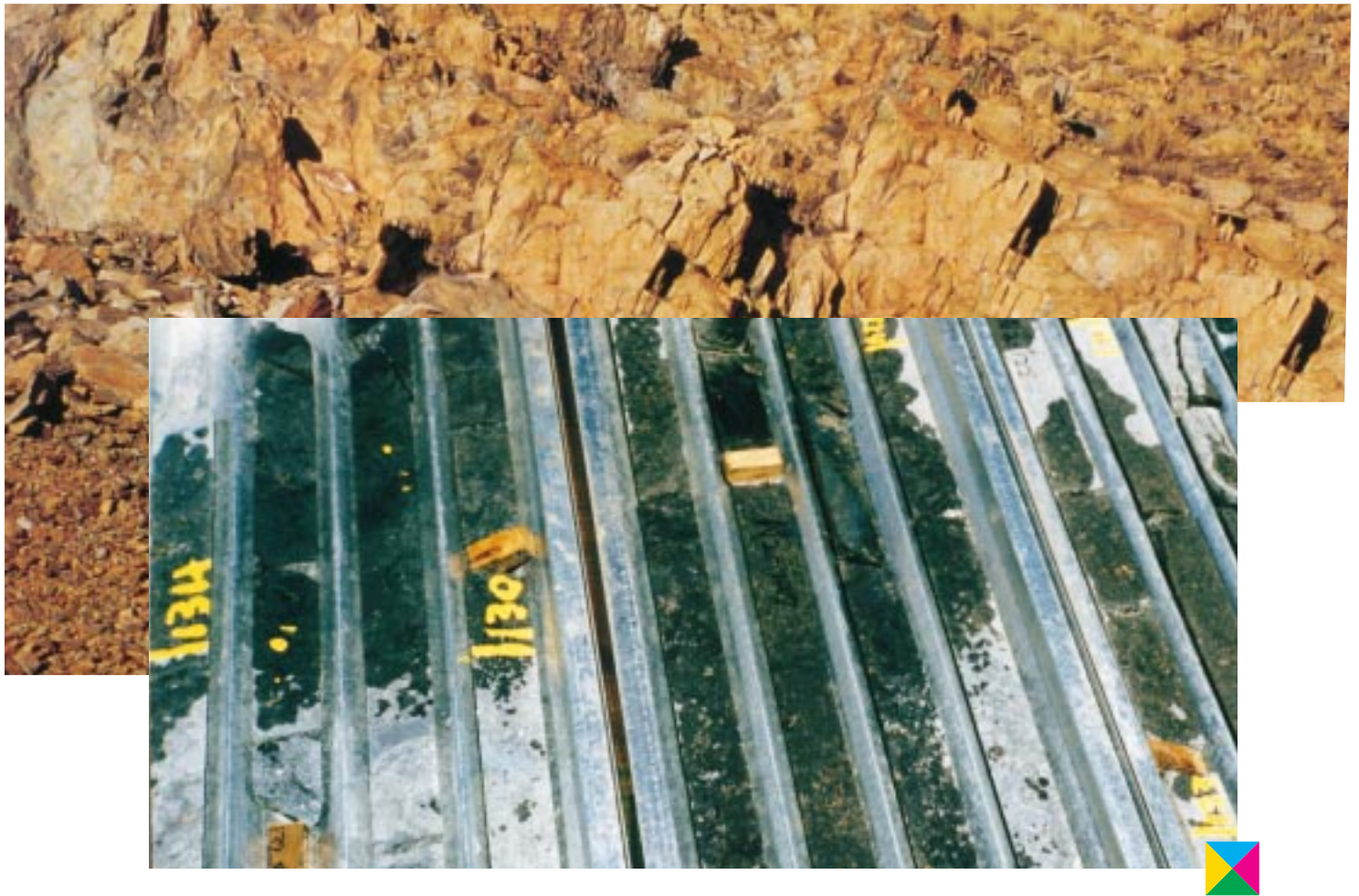
##### TONNAGES ON FOUR TERRACES

Terrace	Probable mineable tons	Expected grade ct/100t
A	1 020 000	1.2
B	228 000	1.0
C	2 286 000	1.1
D	125 600	1.0
<b>Total</b>	<b>3 659 600</b>	<b>1.1</b>

#### PILANESBERG PROJECT: ESTIMATED

##### LIFE-OF-MINE RESERVES

Reserve Classification	Ore reserves (tons)	Average depth (m)	Average grade g/t
Proven	210 000	30	2.94
Probable	440 000	200	2.60
Possible	1 598 000	400	2.60
<b>Total</b>	<b>2 248 000</b>	<b>400</b>	<b>2.63</b>



DRILL CORE OF THE POTGIETERSRUS PLATREEF PROJECT DURING 1990

of June 1998. The exercise price of the option is R2 million. This project is at feasibility stage and Thabex is planning as part of its due diligence investigation to drill five reverse circulation boreholes to confirm the grade of the orebody and for confirmation of the metallurgical test work done by Batecor during the mid 1980's. The ore body contains an estimated life-of-mine reserve of 2,248 million tons ore at an average grade of 2,63 g/t. Southern Witwatersrand Exploration Company Limited ("SouthWits"), a company listed on the JSE, has a 10% participation interest in the project.

### 3 Mozambique Project (60%)

Thabex has in principal agreed to acquire 60% of

the equity of a Mozambique mining company, Minas Gerais Diamante LDA ("MGD"). Preliminary exploration for gold over a 17 000 ha area is planned to commence during October 1997. MGD also has certain claims to mine semi-precious stones in the Nampula area of the Zambezia Province in Mozambique. It is currently trading in semi-precious stones, including tourmaline, garnets and emeralds.

## PLATINUM

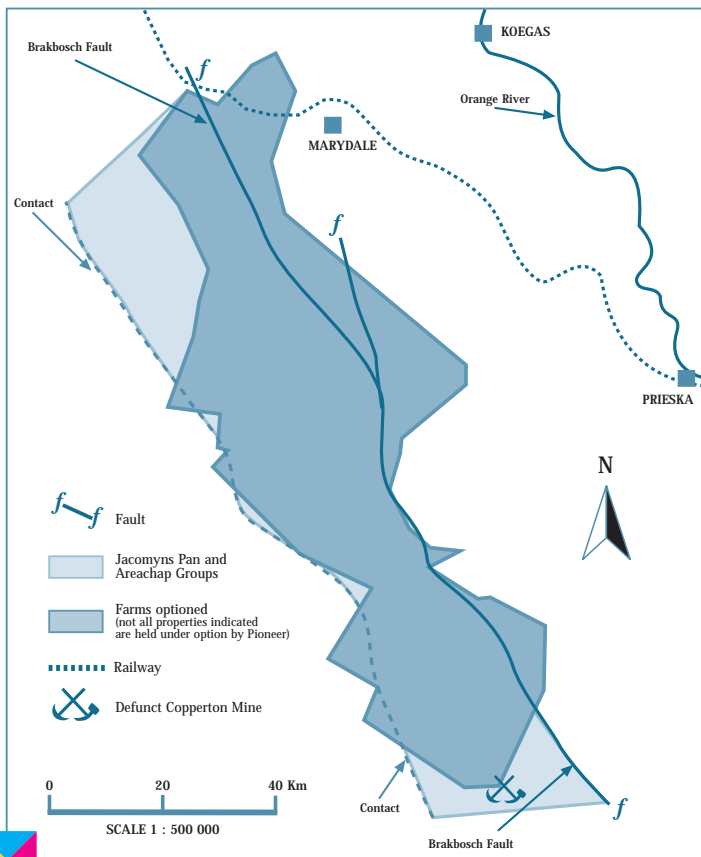
### 4 Potgietersrus Platreef Project

PLATINUM-NICKEL-COPPER

On 14 February 1996, the previous board of the company cancelled the Potgietersrus Platinum

Prospecting Agreement which was Thabex's only asset at the time. Your new board was unsuccessful in its efforts to have the cancellation of the prospecting agreement revoked. However, the Transitional Local Council of Greater Potgietersrus has called for new tenders to prospect the area covered by the previous prospecting agreement and the company has submitted a tender.

It is your board's opinion, subject to Thabex's tender being successful, that a thorough re-evaluation of the Potgietersrus Platreef rights, both technically and financially, should be conducted. The re-valuation is particularly important in the view of the ongoing substantial adjustments in relative exchange rates since the initial feasibility study was completed.



**BASE MINERALS**

MARYDALE PROJECT AREA

**Pioneer Minerals (Pty) Limited  
("Pioneer") (40%)**

Thabex entered into an agreement to acquire 40% of the

equity of Pioneer for R110 639 and to fund Pioneer's exploration programme to the amount of R840 000 over the next two years, commencing on 1 March 1997. Thabex also has an option to purchase a further 20% of Pioneer for R668 000 and 200 000 Thabex shares at any time during the above two-year period.

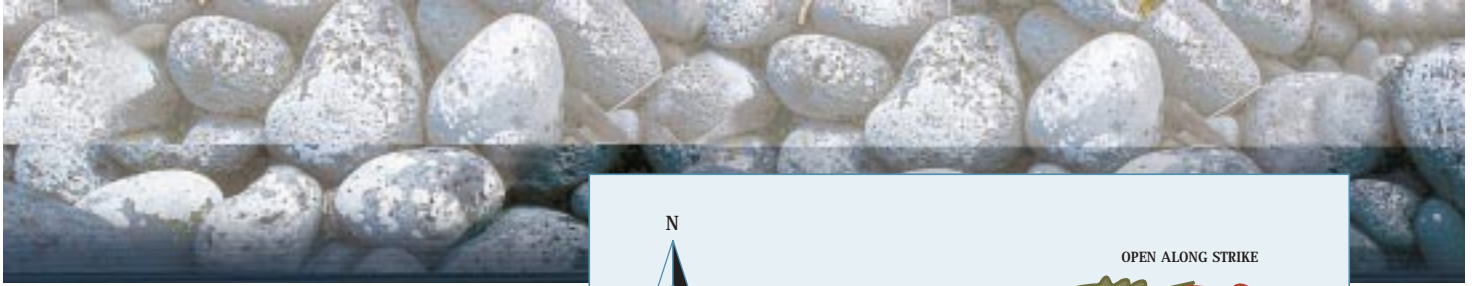
The primary objective of this acquisition is to provide an exploration associate for Thabex in the Northern Cape Province, where Pioneer have acquired the exploration office of Newmont in Marydale. This office has a large data base of exploration information for the Northern Cape Province and Namibia. The following projects are being investigated:

**5 Marydale Project (100%)**

**ZINC-COPPER-GOLD**

Pioneer has prospecting option agreements over eleven farms totalling 64 638 ha in the area from Prieska to Marydale in the Northern Cape Province. The properties are situated in the Areachap Terrane which contains the volcanogenic massive sulphide orebodies of the Prieska and Areachap deposits. A number of small massive sulphide bodies are known to occur in the optioned area.

The area was under option to Iscor. However, Iscor has announced that it is cutting back on its projects and has given notice that it will be abandoning the area at the end of June this year. Iscor has been conducting



geochemical and geophysical surveys over the area with the aim of locating massive sulphide and disseminated mineralisation. All exploration information will revert to Pioneer.

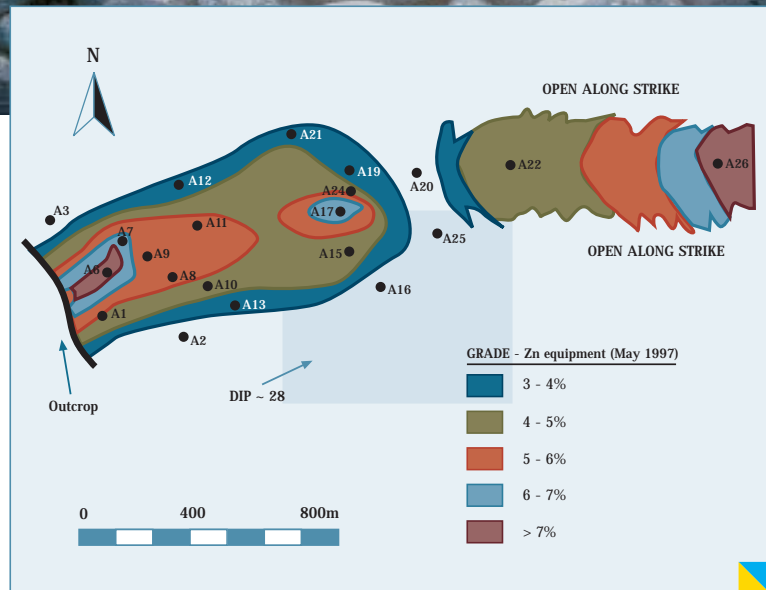
## 6 Riviera Project (100%)

TUNGSTEN-MOLYBDENUM – RARE EARTHS

The property, situated about 129 km north of Cape Town, was discovered and investigated by Union Carbide and Anglo American during the period 1975 to 1988. Some 19 000 m of drilling has defined a mineralised orebody.

Mineralisation is associated with a granite cupola intrusive into the schistose carboniferous sediments and volcanic rocks. Scheelite and molybdenite are accompanied by pyrrhotite and pyrite with minor amounts of chalcopyrite, bismuthinite, sphalerite and galena. Significant amounts of rare earths have recently been discovered during a detailed study of the cores by the University of Stellenbosch. The width of the mineralised bodies varies from 10 to 60 m and dips approximately 30 degrees to the southeast. Anglo American has estimated an open cast reserve of 46 million tons grading 0,216% WO<sub>3</sub> and 0,02% Mo based on a cut-off grade of 0,1% WO<sub>3</sub> and a minimum width of 15 m.

Pioneer is investigating the metallurgy of the ore in order to evaluate the viability of the project.



## Thaba Egoli Mining & Exploration Limited ("Thaba Egoli") (100%)

### 7 Geelvloer Project (95%) Pioneer (5%)

LEAD-ZINC-COPPER-SILVER-GOLD

The Geelvloer deposit comprises massive sulphide mineralisation occurring in a sequence of metamorphic rocks comprising biotite gneiss, leptonite, amphibolite and calc-silicates. Previous drilling by Phelps Dodge, Newmont and Gencor has identified three separate stratabound mineralised zones dipping 25 degrees to 30 degrees to the northeast. These zones vary in width from 1 m to 8 m and contain significant amounts of zinc (1,80% to 4,23%), copper (0,50% to 1,00%), lead (0,40% to 0,89%), silver (18g/t to 34g/t) and gold (0,04g/t to 0,85g/t). Gencor has estimated drill indicated ore reserves at 7,18 million tons.

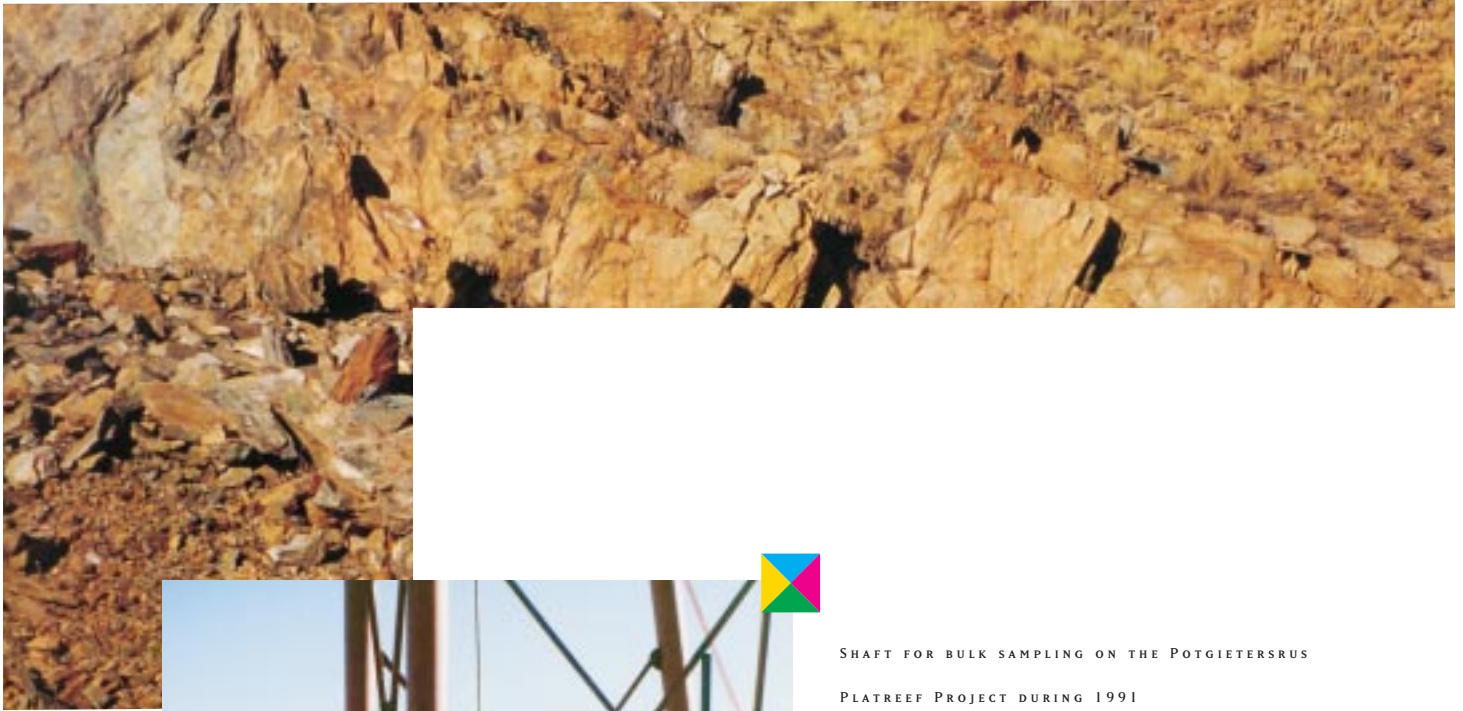
During the past year Thabex has been investigating the area and based on the information available the project has potential

GEELVLOER PROJECT  
PLAN INDICATING  
BOREHOLE POSITIONS  
AND ORE ZONE

for more detailed exploration and is negotiating with a Canadian company to enter into a joint venture to explore the area in greater detail.

Thaba Egoli has exercised its option over the farm, The Remaining extent of Adjoining Geelvloer 179 in the district of Kenhardt, 3 041 ha in size. The purchase price of R1,6 million was settled by the issue of 1 600 000 ordinary shares in Thabex at 100 cents per share.

Thaba Egoli has a further area of 12 000 ha adjacent to the Geelvloer property under option.



SHAFT FOR BULK SAMPLING ON THE POTGIETERSRUS  
PLATREEF PROJECT DURING 1991



**8 Jacomyns Pan Project (90%) Pioneer (10%)**  
NICKEL-COPPER-PGM

Low grade nickel-copper mineralisation is present in the zone hosted in chlorite-biotite-tremolite schist and measuring some 5 000 m along strike and varying in width from a few metres to a maximum of 16 m. Previous drilling by Anglo American and AngloVaal has indicated reserves of 6,42 million tons oxide ore grading 0,19% nickel and 0,13% copper, and 107,76 million tons sulphide ore grading 0,25% nickel and 0,17% copper.

The sulphide mineralisation occurs mainly as disseminated pyrrhotite, pentlandite and chalcopyrite. Preliminary investigations has shown that the mineralisation is also associated with PGM mineralisation. The area covered by Thaba Egoli's options is 20 000 ha in extent. A pre-feasibility study conducted by an independent consultant indicated that a economically viable open cast mine can be established on the deposit. Thabex is negotiating with a Canadian company with the view of further exploration and possible development of the project.



## Financial statements

12	Directors' responsibility for the annual financial statements
13	Report of the independent auditors
14	Directors' report
16	Income statements
17	Balance sheets
18	Cash flow statements
19	Notes to the cash flow statements
20	Notes to the financial statements
24	Notice of annual general meeting
24	Shareholders' diary
24	Shareholders' analysis

## Directors' responsibility for the annual financial statements

---

The directors are responsible for monitoring the preparation of and the integrity of the financial statements and related information included in this annual report

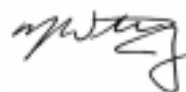
The financial statements are prepared in accordance with generally accepted accounting practice and incorporate responsible disclosure in line with the accounting philosophy of the group. The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable 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 group annual financial statements.

The annual financial statements for the year ended 28 February 1997 set out on pages 14 to 23 have been approved by the board of directors on 1 July 1997 and are signed on their behalf by:



Dr JC Linde  
Chairman



M Welthagen  
Chief Executive Officer

# Report of the independent auditors

---

To the members **Thabex Exploration Limited**  
**(formerly Southern Platreef Mining Company Limited)**

We have audited the annual financial statements and group annual financial statements set out on pages 14 to 23. These financial statements are the responsibility of the company's directors. Our responsibility is to report on these financial statements.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that, in all material aspects, fair presentation is achieved in the financial statements. The audit included an evaluation of the appropriateness of the accounting policies, an examination, on a test basis, of evidence that supports the amounts and disclosures included in the financial statements, an assessment of the reasonableness of significant estimates and a consideration of the appropriateness of the overall financial statement presentation. We consider that our audit procedures were appropriate in the circumstances to express our opinion presented below.

In our opinion these financial statements fairly present the financial position of the company and of the group at 28 February 1997 and the results of their operations and cash flow information for the year then ended in conformity with generally accepted accounting practice and in the manner required by the Companies Act.



KPMG

Pretoria

1 July 1997

# Directors' report

The directors have the pleasure in presenting their report for the year ended 28 February 1997

## Nature of business Thabex Exploration Limited ("Thabex") (Registration number 88/00763/06), formerly Southern Platreef Mining Company Limited, is a mining and exploration company

### 1 Restructuring of Thabex

During the period under review your company was restructured effectively on 30 August 1996. The proposals to restructure the company, were approved by all the shareholders present in person and by proxy at a general meeting held on 21 September 1996. The restructuring entailed:

- the change of the company's name to Thabex Exploration Limited,
- the consolidation of the share capital on a 1 for 10 basis,
- the increase in the authorised share capital to 30 000 000 ordinary shares of 10 cents each,
- Thabex acquiring the entire issued share capital of Thaba Egoli Mining & Exploration Limited for R8,4 million, and
- SouthWits' loan account of R216 851 was capitalised, restoring the company's solvency.

The effect of the restructuring has been that Thabex could again commence exploration activities and pursue new exploration projects in order to achieve the company's main objectives, namely:

- to create real wealth for its shareholders by turning to account its exploration projects, and
- to develop small to medium sized deposits into going concerns in an environmentally friendly and socially responsible manner
- as far as possible enter into joint ventures with larger mining companies to develop the company's larger projects.

Thabex has in pursuit of these objectives put together a diversified portfolio of mineral rights and options to mineral rights. The portfolio is diversified in:

- the minerals being explored,
- the size of the projects,
- the geological, and
- economic viability of the projects.

### 2 Delisting and proposed re-listing of Thabex

On 21 May 1996, the same day on which the company was delisted on the JSE, the shareholders present in person and represented by proxy at the company's annual general meeting, unanimously approved certain proposals for restructuring the company.

The JSE has also invited the company to re-list, by submitting a prospectus to its Listings Division for approval.

Your board proposes to apply for the company to be re-listed on the JSE, subject to a suitable underwriter being secured, in order to raise sufficient working capital to fund the future exploration of the company and to turn to account some of Thabex's projects. Shareholders will, in due course, be informed about the progress in this regard.

### 3 Substantial shareholders

According to the register of members of the company as

SUBSIDIARIES AND INVESTMENTS

	Issued shares	Effective interest %	Shares at cost R	Current account R
Douglas Mining & Exploration (Pty) Ltd (Registration number 92/02415/07)	1 000	100	80 000	80 000
Steynsdorp Gold Mining Company (Pty) Ltd (Registration number 88/02343/07)	2 500	100	110 993	—
Thaba Egoli Mining & Exploration Limited (Registration number 94/08806/06)	27 000 000	100	8 400 000	(110 993)
			<b>8 590 993</b>	<b>(30 993)</b>

at 28 February 1997, the following shareholders were the only members holding 5% or more of the ordinary issued share capital of the company:

- Saminco Limited: 5 296 044 shares or 54,25%, and
- Alizarin Investments Limited: 2 956 689 shares or 28,53%.

As at the date of this report the shareholding of members holding 5% or more, was as follows:

- Saminco Limited: 5 296 044 shares or 45,5%,
- Alizarin Investments Limited: 2 956 689 shares or 25,4%,
- Kobie Spangenberg Family Trust: 1 000 000 shares or 8,5%, and
- WJC Spangenberg: 600 000 shares or 5,2%.

#### 4 Directors' interests

The directors have a direct interest of 1 000 ordinary shares each in the share capital of the company. M Welthagen has a 28% indirect interest in the company via The Marius Welthagen Trust.

#### 5 Share capital

The authorised share capital of the company is 30 000 000 (1996: 100 000 000) ordinary shares of 10 cents each (1996: 1 cent each).

#### 6 Issue of shares

On 30 August 1996 8 400 000 ordinary shares of 10 cents each were issued at a premium of

90 cents each to satisfy the purchase price of Thaba Egoli and 216 868 ordinary shares of 10 cents each were issued at a premium of 90 cents each to settle the SouthWits loan account.

On 31 December 1996, 44 000 and 36 000 ordinary shares of 10 cents each were issued at a premium of 90 cents a share to The Marius Welthagen Trust and The Pierre de Jager Family Trust respectively for the acquisition of Douglas Mining & Exploration (Proprietary) Limited.

As at 28 February 1997 the issued share capital of the company was 9 763 252 (1996: 10 663 840) ordinary shares of 10 cents each (1996: 1 cent each).

On 3 March 1997, 100 000 and 171 000 ordinary shares of 10 cents each were issued at a premium of 90 cents each, to SA Mineral Investments (Proprietary) Limited and Alizarin Investments Limited respectively, for cash.

On 14 March 1997 the company's wholly owned subsidiary, Thaba Egoli, exercised its option over the mineral rights on the farm the Remaining Extent of Adjoining Geelvloer. The purchase price of the rights was settled by issuing 1 600 000 ordinary shares of 10 cents each at a premium of 90 cents each.

The result of these issues was an increase of the issued share capital of Thabex to 11 634 252 ordinary shares of 10 cents each.

#### 7 Dividends

No dividends are proposed in respect of the financial year ended 28 February 1997 (1996: R nil).

#### 8 Management

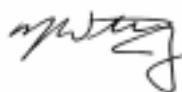
The company has not entered into any management agreement with its directors or any other entity.

#### 9 Directorate and administration

The directors in office at the date of this report are set out on page 1 of this report. In accordance with Article 93 of the company's Articles of Association, JR Rapoo will retire from office at the annual general meeting to be held on 26 August 1997, but being eligible, offers himself for re-election.

The following changes in the directorate took place:

Prof DL Reid (Appointed on 1 July 1997)  
P de Jager (Resigned on 22 October 1996)



**M Welthagen**

Chief Executive Officer  
1 July 1997

# Income statements

for the year ended 28 February 1997

	Notes	Company		Group
		1997 R	1996 R	1997 R
<b>Turnover</b>		–	–	–
<b>Operating loss</b>	9	<b>(79 848)</b>	(73 287)	<b>(158 137)</b>
<b>Write off of lapsed prospecting options</b>		<b>(85 474)</b>	–	<b>(85 474)</b>
<b>Net loss for the year</b>		<b>(165 322)</b>	(73 287)	<b>(243 611)</b>
<b>Accumulated loss</b>				
At beginning of year		<b>(4 850 758)</b>	(4 777 471)	<b>(4 850 758)</b>
At end of year		<b>(5 016 080)</b>	(4 850 758)	<b>(5 094 369)</b>

# Balance sheets

for the year ended 28 February 1997

	Notes	Company		Group
		1997 R	1996 R	1997 R
<b>Capital employed</b>				
Share capital	2	976 325	106 638	976 325
Share premium	3	12 364 609	4 570 533	12 364 609
Accumulated loss		(5 016 080)	(4 850 758)	(5 094 369)
<b>Shareholders' funds</b>		<b>8 324 854</b>	<b>(173 587)</b>	<b>8 246 565</b>
Long-term liabilities	4	80 000	216 851	376 690
		<b>8 404 854</b>	43 264	<b>8 623 255</b>
<b>Employment of capital</b>				
Fixed assets	5	—	—	65 892
Options, mineral and participation rights	6	—	85 474	8 833 329
Listed investments	7	—	—	2 047
Interest in subsidiaries	8	8 560 000	—	—
Net current liabilities		(155 146)	(42 210)	(278 013)
<b>Current assets</b>		<b>168 972</b>	10 420	<b>201 041</b>
Stock		—	—	15 800
Accounts receivable		13 450	1 734	22 881
Cash balances		155 522	8 686	162 360
<b>Current liabilities</b>		<b>324 118</b>	52 630	<b>479 054</b>
Accounts payable				
		<b>8 404 854</b>	43 264	<b>8 623 255</b>

# Cash flow statements

for the year ended 28 February 1997

	Company		Group
	1997	1996	1997
	R	R	R
<b>Cash generated by operating activities</b>			
Cash utilised in operations (note 1)	(79 848)	(73 287)	(138 827)
Cash generated by working capital (note 2)	259 772	37 674	311 861
	<b>179 924</b>	<b>(35 613)</b>	<b>173 034</b>
<b>Cash expended in investing activities</b>			
Acquisition of subsidiaries (note 3)	—	—	(8 590 993)
Acquisition of options, mineral and participation rights	—	(14 403)	(62 639)
Acquisition of investment in subsidiaries	8 560 000	—	—
Acquisition of listed investments	—	—	(2 047)
Proceeds on disposal of listed investments	—	—	5 369
Proceeds on disposal of subsidiary	—	—	110 993
	<b>(8 560 000)</b>	<b>(14 403)</b>	<b>(8 539 317)</b>
<b>Cash effects of financing activities</b>			
Proceeds from issue of share capital	869 687	—	869 687
Share premium	7 794 076	—	7 794 076
Decrease in long-term liabilities	(136 851)	52 801	(132 459)
	<b>8 526 912</b>	<b>52 801</b>	<b>8 531 304</b>
<b>Increase in cash resources</b>	<b>146 836</b>	<b>2 785</b>	<b>165 021</b>

# Notes to the cash flow statements

for the year ended 28 February 1997

	Company		Group
	1997	1996	1997
	R	R	R
<b>1 Cash utilised in operations</b>			
Operating loss for the year	(79 848)	(73 287)	(158 137)
<i>Adjusted for –</i>			
Depreciation of fixed assets	–	–	21 430
Surplus on disposal of listed investments	–	–	(2 120)
	<b>(79 848)</b>	<b>(73 287)</b>	<b>(138 827)</b>
<b>2 Cash generated by working capital</b>			
<i>Decreases / (increases) in working capital</i>			
Stock	–	–	(15 800)
Accounts receivable	(11 716)	349	(5 874)
Accounts payable	271 488	37 325	333 535
	<b>259 772</b>	<b>37 674</b>	<b>311 861</b>
<b>3 Acquisition of subsidiaries</b>			
<i>Net assets acquired –</i>			
Fixed assets	–	–	(87 322)
Options, mineral and participation rights	–	–	(8 770 690)
Listed investments	–	–	(3 249)
Investment in subsidiary	–	–	(110 993)
Bank balances and cash	–	–	(35)
Accounts receivable	–	–	(15 273)
Long-term liabilities	–	–	292 298
Bank overdrafts	–	–	11 382
Accounts payable	–	–	92 889
	–	–	<b>(8 590 993)</b>

# Notes to the financial statements

for the year ended 28 February 1997

## 1 Accounting policies

The financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies which are consistent with those applied in the previous financial year.

### 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 during a financial year are included from the effective dates of acquisition.

Goodwill arising on consolidation is recognised as an asset.

### Fixed assets and depreciation

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 cost 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.

	Company		Group
	1997	1996	1997
	R	R	R
<b>2 Share capital</b>			
<b>Authorised</b>			
30 000 000 ordinary shares of 10 cents each	3 000 000	1 000 000	3 000 000
(1996: 100 000 000 ordinary shares of 1 cent each)			
<b>Issued</b>			
9 763 252 ordinary shares of 10 cents each	976 325	106 638	976 325
(1996: 10 663 840 ordinary shares of 1 cent each)			

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.

# Notes to the financial statements

for the year ended 28 February 1997

	Company		Group
	1997 R	1996 R	1997 R
<b>3 Share premium</b>			
Balance at beginning of year	4 570 533	4 570 533	4 570 533
Arising on issue of shares	7 827 181	—	7 827 181
	<b>12 397 714</b>	4 570 533	<b>12 397 714</b>
Share issue expenses written off	(33 105)	—	(33 105)
Balance at end of year	<b>12 364 609</b>	4 570 533	<b>12 364 609</b>
<b>4 Long-term liabilities</b>			
SA Mineral Investment Corporation Limited	—	—	179 225
SA Mineral Investments (Proprietary) Limited	—	—	106 404
The Marius Welthagen Trust	44 000	—	55 061
The Pierre de Jager Family Trust	36 000	—	36 000
Southern Witwatersrand Exploration Company Limited	—	216 851	—
	<b>80 000</b>	216 851	<b>376 690</b>
These loans are unsecured, interest free and terms of repayment have not been determined.			
<b>5 Fixed assets</b>			
Plant and equipment			
At cost	—	—	107 148
Accumulated depreciation	—	—	41 256
	—	—	<b>65 892</b>
<b>6 Options, mineral and participation rights</b>			
At cost	—	85 474	<b>8 833 329</b>
<b>7 Listed investments</b>			
At cost	—	—	<b>2 047</b>
Market value of listed investments	—	—	<b>2 900</b>

# Notes to the financial statements

for the year ended 28 February 1997

	Company		Group
	1997 R	1996 R	1997 R
<b>8 Interest in subsidiaries</b>			
Shares at cost	8 590 993	–	
Net indebtedness by subsidiaries	(30 993)	–	
	<b>8 560 000</b>	–	
<b>9 Operating loss is arrived at after taking into account</b>			
Interest received	(590)	(136)	(641)
Surplus on disposal of listed investments	–	–	(2 120)
Auditors' remuneration	16 300	3 296	21 000
– Audit fees	7 000	3 200	11 700
– Underprovision previous year	9 300	96	9 300
Depreciation of fixed assets	Rate per annum		
– Plant and equipment	20%	–	21 430
Interest paid			
– Bank overdraft	–	–	101
Management fee	–	48 000	–
Secretarial fees	11 595	18 790	11 595

## 10 Taxation

The company has a computed loss of R4 498 535 (1996: R4 418 687) which is available for set off against future taxable income.

## 11 Group comparative figures

Group comparative figures are not provided as these are the first group financial statements.

# Annexure One

at 28 February 1997

<b>Options, mineral and participation rights</b>
--

**1997**  
**R**

---

---

**1 Thaba Egoli Mining & Exploration Limited**

The group has concluded agreements with the owners of the mineral rights over the following properties whereby all rights and obligations under the original prospecting and option contracts relating to these properties have been ceded to the group.

---

---

**1.1 Jacomyns Pan Project**

**At cost** **1 816 326**

Comprising:

Remaining extent of Jacomyns Pan 176 measuring 13 676.9345 hectares situated in the Kenhardt District.

Portion 2 (Glen Connan) of Jacomyns Pan 176 measuring 144.8795 hectares and remaining extent of Hartebeest Pan 175 measuring 619.4568 hectares situated in the Kenhardt District.

---

---

**1.2 Geelvloer Project**

**At cost** **6 848 825**

Comprising:

Remainder of adjoining Geelvloer 197 measuring 3 041.5989 hectares situated in the Kenhardt District.

Remaining portion of portion 4 of Bry Paal 134 measuring 5 314.2790 hectares situated in the Kenhardt District.

Remainder of portion 4 (Kraandraai Wes) of adjoining Geelvloer 197 measuring 1 465.0638 hectares situated in the Kenhardt District.

Portion 7 (a portion of portion 5) of Bry Paal 134 measuring 884.9350 hectares situated in the Kenhardt District.

T'Oubeep 158 measuring 2 759.0161 hectares situated in the Kenhardt District.

Portion 6 of portion 4 (Kraandraai Wes) of adjoining Geelvloer 197 measuring 1 569.7330 hectares situated in the Kenhardt District.

---

---

**2 Steynsdorp Gold Mining Company (Proprietary) Limited**

Exploration costs capitalised **168 178**

---

---

**8 833 329**

# Notice of annual general meeting

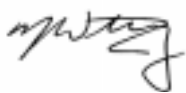
Notice is hereby given that the annual general meeting of members of Thabex Exploration Limited will be held at KPMG Forum, 427 Hilda Street, Hatfield, Pretoria on Tuesday, 26 August 1997 at 10:00 for the following business:

## Ordinary resolutions

- 1 To receive, consider and adopt the annual financial statements of the company and the group for the year ended 28 February 1997.
- 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 the remaining shares in the authorised but unissued share capital of the company.
- 5 To ratify the following:
  - 5.1 The issue of 1 600 000 ordinary shares of 10 cents each at a premium of 90 cents a share for the acquisition of the Geelvloer Mineral Rights for R1,6 million.
  - 5.2 The capitalisation of the loan account of SA Mineral Investments (Pty) Limited against the issue of 100 000 ordinary shares of 10 cents each at a premium of 90 cents a share.
  - 5.3 The issue of 171 000 ordinary shares of 10 cents each at a premium of 90 cents a share to Alizarin Investments Limited for a cash amount of R171 000.
  - 5.4 The issue of 44 000 and 36 000 ordinary shares of 10 cents each at a premium of 90 cents a share to The Marius Welthagen Trust and The Pierre de Jager Family Trust respectively, for the acquisition of the shares in Douglas Mining Exploration (Proprietary) Limited.

A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend and speak and vote in his/her 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.

By order of the Board



## SA Mineral Investments (Proprietary) Limited

Secretaries  
Pretoria  
1 July 1997

# Shareholders' diary

Annual General Meeting 26 August 1997

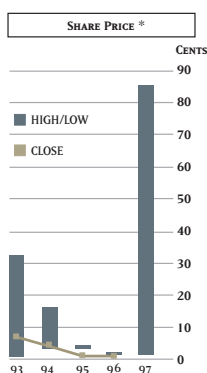
Interim Report 30 October 1997

Annual Report 1998 20 May 1998

# Shareholders' analysis

Classifications	No of % of current		No of % of issued	
	holders	holders	shares	capital
Individuals	386	85,98	1 065 942	9,16
Limited Companies	4	0,89	226 671	1,95
Nominee Companies or Trusts	33	7,35	6 985 434	60,04
Growth Funds/Unit Trusts	1	0,22	2 000	0,02
Pty Companies	16	3,56	249 146	2,14
Close Corporations	8	1,78	148 370	1,28
Investment Companies	1	0,22	2 956 689	25,41
<b>Total</b>	<b>449</b>	<b>100,000</b>	<b>11 634 252</b>	<b>100</b>

\* Adjusted for 1 : 10 consolidation last traded on JSE 21 May 1996





## Explore our website

---



**e-mail** [thabex@cis.co.za](mailto:thabex@cis.co.za)  
**Website** [www.thabex.com](http://www.thabex.com)

EX

