



Thabex Limited  
(formerly Thabex Exploration Limited) Registration  
No 1988/000763/06 (Incorporated in the Republic  
of South Africa  
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## PRESS RELEASE

### **THABEX LTD'S KOLO PROJECT NOW IN FULL PRODUCTION & CASH GENERATIVE**

JOHANNESBURG –JSE-listed mining junior Thabex Limited announced today its results for the year ended 29 February 2008.

The Group incurred a net loss of R7,1 million for the year ended 29 February 2008 (2007: R6,605 million). The headline loss per share decreased from 38.84 cents to 36.86 cents. Throughout the course of the financial year the group generated R477 000 in revenue, which was not sufficient to fund its operations.

Investments to the tune of R5,166 million were made in increasing the group's mining assets and equipment, as well as exploration and evaluation assets. The increase was mainly due to the investment in the plant at Kolo in Lesotho.

Currently, the net asset value of the group amounts to 75.19 cents per share.

According to Marius Welthagen, CEO of Thabex Ltd: "The Kolo kimberlite project is now in full production and we expect a positive cash flow from this operation from June this year."

A 20-tons per hour Dense Medium Separator and a 14 foot Gravity Rotary Pan plant has been installed at the mine. Up to 30% of the diamonds recovered at the mine are of gem quality. Of a total of 2 285 tons recently processed of the mainly "A" type kimberlite by Angel Diamonds, 206 carats at an indicated grade ranging from 7.71 to 16.62 carats per hundred tons were produced with a bottom cut-off screen size of 2mm.

During 1996 rough diamonds from Kolo was sold on auction at the Mining Commissioner's office in Lesotho indicated that a 18.3ct diamond was sold for US\$7800/ct and larger stones, including a 38ct and 138ct diamond, were also sold in the same parcel. The largest diamond recovered by Angel was 4.88ct with various rough diamonds of good quality and colour in the range of 1 to 3.5cts.

"We are also expecting news concerning the prospect drilling of seven geophysical targets undertaken by Namdeb Corporation (Pty) Ltd on subsidiary Minnex's properties in northern Namibia," says Welthagen.

During the period under review the Minnex acquisition was completed, and Thabex now owns 100% of the exploration company. The subsidiary's projects consist of a 36% interest in the Nidoyona Kimberlite project in Namibia; a late state secondary alluvial exploration project on the farm Middelwater near Prieska; and an early stage high volume marine concession.

Thabex tested 7000 tons of stockpiled alluvial gravels on the farm Middelwater and considered the size of the project too large for the group to test on a reasonable scale with an estimated capital requirement of R20m. As a result, Minnex entered into an agreement with Steyn Diamante cc, based in Douglas to cede its option on this property and receive a management fee on turnover of 2,5% once mining commences during the next year.

Testing equipment utilized at Middelwater will now be moved to Monastery in the Free State Province, which is about to commence prospecting activities during the next few months.

Salt River Resources Ltd ("SRR") continues with its pre-feasibility study of the Salt River Base Mineral Project. It has increased its total Mineral Resource by about 20m tons identifies a zone of higher-grade mineralisation.

Thabex has negotiated the sale of its Ugandan gold interest for US\$30000 in order to focus its resources on its promising diamond interests in Lesotho and South Africa.

"The board is confident that the production of rough diamonds from the Kolo Kimberlite pipe and the proposed disposal of the Middelwater alluvial diamond project will generate sufficient cash flow to enable the Group to realise its assets and settle its liabilities in the normal course of business," explains Welthagen.

"In addition, the board has implemented action plans which, inter alia, include the appointment of VSA Capital Ltd, based in London, to assist both Thabex and SRR with the possible raising of additional funding by way of an equity placement in both companies," Welthagen concludes.

No dividend has been declared.

Johannesburg 9 June 2008