THIS MANDATORY OFFER CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this circular have, where appropriate, been used on this cover page.

Action required

If you have disposed of your Infrasors ordinary shares, please forward this circular together with the form of acceptance, surrender and transfer *(yellow)* to the purchaser of such ordinary shares or to the banker, stockbroker, CSDP or other agent through whom you disposed of such shares. Neither Afrimat, nor Infrasors, nor any of their advisors take any responsibility and will not be held liable for any failure on the part of the CSDP, banker or stockbroker of any dematerialised shareholder to notify such shareholder of the unconditional mandatory offer set out in this circular.

Infrasors shareholders are referred to page 2 of this circular, which sets out detailed action required of them in respect of the unconditional mandatory offer set out in this circular.

If you are in any doubt as to what action to take, please consult your stockbroker, CSDP, banker, accountant, attorney or other professional advisor immediately.

INFRASORS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2007/002405/06)
Share code: IRA ISIN: ZAE000101507

AFRIMAT LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/022534/06)
Share code: AFT ISIN: ZAE000086302

CIRCULAR TO INFRASORS SHAREHOLDERS

relating to:

- **an unconditional mandatory offer by Afrimat to all Infrasors minority shareholders to acquire the Infrasors ordinary shares held by them for a cash consideration of R0.35 for each Infrasors share, in terms of section 123 of the Companies Act;**

and including:

- **a form of acceptance, surrender and transfer *(yellow)* for use by Infrasors minority shareholders who hold certificated shares and wish to accept the mandatory offer.**

Corporate advisor and sponsor to Afrimat	Sponsor to Infrasors	Independent expert to Infrasors
BRIDGE CAPITAL	sasfin Capital (A division of Sasfin Bank Limited)	BDO

Mandatory offer opens at 09:00 on	**Monday, 22 April 2013**
Mandatory offer closes at 12:00 on	**Friday, 7 June 2013**

Date of issue: 22 April 2013

This circular is only available from 22 April 2013 in English and copies hereof may be obtained during business hours on business days from the registered offices of Infrasors, Afrimat, Bridge Capital, Sasfin and the transfer secretaries.

CORPORATE INFORMATION AND ADVISORS

Company secretary and registered office of Infrasors

Kerry Colley
Resource House
7 Spring Street
Rivonia, 2196
(PO Box 1962, Rivonia, 2128)

Sponsor of Infrasors

Sasfin Capital
A division of Sasfin Bank Limited
(Registration number 1951/002280/06)
29 Scott Street
Waverley, 2090
(PO Box 95104, Grant Park, 2051)

Auditors of Infrasors

Mazars
2nd Floor Mazars House
5 St David's Place
Parktown, 2193
(PO Box 6697, Johannesburg, 2000)

Transfer secretaries to Infrasors

Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor
Rennie House
19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

Company secretary and registered office of Afrimat

PGS de Wit CA(SA); ACIS
Tyger Valley Office Park No. 2
Corner Willie van Schoor Avenue and
Old Oak Road
Tyger Valley, 7530
(PO Box 5278, Tyger Valley, 7536)

Sponsor and corporate advisor of Afrimat

Bridge Capital Advisors Proprietary Limited
(Registration number 1998/016302/07)
2nd Floor
27 Fricker Road
Illovo, 2196
(PO Box 651010, Benmore, 2010)

Independent expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
22 Wellington Road
Parktown, 2195
(Private Bag X60500, Houghton, 2041)

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ACTION REQUIRED BY INFRASORS SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this circular shall apply *mutatis mutandis* to this section.

If you have disposed of all your Infrasors ordinary shares, this circular should be handed to the purchaser of such shares or to the banker, stockbroker, CSDP or other agent through whom such disposal was effected.

1. **Certificated shareholders**

   Shareholders holding their own share certificates and who wish to accept the mandatory offer must complete the form of acceptance, surrender and transfer *(yellow)* attached to this circular in accordance with the instructions therein. The completed form of acceptance, surrender and transfer *(yellow)* must be forwarded, together with the relevant share certificates, by hand or by mail to the transfer secretaries, as follows:

By mail	*By hand*
Link Market Services South Africa Proprietary Limited PO Box 4844 Johannesburg, 2000	Link Market Services South Africa Proprietary Limited 13th Floor, Rennie House 19 Ameshoff Street Braamfontein, 2001

   so as to be received by the transfer secretaries by no later than 12:00 on the closing date.

2. **Dematerialised shareholders**

   Shareholders whose shares are held by a CSDP or stockbroker, as nominee on behalf of such shareholders, should be contacted by their CSDP or stockbroker in terms of the Custody Agreements concluded between the shareholder and the CSDP or stockbroker, to ascertain whether or not the shareholder wishes to accept the mandatory offer and, if so, in respect of how many Infrasors shares, and thereafter should communicate such acceptance (if any) to the CSDP or stockbroker in the manner and by the cut-off time advised by the CSDP or stockbroker stipulated in the Custody Agreement, in order to constitute a valid acceptance.

   If you have not been contacted by your CSDP or stockbroker and you wish to accept the mandatory offer, it would be advisable for you to contact your CSDP or stockbroker and furnish them with your instructions. These instructions must be provided in the manner and by the cut-off date and time advised by your CSDP or stockbroker in terms of the custody agreement entered into between you and your CSDP or stockbroker. You must **not** complete the attached form of acceptance, surrender and transfer *(yellow)*. Neither Afrimat, nor Infrasors, nor any of their advisors take any responsibility, nor will they be held liable for any failure on the part of any CSDP or stockbroker to notify a shareholder of the mandatory offer and/or to obtain instructions from a shareholder and submit acceptances timeously to the transfer secretaries.

SALIENT DATES AND TIMES

Mandatory offer document posted to Infrasors minorities on	Monday, 22 April 2013
Mandatory offer opens at 09:00 on	Monday, 22 April 2013
Finalisation date	Friday, 24 May 2013
Last day to trade in Infrasors shares in order to participate in the mandatory offer	Friday, 31 May 2013
Shares trade "*ex*" the mandatory offer	Monday, 3 June 2013
Mandatory offer closes at 12:00 on	Friday, 7 June 2013
Record Date to determine which shareholders may accept the mandatory offer	Friday, 7 June 2013
Results of mandatory offer to be released on SENS	Monday, 10 June 2013
Final (see note 4) offer consideration credited to the offer participant's accounts at his CSDP or stockbroker (as the case may be) in cases where the shares surrendered in terms hereof are held by such CSDP or stockbroker as nominee for the offer participant on	Monday, 10 June 2013
Final (see note 4) cheques posted to or credited to the bank accounts of the offer participants (who hold their shares in their own names) at the offer participant's own risk, in settlement of the offer consideration (subject to receipt by the transfer secretaries of the relevant share certificates) on or about	Monday, 10 June 2013
Results of the mandatory offer to be published in the press on	Tuesday, 11 June 2013

Certificated Shareholders who accept the offer will have the offer consideration posted to them or transferred to them by way of EFT within six business days of the date on which such shareholders deliver forms of acceptance and documents of title to the transfer secretaries with final payment being made on the first business day after the closing of the offer.

Dematerialised Shareholders who accept the offer will have their accounts at their CSDP or broker updated within six business days of the date on which the CSDPs or brokers of such Infrasors shareholders notify the transfer secretaries of their acceptance of the offer with final payment being made on the first business day after the closing of the offer.

Notes:

1. The definitions and interpretations commencing on page 4 of this circular apply *mutatis mutandis* to the information on salient dates and times.
2. The above dates and times are subject to amendment by the offeror. Any such amendment will be released on SENS and published in the press.
3. All times indicated above are South African times.
4. The offer consideration will be credited or posted to shareholders within six business days of receipt of the acceptance of the offer by the transfer secretaries.
5. Share certificates may not be dematerialised or rematerialised between Monday, 3 June 2013 and Friday, 7 June 2013, both days inclusive.

DEFINITIONS AND INTERPRETATIONS

In this circular, the annexures and attachment hereto, unless otherwise stated or the context otherwise clearly indicates, the words in the first column shall have the meaning stated opposite them in the second column. Words in the singular shall include the plural and *vice versa*, words signifying any one gender shall include the other genders and references to natural persons shall include juristic persons and associations of persons:

"Act" or "Companies Act"	the Companies Act, 2008 (Act 71 of 2008), as amended;
"acquisition"	the acquisition by Afrimat of the acquisition shares from Hanchurch and retiring management of Infrasors;
"acquisition shares"	94 171 108 Infrasors shares acquired by Afrimat from Hanchurch and the retiring management of Infrasors at a price of R0.35 per share with effect from 1 March 2013;
"Afrimat" or "the offeror"	Afrimat Limited (Registration number 2006/022534/06),a public company incorporated in accordance with the laws of South Africa, the ordinary shares of which are listed and traded on the JSE;
"business day"	any day other than a Saturday, Sunday or an official public holiday in South Africa;
"certificated shares"	Infrasors ordinary shares held in the form of certificates or other documents of title and which have not yet been surrendered for dematerialisation in terms of Strate;
"certificated shareholders"	Infrasors shareholders holding certificated shares;
"circular"	this circular and the annexures hereto issued on 29 April 2013;
"closing date"	the closing date of the mandatory offer, being 12:00 on 7 June 2013, which date may be amended to an earlier or later business day;
"the common monetary area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Regulations"	the Companies Regulations 2011, promulgated in terms of section 223 of the Act (which includes the Take-over Regulations);
"conditions precedent"	conditions precedent to the mandatory offer set out in paragraph 3.5 of this circular;
"CSDP"	a Central Securities Depository Participant registered as a participant in terms of the Securities Services Act and licenced as a central securities depository under the Securities Services Act;
"dematerialised"	the process whereby paper share certificates or other documents of title are replaced with electronic records of ownership of shares or securities as contemplated in section 49(5) of the Act under the Strate system with a CSDP or stockbroker;
"dematerialised shares"	Infrasors ordinary shares, which have been dematerialised and incorporated into Strate and which are no longer evidenced by share certificates or other physical documents of title;
"dematerialised shareholders"	Infrasors shareholders holding dematerialised shares;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, made in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
"Finalisation Date"	the date being Friday, 24 May 2013;

"Hanchurch"	Hanchurch Asset Management Incorporated (Registration number E68019), a private company incorporated in accordance with the laws of British Virgin Islands and which Afrimat purchased 75 016 000 shares from;
"independent board"	the members of the independent board of Infrasors comprising PFC Ying, M Noge and JCP Bekker;
"the independent expert"	BDO Corporate Finance Proprietary Limited (Registration number 1983/002903/07), a private company duly registered and incorporated with limited liability in accordance with the laws of South Africa and the independent professional expert that the independent board of Infrasors has appointed to advise and report on the mandatory offer;
"Infrasors" or "the offeree"	Infrasors Holdings Limited (Registration number 2007/002405/06), a public company incorporated in accordance with the laws of South Africa, the ordinary shares of which are listed on the Main Board of the JSE;
"Infrasors minority shareholders"	all Infrasors shareholders, other than Afrimat;
"Infrasors shareholders" or "shareholders"	all registered holders of Infrasors shares;
"Infrasors shares" or "ordinary shares" or "shares"	ordinary shares in the capital of the Company with a par of 0.5 cent each, which are listed on the JSE;
"JSE"	JSE Limited, a company duly registered and incorporated with limited liability under the company laws of South Africa under registration number 2007/022939/06, licenced as an exchange under the Securities Services Act;
"last day to trade"	being Friday, 31 May 2013;
"last practicable date"	17 April 2013, being the last practicable date prior to finalisation of this circular;
"offer" or "mandatory offer"	the mandatory offer by Afrimat, in terms of section 123 of the Act, to acquire, on the terms set out in this circular, from Infrasors minority shareholders, all or part of their Infrasors shares for the offer consideration;
"offer consideration"	R0.35 per Infrasors share, being a discount of 0% to the 30-day VWAP of Infrasors shares as at 1 March 2013 (being date of acquisition) (the 30-day VWAP of Infrasors shares as at 28 February 2013, was a 27% discount),less any dividend paid to Infrasors shareholders between 29 April 2013 and the closing date, payable in cash on the terms and conditions of the mandatory offer;
"offer participants"	Infrasors minority shareholders who validly and lawfully accept the mandatory offer by the closing date, and who are thus entitled to receive the offer consideration;
"opening date"	the opening date of the mandatory offer, being 22 April 2013;
"own name dematerialised shareholders"	Infrasors shareholders who have dematerialised their shares through a CSDP and have instructed CSDP to hold their shares in their own name on the sub-register, being the list of shareholders maintained by the CSDP and forming part of the register of Infrasors;
"Rand"	the lawful currency of South Africa;

"retiring Infrasors management"	the retiring infrasors management from which Afrimat purchased 19 155 108 shares, comprising of 10 000 shares from Ronbel 177 Proprietary Limited, 1 746 000 shares from Stromnes Investments Proprietary Limited, 10 107 108 shares from HS Courtney, 1 000 000 shares from CH Boulle, 700 000 shares from M Noge, 1 000 000 shares from S Vorster, 1 192 000 shares from DH Alexander, and 3 400 000 shares from Ronel 177 Proprietary Limited;
"SARB"	South African Reserve Bank;
"SENS"	Securities Exchange News Service of the JSE;
"Securities Services Act"	the South African Securities Services Act, 2004 (Act 36 of 2004), as amended;
"Standard Bank"	The Standard Bank of South Africa Limited (Registration number 1962/000738/06), a public company incorporated in accordance with the laws of South Africa and registered as a bank in terms of the Banks Act;
"Strate"	Strate Limited (Registration number 1998/022242/06), the company operating the electronic settlement system for transactions that take place on the JSE and off-market transactions;
"Take-over Regulations"	the Take-over Regulations set forth in Chapter 5 of the Companies Regulations;
"transfer secretaries"	Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company incorporated in accordance with the laws of South Africa;
"TRP"	the Take-over Regulation Panel established in terms of section 196 of the Act; and
"VWAP"	volume weighted average price.

(Incorporated in the Republic of South Africa)
(Registration number 2007/002405/06)
Share code: IRA ISIN: ZAE000101507

(Incorporated in the Republic of South Africa)
(Registration number 2006/022534/06)
Share code: AFT ISIN: ZAE 000086302

Directors

Infrasors

Executive

Trevor Robinson *(Chief Executive Officer)*
Marius Potgieter *(Financial Director)*

Non-executive

Mochele Noge# *(Chairman)*
Percy Ford Chuang Ying#
Jacobus Coenrad Petrus Bekker #
Andries Johannes van Heerden*
Hendrik Philippus Verreynne*
Theunis de Bruyn*

** Non-executive director*
 # Independent non-executive director

Afrimat

Executive

Andries Johannes van Heerden (*Chief Executive Officer)*
Hendrik Philippus Verreynne *(Financial Director)*
Gert Johannes Coffee *(Chief Operating Officer)*

Non-executive

Loyiso Dotwana*
Francois du Toit*
Dr Lourens Petrus Korsten#
Marthinus Wilhelmus von Wielligh# *(Chairman)*
Hendrik Johannes Erasmus van Wyk#
Phuti Rachel Ethel Tsukudu#

CIRCULAR TO INFRASORS SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

In the announcement released on SENS on 5 March 2013, Infrasors shareholders were advised that Afrimat had acquired 94 171 108 Infrasors shares, representing 50.8% of the issued share capital of Infrasors, from Hanchurch and retiring Infrasors management for a total consideration of R32 959 888, representing an acquisition price of R0.35 per share.

Following the acquisition Afrimat is able to exercise the voting rights in respect of the acquisition shares. The acquisition gives rise to an affected transaction in terms of section 123 of the Act (read with section 117 of the Act). Afrimat is consequently required to make an unconditional mandatory offer to all Infrasors minority shareholders.

The purpose of this circular is to provide Infrasors minority shareholders with details of the unconditional mandatory offer.

2. REASONS FOR THE MANDATORY OFFER AND OFFEROR'S INTENTIONS REGARDING THE CONTINUATION OF THE BUSINESS OF INFRASORS

The acquisition will further enhance Afrimat's industrial minerals and aggregates product offering and expand its geographical footprint within South Africa. Excellent opportunities exist to leverage the combined strengths of Afrimat and Infrasors to create new revenue streams and to deliver cost reduction initiatives. The acquisition will enable Afrimat to grow its foothold in the Northern provinces' industrial minerals and aggregates supply market without creating more capacity in these industries. It is the intention of Afrimat and the board of Infrasors to retain the listing of Infrasors on the exchange of the JSE for the time being.

3. TERMS OF THE MANDATORY OFFER

3.1 The mandatory offer

Afrimat hereby offers to acquire, on the terms set out in this circular, from the Infrasors minority shareholders all or part of their Infrasors shares for the offer consideration. The Infrasors minority shareholders who accept the mandatory offer by the closing date shall receive R0.35 per share less any dividend paid to Infrasors shareholders between 22 April 2013 and payment date being 10 June for every Infrasors share disposed of in terms of the mandatory offer. The offer consideration constitutes a discount of 0% to the 30-day VWAP of Infrasors shares as at 1 March 2013 (being the acquisition date), the 30-day VWAP of Infrasors shares as at 28 February 2013, was a 27% discount. The mandatory offer will be implemented in accordance with section 123 of the Companies Act.

Prior to conclusion of Afrimat acquiring the 94 171 108 Infrasors ordinary shares from Hanchurch and the retiring Infrasors management, the offeror held no ordinary shares in Infrasors, directly or indirectly.

The offer consideration will be settled in cash in accordance with the terms of the mandatory offer and will be settled in full without regard to any lien, right of set-off, counterclaim or other analogous right to which the offeror may otherwise be, or claim to be, entitled against any offer participant.

The deemed effective date of the disposal of Infrasors shares by the offer participants will be the closing date. Infrasors minority shareholders who accept the mandatory offer will not receive any interest from the date of acceptance of the mandatory offer to the date of the payment of the offer consideration.

3.2 Settlement of the offer consideration

The offeror will procure the settlement of the offer consideration to the offer participants, as follows:

Certificated Shareholders who accept the Afrimat offer will have the Afrimat consideration posted to them or transferred to them by way of EFT within six business days of the date on which such Infrasors shareholders deliver forms of acceptance and documents of title to the transfer secretaries with final payment being made on the first business day after the closing of the offer.

Dematerialised Shareholders who accept the Afrimat offer will have their accounts at their CSDP or broker updated within six business days of the date on which the CSDPs or brokers of such Infrasors shareholders notify the transfer secretaries of their acceptance of the Afrimat offer with final payment being made on the first business day after the closing of the offer.

3.3 Remaining shareholders

Infrasors shareholders who elect not to accept the mandatory offer, or elect to accept the mandatory offer in part, will remain shareholders in Infrasors.

3.4 Offer period

The mandatory offer opens for acceptance at 09:00 on 22 April 2013, and will close at 12:00 on 7 June 2013.

3.5 Conditions precedent

The mandatory offer is subject to the approval and consent from all relevant regulatory authorities required to implement the mandatory offer, which shall include the approval of the TRP (by way of the issuance of the requisite compliance certificate by the TRP).

3.6 Funding and cash confirmation

Standard Bank has provided an irrevocable unconditional guarantee to the TRP in accordance with Take-over Regulations sections 111(4) and 111(5) confirming that Afrimat has sufficient funds available to acquire the ordinary issued share capital of Infrasors not already owned by Afrimat from the Infrasors minority shareholders who accept the mandatory offer.

3.7 **Exchange Control**

A summary of the South African Exchange Control Regulations applicable to the mandatory offer are set out below. Infrasors minority shareholders, who are in any doubt as to the action they should take, should consult their professional advisors.

Residents of the common monetary area

In the case of:

- Certificated Shareholders whose registered addresses in the register are within the common monetary area and whose documents of title are not restrictively endorsed in terms of the South African Exchange Control Regulations, the offer consideration will be posted to such shareholders or credited to their bank accounts on the first business day following the closing date; or
- Dematerialised Shareholders whose registered addresses in the register are within the common monetary area and have not been restrictively designated in terms of the South African Exchange Control Regulations, the offer consideration will be credited directly to the accounts nominated for the relevant shareholders by their duly appointed CSDP or stockbroker in terms of the provisions of the custody agreement with their CSDP or stockbroker, on the first business day following the closing date.

Emigrants from the common monetary area

In the case of shareholders who are emigrants from the common monetary area:

- who are Certificated Shareholders whose documents of title have being restrictively endorsed under the South African Exchange Control Regulations, the offer consideration will be forwarded to the authorised dealer in foreign exchange in South Africa controlling such Certificated Shareholders' blocked assets in terms of the South African Exchange Control Regulations, on the first business day following the closing date. The attached form of acceptance, surrender and transfer *(yellow)* makes provision for details of the authorised dealer concerned to be given; or
- who are Dematerialised Shareholders, the offer consideration will be credited to the bank accounts of the shareholders' CSDP or stockbroker which shall arrange for the same to be credited directly to the shareholders' blocked Rand bank accounts held by the shareholders' authorised dealers and held to the order of the shareholders' authorised dealer in foreign exchange in South Africa, on the first business day following the closing date.

All other non-residents of the common monetary area

The offer consideration accruing to non-resident shareholders whose registered addresses are outside the common monetary area and who are not emigrants from the common monetary area, will:

- in the case of Certificated Shareholders, whose documents of title have been restrictively endorsed under the South African Exchange Control Regulations, be posted to the registered addresses of the non-resident shareholders concerned on the first business day following the closing date, unless written instructions to the contrary are received and an address provided. The attached form of acceptance, surrender and transfer *(yellow)* makes provision for a substitute address or bank details; or
- in the case of dematerialised shareholders, be credited by their duly appointed CSDP or stockbroker directly to the accounts nominated by the shareholders in terms of the provisions of the custody agreement with his CSDP or stockbroker on the first business day following the closing date.

Information not provided

If the information regarding the authorised dealer is not given or instructions are not given as required, the offer consideration will be held by Afrimat or the transfer secretaries on behalf of Afrimat for the benefit of the certificated shareholder concerned pending receipt of the necessary information or instructions. No interest will accrue or be paid on the offer consideration so held.

4. **INFORMATION REQUIRED IN TERMS OF THE TAKE-OVER REGULATIONS**

4.1 **Directors' interests and dealings in shares**

4.1.1 ***Afrimat interests and dealings in Infrasors and Afrimat directors' interest and dealings in Afrimat***

As at the last practicable date and following the acquisition, Afrimat held 50.8% of the issued ordinary share capital of Infrasors. Other than the acquisition of the acquisition shares Afrimat has dealt in no Infrasors shares in the period commencing six months prior to the opening of the mandatory offer and ending on the last practicable date. No Afrimat directors have dealt in Afrimat shares during the period beginning six months prior to the opening of the mandatory offer and ending on the last practicable date other than that which is shown below.

As at the last practicable date the directors of Afrimat held the following interests in the issued ordinary share capital of Afrimat:

Director	Direct beneficial	Indirect beneficially	Indirect non-beneficially	% of issued share capital
GJ Coffee	300 000	–	–	0.21
L Dotwana	–	2 079 843	–	1.45
F du Toit	–	–	19 408 502	13.55
LP Korsten	–	–	6 450 000	4.50
AJ van Heerden	5 206 376	–	1 198 543	4.47
HJE van Wyk	–	–	112 000	0.08
HP Verreynne	253 863	–	–	0.18
MW von Wielligh	520 000	80 000	–	0.42
Total	**6 280 239**	**2 159 843**	**27 169 045**	**24.86**

The following directors of Afrimat, directors of Afrimat's major subsidiaries and shareholders who have provided irrevocable undertakings, dealt in the Afrimat shares during the period beginning six months prior to the opening date of the mandatory offer and ending on the last practicable date:

Name	Date	Transaction type	Price (cents per share)	Volume	Rand value
LP Korsten	19 February 2013	Sell	840	160 000	1 344 000
	28 February 2013	Sell	850	390 000	3 315 000
AJ van Heerden	11 February 2013	Buy	874	385 584	3 370 004
	11 February 2013	Sell	874	154 234	1 348 005
	14 February 2013	Sell	855	500 000	4 275 000
HP Verreynne	18 May 2012	Buy	584	256 438	1 497 597
	18 May 2012	Sell	584	102 575	599 038
M van Wielligh	15 February 2013	Sell	855	400 000	3 420 000
L Dotwana	10 December 2012	Sell	618	2 130 858	13 168 702

Save as detailed above there has been no change in directors' interests since year-end to the date of this circular.

4.1.2 Afrimat directors' interests and dealings in Infrasors shares

As at the last practicable date, none of the Afrimat directors held any shares in Infrasors, other than those held indirectly by their shareholding in Afrimat. No Afrimat directors have dealt in Infrasors shares during the period beginning six months prior to the opening of the mandatory offer and ending on the last practicable date.

4.1.3 ***Infrasors directors' interests and dealings in Infrasors shares***

No Infrasors directors have dealt in Infrasors shares during the period beginning six months prior to the opening of the mandatory offer and ending on the last practicable date.

At the last practicable date the directors of Infrasors held the following interests in the issued ordinary share capital of Infrasors:

Director	Direct beneficial	Indirect beneficially	Indirect non-beneficially	% of issued share capital
T Robinson	4 000 000	–	–	2.16
Total	**4 000 000**	**–**	**–**	**2.16**

4.1.4 ***Infrasors and Infrasors directors' interests in Afrimat shares***

As at the last practicable date, neither Infrasors nor the directors of Infrasors held any interests in the issued ordinary share capital of Afrimat.

4.2 **Infrasors and Infrasors directors' dealings in Afrimat shares**

Neither Infrasors nor the directors of Infrasors had any dealings in Afrimat shares during the period beginning six months prior to the opening date and ending on the last practicable date.

4.3 **Directors' emoluments and service contracts**

The total emoluments receivable by Infrasors directors will not be varied as a consequence of the mandatory offer.

There are no material particulars of an abnormal nature in respect of Infrasors directors' service contracts which require specific disclosure, nor were any directors' service contracts entered into or amended during the period beginning six months prior to the opening date and ending on the last practicable date.

The service contracts of Infrasors directors will not be affected by the mandatory offer.

4.4 **Composition of the Infrasors board following implementation of this mandatory offer**

The offeror does not intend removing any of the existing directors of Infrasors from the Infrasors board following the implementation of this mandatory offer.

Nothing contained in this paragraph shall preclude the board of Infrasors and/or the Infrasors shareholders from removing any director from the board of Infrasors in accordance with the Memorandum of Incorporation of Infrasors and the provisions of the Act after the implementation of this mandatory offer.

4.5 **Material agreements**

No agreements which can be considered to be material to a decision by Infrasors shareholders regarding the mandatory offer were entered into between Infrasors and Afrimat, or between Infrasors and any of the directors of Afrimat, or any persons who were directors of Afrimat in the 12 months preceding the mandatory offer, or between Infrasors and any other Infrasors shareholders or holders of any beneficial interests in Infrasors, or any persons who were Infrasors shareholders or beneficially interested in Infrasors shares, in the 12 months preceding the mandatory offer.

5. IRREVOCABLE UNDERTAKINGS

The following Infrasors shareholders representing 13.11% of the Infrasors shares eligible to accept the mandatory offer have irrevocably undertaken to Afrimat not to accept the mandatory offer:

Infrasors shareholder	Infrasors shares held (as at last practicable date)	Percentage of Infrasors (as at last practicable date)
Infrasors Empowerment Trust	24 325 348	13.11
	24 325 348	**13.11**

6. **OPINIONS, RECOMMENDATIONS AND RESPONSIBILITY STATEMENT**

In accordance with the Companies Act and the Take-over Regulations, the independent board has appointed BDO Corporate Finance Proprietary Limited as the independent expert to provide the independent board with its opinion as to whether the terms of the mandatory offer are fair and reasonable to Infrasors minority shareholders. Taking into consideration the terms and conditions of the mandatory offer, the independent expert is of the opinion that such terms and conditions are unfair and unreasonable to Infrasors minority shareholders. The independent expert's opinion is included in Annexure 1 to this circular and has not been withdrawn prior to the publication of this circular.

The independent board has reviewed the opinion received from the independent expert set out in Annexure 1 to this circular and is unanimously in agreement with the views and opinions expressed therein. In particular, the independent board has considered the fair value range determined by the independent expert and is in agreement with the fair value range determined and has placed reliance on the valuation performed by the independent expert. In forming its opinion on the mandatory offer, the independent board has considered the value and price of the Infrasors shares as compared to the offer consideration. The offer consideration for the Infrasors shares is R0.35 which is below the Infrasors shares' traded price on the JSE, as at 7 February 2013, the business day prior to the date that the Afrimat firm intention announcement regarding the mandatory offer was released on SENS and, accordingly, the independent board is of the opinion that the offer consideration is unfair.

Based on qualitative factors, we are of the opinion that the proposed terms and conditions of the mandatory offer are unreasonable from the perspective of the Infrasors shareholders as the mandatory offer is at a discount to the 30-day VWAP of an Infrasors share.

The independent board, taking into account the above considerations, is unanimously of the opinion that the terms and conditions of the mandatory offer are unfair and unreasonable to shareholders. In forming its opinion on the mandatory offer as set out above, the independent board did not take into account any considerations, including any factors that may be difficult to quantify or which are unquantifiable, other than those stated herein.

The Afrimat board, to the extent that information relates to Afrimat or the Afrimat board, and the independent board, to the extent that information relates to Infrasors or the independent board:

- accept responsibility for the accuracy of the information contained in this circular;
- confirm that to the best of their respective knowledge and belief, the information contained in this circular is true and correct; and
- confirm that this circular does not omit anything likely to affect the importance of the information contained in this circular.

7. **MAJOR SHAREHOLDERS**

Insofar as it is known to the independent board, Afrimat is the controlling shareholder of Infrasors, as defined in the Act. As at the last practicable date, the following shareholders directly held more than 5% of the issued shares of Infrasors:

INFRASORS SHAREHOLDER	**Number of shares**	**Percentage of issued share capital**
Afrimat Limited	94 171 108	50.76
RE: CM and Calibre Limited	23 326 942	12.57
Infrasors Empowerment Trust	24 325 348	13.11
	141 823 398	**76.44**

8. **SHARE PRICE HISTORY**

The price history of Infrasors shares on the JSE is set out in Annexure 4 to this circular.

9. **HISTORICAL FINANCIAL INFORMATION**

The historical financial information of Infrasors is set out in Annexure 2 and 3 to this circular.

10. **CONSENTS**

Each of the auditors, legal advisor, sponsors and corporate advisors, joint sponsors and transfer secretaries have consented in writing to act in the capacity stated and to their names being stated in this circular and have not withdrawn their consent prior to the issue of this circular. The independent expert has consented in writing to the inclusion of its report in this circular in the form and context in which it appears and has not withdrawn such consent prior to the publication of this circular.

11. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours on business days (excluding Saturdays, Sundays and gazetted South African public holidays) at the registered offices of Infrasors at Resource House, 7 Spring Street, Rivonia, and Afrimat at Tyger Valley Office Park No 2, Corner Willie van Schoor Avenue and Old Oak Road, Tyger Valley, from 22 April 2013 to 7 June 2013:

- irrevocable undertakings to reject the mandatory offer;
- issued financial statements for Infrasors for the financial years ended 28 February 2010, 28 February 2011 and 29 February 2012;
- unaudited condensed interim results of Infrasors for 31 August 2012;
- Memorandum of Incorporation of Infrasors;
- report of the independent expert;
- the consent letters of the advisors to Afrimat and Infrasors; and
- a signed copy of this circular.

By order of the board of directors of Afrimat

Matie von Wielligh
Chairperson of Afrimat Limited

Cape Town
22 April 2013

By order of the independent board of Infrasors

Mochele Noge
Chairperson of independent board

Rivonia
22 April 2013

REPORT OF THE INDEPENDENT EXPERT

The Directors
Infrasors Holdings Limited
Resource House
7 Spring Street
Rivonia
2196

17 April 2013

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO INFRASORS HOLDINGS LIMITED REGARDING A MANDATORY OFFER

Introduction

BDO Corporate Finance Proprietary Limited ("BDO Corporate Finance" or "the Independent Expert") has been appointed by the board of directors of Infrasors Holdings Limited ("Infrasors" or the "Company") to provide independent advice to the directors and shareholders of Infrasors, in terms of Regulation 90 of the Companies Regulations, 2011 ("Companies Regulations"), as read with section 117(c)(i) and section 123 of the Companies Act (No 71 of 2008), as amended ("the Companies Act"), in respect of a mandatory offer to shareholders of Infrasors, as a result of the acquisition of 50.8% of the total ordinary issued shares in Infrasors ("Infrasors Shares") (comprising 94 171 108 Infrasors Shares) by Afrimat Limited ("Afrimat"), pursuant to an offer to acquire 50.4% of the ordinary issued share capital of Infrasors from Hanchurch Asset Managers ("Hanchurch") and certain retiring management of Infrasors (together "the Sellers") (the "Transaction").

All of the Infrasors Shares acquired by Afrimat were acquired for a consideration of 35 cents per share.

In terms of section 123 of the Companies Act, read with the Takeover Regulations, the Transaction constitutes an affected transaction as defined in section 117(1)(c) of the Companies Act. Afrimat ("the Offeror") is accordingly obligated to extend an offer to the remaining Infrasors shareholders to acquire the ordinary shares held by Infrasors shareholders other than Afrimat (the "Offer Shares") at the highest price paid by the Offeror or any person acting in concert with the Offeror within the six-month period before the commencement of the offer period, being 35 cents per share ("the Offer Price") (the "Mandatory Offer").

As at the date of this opinion, the ordinary share capital of the Company comprises of the following:

- authorised ordinary share capital comprising 2 000 000 000 ordinary shares with a par value of 0.5 cents per share; and
- issued ordinary share capital comprising 185 521 091 ordinary shares with a par value of 0.5 cents per share.

The Company holds 1 811 927 Infrasors Shares as treasury shares.

Full details of the Transaction are contained in the Circular to Infrasors shareholders ("the Circular") to be dated on or about 24 April 2013 which will include a copy of this letter.

The material interests of the directors of Infrasors are set out in paragraph 4.1 of the Circular. The effects of the Transaction and the Mandatory Offer, detailed in the Circular will also apply to the directors.

FAIR AND REASONABLE OPINION REQUIRED IN RESPECT OF THE MANDATORY OFFER

The Mandatory Offer is an affected transaction as defined in section 117(1)(c)(vi) of the Companies Act, which is subject to the provisions of the Companies Regulations. The directors of Infrasors are required to obtain appropriate external advice on the Mandatory Offer, as to how it affects all holders of securities in Infrasors ("the Fair and Reasonable Opinion").

RESPONSIBILITY

Compliance with the Act is the responsibility of the directors of Infrasors. Our responsibility is to report to the directors and shareholders of Infrasors on the fairness and reasonableness of the terms and conditions of the Mandatory Offer.

EXPLANATION AS TO HOW THE TERMS "FAIR" AND "REASONABLE" APPLY IN THE CONTEXT OF THE MANDATORY OFFER

The "fairness" of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received by the shareholders, as a result of the Transaction, are equal to or greater than the value ceded by the shareholders.

The Mandatory Offer may be said to be fair if the value of the Offer Price, received by the shareholders of Infrasors, is greater than or equal to the fair value of one Infrasors ordinary share ("Infrasors Share") or unfair if the Offer Price, received by the shareholders of Infrasors, is less than the fair value of one Infrasors Share.

The assessment of reasonableness of the Offer Price is based on the Offer Price in relation to the prevailing trading price of an Infrasors Share as at the time of the Mandatory Offer.

It is therefore conceivable that if the Offer Price exceeds either the estimated fair value per security or current traded price per Infrasors Share, but not both, the Offer Price could be considered fair but not reasonable or reasonable but not fair.

DETAIL AND SOURCES OF INFORMATION

In arriving at our opinion we have relied upon the following principal sources of information:

- the terms and conditions of the Transaction and the Mandatory Offer, as set out in the Circular;
- audited financial information of Infrasors for the years ended February 2008, 2009, 2010, 2011 and 2012;
- management accounts of Infrasors for the year ended 28 February 2013;
- budgeted financial information of Infrasors for the year ending 28 February 2014;
- mineral Resources and Reserves Statements in respect of Infrasors' mineral assets;
- discussions with Infrasors directors and management regarding the historic and forecast financial information;
- discussions with Infrasors directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- publicly available information relating to the Metals and Mining Sector in general; and
- Publicly available information relating to Infrasors that we deemed to be relevant, including company announcements and media articles.

The information above was secured from:

- directors and management of Infrasors and their advisors; and
- third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Infrasors.

PROCEDURES

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness and reasonableness of the Mandatory Offer:

- reviewed the terms and conditions of the Transaction and the Mandatory Offer;
- reviewed the audited and unaudited financial information of Infrasors;
- reviewed and obtained an understanding from management as to the forecast financial information of Infrasors and assessed the achievability thereof by considering historic information as well as macro-economic and sector-specific data;

- held discussions with directors of Infrasors and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- compiled forecast cash flows in respect of each of Infrasors' underlying operations by using the forecast financial information as detailed above and by applying management's assumptions in respect of growth in revenue and operating profits. Applied BDO Corporate Finance's assumptions of cost of capital to the forecast cash flows to produce discounted cash flow valuations of Infrasors' underlying operations;
- compiled capitalisation of maintainable earnings valuations of Infrasors' underlying operations by using adjusted historical and forecast financial information and applied BDO Corporate Finance's calculated earnings multiples based on market comparables to revenue, earnings before interest and tax ("EBIT"), earnings before interest, taxation, depreciation and amortisation ("EBITDA") and profit after tax ("PAT");
- assessed the long-term potential of Infrasors;
- performed a sensitivity analysis on key assumptions included in the discounted cash flow valuations, specifically related to cost of capital and growth in the businesses;
- evaluated the relative risks associated with Infrasors and the industry in which it operates;
- reviewed certain publicly available information relating to Infrasors and the Metals and Mining Sector that we deemed to be relevant, including company announcements and media articles;
- where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Infrasors operates, and to analyse external factors that could influence the business of Infrasors; and
- held discussions with the directors and management of Infrasors as to the strategy and the rationale for the Transaction and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the Metals and Mining Sector.

OTHER CONSIDERATIONS

In arriving at our opinion, we have considered, in addition to the procedures referred to above, other key qualitative factors, which are set out below:

- consideration of the rationale for the Transaction as set out in the Circular.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- that all agreements that have been entered into in terms of the Transaction and the Mandatory Offer will be legally enforceable;
- that the Transaction and the Mandatory Offer will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Infrasors; and
- that reliance can be placed on the financial information of Infrasors.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- reliance on audit reports in the financial statements of Infrasors;
- conducting analytical reviews on the historical financial results and the forecast financial information, such as key ratio and trend analyses; and
- determining the extent to which representations from management were confirmed by documentary and audited financial evidence, as well as our understanding of Infrasors and the economic environment in which the Company operates.

LIMITING CONDITIONS

This Fair and Reasonable Opinion is provided to the directors and shareholders of Infrasors in connection with and for the purposes of the Mandatory Offer. The Fair and Reasonable Opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Infrasors shareholders. Should a Infrasors shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual shareholder's decision as to whether to accept the Mandatory Offer may be influenced by his particular circumstances. The assessment as to whether or not the directors decide to recommend the Mandatory Offer is a decision that can only be taken by the directors of Infrasors.

We have relied upon and assumed the accuracy of the information used by us in deriving our Fair and Reasonable Opinion. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

We have also assumed that the Transaction and the Mandatory Offer will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Infrasors and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or reaffirm our opinion based on such developments.

INDEPENDENCE, COMPETENCE AND FEES

We confirm that we have no direct or indirect interest in Infrasors Shares or the Transaction. We also confirm that we have the necessary competence to provide the Fair and Reasonable Opinion.

Furthermore, we confirm that our professional fees of R85 000 (excluding VAT) are not contingent upon the success of the Transaction.

VALUATION

Infrasors' principal assets and its attributable interest in these assets are detailed in the table below:

Table 1: Overview of Infrasors' principal assets

Description	Attributable interest
Lyttleton Dolomite (incorporating Lyttleton Centurion mine and Marble Hall mine)	100%
Delf Sand mine	100%
Delf Silica Coastal	66.7%
Delf Cullinan mine	100%
Pienaarspoort Property Development	100%

BDO Corporate Finance performed a valuation of Infrasors on the sum-of-the-parts basis to determine whether the Mandatory Offer represents fair value to the Infrasors shareholders. The valuation of Infrasors has been based upon an aggregation of:

- the value of Infrasors' individual projects and mineral assets derived using appropriate methodologies for production and development assets;
- the value of the Infrasors' head office; and
- balance sheet adjustments to account for financial assets and financial liabilities as at 28 February 2013.

The valuation methodologies employed in respect of Infrasors' underlying operations included the income approach as the primary valuation methodology and the capitalisation of maintainable earnings approach as a secondary methodology.

The valuations were performed taking cognisance of risk and other market and industry factors affecting Infrasors. Additionally, sensitivity analyses were performed considering key value drivers.

The income approach is based on net present value ("NPV") that is derived using a discounted cash flow ("DCF") technique applied to the post-tax pre-finance cash flows. Key internal value drivers include production rates and the estimated life of mine, operating costs, royalties, working capital and capital expenditure requirements.

External value drivers, including prevailing market and industry conditions in respect of the Metals and Mining Sector were considered in assessing the forecast cash flows and risk profile of Infrasors' underlying operations.

Key internal value drivers to the capitalisation of maintainable earnings valuation included an assessment of non-recurring transactions included in historical results, operating margins and expected future growth in the businesses. Prevailing market and industry conditions were also considered as key external value drivers in assessing the risk profile of Infrasors as well as an assessment of market-related earnings multiples applicable to comparable companies in the industry in which the Company operates.

The valuation of the Infrasors' head office has been determined based upon the income approach. The head office NPV is considered to be equal to Infrasors' forecast post-tax pre-finance head office costs, discounted at a rate equal to Infrasors' cost of capital.

Balance sheet adjustments for cash and debt were effected at carrying values, after confirming that such carrying values are in terms of International Financial Reporting Standards ("IFRS") and represent fair market value.

VALUATION RESULTS

In undertaking the valuation exercise above, we determined a valuation range for Infrasors Shares of 47 cents to 58 cents per Infrasors Share on a marketable minority basis, with a most likely value of 52 cents per Infrasors Share.

The valuation range above is provided solely in respect of this Fair and Reasonable Opinion and should not be used for any other purposes.

REASONABLENESS OF MANDATORY OFFER

The Offer Price represents a discount of 27.1% to the volume weighted average traded price ("VWAP") of Infrasors Shares on the JSE for the 30 days up to and including 28 February 2013 of 48 cents, being the Business Day immediately prior to the date the Transaction was affected.

OPINION

BDO Corporate Finance has considered the proposed terms and conditions of the Mandatory Offer, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Mandatory Offer, based on quantitative considerations, are unfair to the Infrasors shareholders.

Based on qualitative factors, we are of the opinion that the proposed terms and conditions of the Mandatory Offer are unreasonable from the perspective of the Infrasors shareholders, as the Mandatory Offer is at a discount to the 30-day VWAP of an Infrasors Share.

Our opinion is necessarily based upon the information available to us up to [xx April 2012], including in respect of the financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals and consents required in connection with the Transaction and the Mandatory Offer have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or reaffirm.

CONSENT

We hereby consent to the inclusion of this letter and references thereto in the Circular in the form and context in which they appear.

Yours faithfully
BDO Corporate Finance Proprietary Limited

Nick Lazanakis
Director

22 Wellington Road
Parktown

UNAUDITED INTERIM RESULTS FOR SIX MONTHS ENDED 31 AUGUST 2012 FOR INFRASORS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**Unaudited six months ended 31 August 2012 R'000**	Unaudited six months ended 31 August 2011 R'000
Revenue		**147 790**	130 862
Turnover		**144 232**	128 975
Gross profit		**32 004**	37 468
Net administration and other operating expenses		(16 976)	(15 458)
Depreciation and amortisation		(9 605)	(8 196)
Net finance costs		(2 928)	(2 592)
Profit before tax		**2 495**	11 222
Income tax expense		(728)	(3 214)
Profit for the period		**1 767**	8 008
Total comprehensive income for the period		**1 767**	8 008
Analysis of profit and total comprehensive income			
Attributable to the equity holders of Infrasors at the end of the period		1 556	8 008
Attributable to non-controlling interest at the end of the period		211	–
Total profit and comprehensive income for the period		**1 767**	8 008
Earnings per share (cents) – basic and diluted	2	**0.8**	4.4

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 August 2012 R'000	Audited as at 29 February 2012 R'000
Non-current assets	**624 551**	610 229
Property, plant and equipment	352 306	340 825
Investment property	98 333	98 089
Mineral rights	92 464	92 464
Goodwill	129	129
Held to maturity investment	49 596	49 596
Other financial assets	19 676	16 569
Deferred tax assets	12 047	12 557
Current assets	**74 821**	83 096
Inventories	22 099	19 962
Trade and other receivables	43 779	46 068
Cash and cash equivalents	8 943	17 066
Total assets	**699 372**	693 325
Capital and reserves		
Total equity	**464 054**	462 287
Issued capital	255 620	255 620
Revaluation reserve	6 150	6 150
Retained earnings	200 159	198 603
Non-controlling interest	2 125	1 914
Non-current liabilities	**170 364**	173 212
Borrowings	77 216	80 623
Environmental rehabilitation provision	23 178	23 178
Deferred tax liabilities	69 970	69 411
Current liabilities	**64 954**	57 826
Borrowings	21 288	22 115
Trade and other payables	43 610	35 452
Current tax liabilities	56	259
Total equity and liabilities	**699 372**	693 325

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 August 2012 R'000	Unaudited six months ended 31 August 2011 R'000
Cash inflow from operating activities	**19 583**	20 366
Cash outflow from investing activities	**(23 346)**	(13 385)
Cash (outflow)/inflow from financing activities	**(4 360)**	390
Net (decrease)/increase in cash and cash equivalents	**(8 123)**	7 371
Cash and cash equivalents at the beginning of the period	17 066	17 044
Cash and cash equivalents at the end of the period	**8 943**	24 415

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited six months ended 31 August 2012 R'000	Unaudited six months ended 31 August 2011 R'000
Share capital	**918**	918
Share premium	**254 702**	254 702
Revaluation reserve	**6 150**	6 150
Retained income	**200 159**	179 057
Balance at the beginning of the period	198 603	171 049
Profit for the period in total comprehensive income	1 556	8 008
Non-controlling interest	**2 125**	–
Balance at the beginning of the period	1 914	–
Profit for the period in total comprehensive income	211	–
Balance at the end of the period	**464 054**	440 827

CONDENSED SEGMENT RESULTS

Segmental information is presented in the condensed unaudited consolidated financial statements in respect to the Group's business segments.

The business segmental reporting format reflects the Group's management and internal reporting structure. The segments are reported to the Group's management in terms of the nature of the minerals mined. Segmental results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Silica R'000	Dolomite and limestone R'000	Other R'000	Total R'000
31 August 2012				
Turnover from external customers	46 230	98 002	–	**144 232**
Inter-segment revenues	–	–	9 000	**9 000**
Profit before tax	2 758	6 810	(7 073)	**2 495**
Total assets	169 143	265 366	264 863	**699 372**
31 August 2011				
Turnover from external customers	41 607	87 368	–	128 975
Inter-segment revenues	–	–	7 200	7 200
Profit before tax	5 210	11 538	(5 526)	11 222
Total assets	105 698	247 086	288 591	641 375

Infrasors

Infrasors is a South Africa-based mining resources company developing, mining and beneficiating a spread of minerals for the local industrial, mining and construction sectors.

Its operations are conducted at its Lyttelton Centurion mine, Marble Hall mine, Delf Sand mine and its Delf Silica Coastal operation.

Financial and operation review

The subsidiaries Lyttelton Dolomite and Delf Silica had constrained performances but due to different pressures. At Lyttelton Dolomite, output was hampered by factors influencing the metallurgical market and by maintenance cost overruns on sections of the beneficiation plant. At the Delf Sand mine the operations are contending with a declining reserve.

Revenue of the Group for the period under review improved to R147.8 million (2011: R130.9 million), an increase of 12.9%. Total volumes sold for the Group reduced by 4 485 tons, a 0.5% decrease (2011: 1.9% increase).

The gross profit of the Group from operating activities for the period under review was R32.0 million (2011: R37.4 million), a decrease of R5.4 million (14.4%).

The profit before tax of the Group for the period under review was R2.5 million (2011: R11.2 million), a decrease of R8.7 million (77.7%), due to lower gross profit earnings, increased depreciation and increased finance costs. Depreciation and amortisation increased as a result of the additions to property, plant and equipment acquired compared to the corresponding period. Net finance cost increased to R2.9 million (2011: R2.6 million), as a result of increased interest rates paid on borrowings.

Cash generated from operating activities remained steady at R19.6 million (2011: R20.4 million). The cash outflow from investing activities increased to R23.3 million (2011: R13.4 million) as a result of mobile equipment acquired, along with over burden removal and investment in endowment policies held for rehabilitation and for settlement of instalment sale agreements. The net outflow of financing activities of R4.4 million (2011: inflow R0.4 million) was a result of payments made towards capital borrowings outstanding.

Increases in inventory resulted from increased product stock piles on hand.

Trade and other payables increased as a result of higher amounts payable to subcontractors due to increased activities relating to loading and hauling, transportation and drilling and blasting.

The Lost Time Injury Frequency Rate for the Group was 0.25 hours for the period (2011: 0.00 hours).

	Silica		Dolomite		Limestone		Total	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Tons sold	150 440	146 230	592 828	568 732	153 928	186 719	897 196	901 681

Lyttelton Dolomite

Notwithstanding a prolonged labour strike at its main metallurgical client, Lyttelton Dolomite increased its turnover by R10.6 million or 12.1% to R98.0 million (2011: R87.4 million) mainly as a result of annual price increases and also by a change in the sales mix. Sharp increases in diesel prices also resulted in higher charge out rates on transportation.

The output of dolomite from the Lyttelton Centurion mine increased by 24 096 tons, a 4.2% increase (2011: 0.9% increase) mainly due to increased demand from the construction sector which compensated for the decline in metallurgical sales due to a prolonged strike experienced by its main metallurgical customer.

The Lyttelton Centurion mine experienced abnormal repair and maintenance costs of R4.1 million and related overtime costs of R1.1 million. The abnormal repair, maintenance and overtime costs contributed to the reduction of the Lyttelton Dolomite gross profit by R3.7 million or 17.5% from R24.8 million in 2011 to R21.1 million for the current six months ending 31 August 2012. Similar abnormal repair and related costs and associated production downtime are not expected to be repeated during the second half of the year ending 28 February 2013.

The Marble Hall mine output reduced by 32 791 tons, a 17.6% decrease (2011: 3.2% increase), to 153 928 tons (2011: 186 19 tons) mainly due to the curtailment of customers purchasing metallurgical products and the closure of furnaces during the high Eskom winter tariff period. However, additional off-take has been secured as from September 2012. The lost output was partially compensated by an increase in sales of powders. An additional powder mill was commissioned at the Marble Hall mine, raising the milling capacity in order to meet increased demand from the coal and agriculture sectors.

Delf Silica

Delf Silica increased turnover by R4.6 million or 11.6% from R41.6 million in 2011 to R46.2 million. The Delf Silica volumes increased by 4 210 tons, a 2.9% increase (2011: 4.1% increase) to 150 440 tons (2011: 146 230 tons) mainly as a result of improved sales at the Delf Silica Coastal operation.

Due to the reduction of the mining yield at the declining Delf Sand mine mineral reserve, it experienced increased beneficiation costs resulting in reducing the gross profit by R4.4 million or 34.1% from R12.9 million in 2011, to R8.5 million for the current six months ending 31 August 2012. This was partially offset by improved profits from the Delf Silica Coastal operation.

In line with the reducing yield of the Delf Sand mine deposit, cost saving initiatives has been implemented in order to reduce the beneficiation costs and maximise the current sales mix.

Prospects

The new order mining right was granted and executed for the Lyttelton Centurion mine on 7 August 2012. Together with the approval of expansion to the mining footprint area previously reported on and remodelling of the pit layout, the dolomite resources have increased by 50.5% to 81.1 million tons from 53.9 million tons in 2011. This gives a total life of mine of 50 years with the metallurgical component being 20 years.

As a result of the approval and execution of the New Order Mining Right and the associated increase in the Mineral Resources and Mineral Reserves, the Lyttelton Centurion mine has initiated the Lyttelton 2 project as was published in the SENS announcement on 16 August 2012. The project is aimed at increasing its production capacity and ensuring that the mine positions itself to become a low cost producer. This will allow the mine to take up future demand in the local infrastructure development and will maximise its metallurgical grade component. The mine has seen steady increase in demand from the local construction sector albeit that there are few large construction projects currently on the go.

The Marble Hall mine will have an increase in uptake of its metallurgical grade component in the next period as a result of concluding off-take discussions. Exploratory work is continuing on the ore body. The mine remains well positioned to participate in the flue gas desulphurisation initiatives related to the energy sector and therefore continues to firm up its reserves.

Delf Silica is experiencing increased demand by the foundry sector for its product as a result of the railway infrastructure initiative by Transnet. However supply from the greenfields project Delf Cullinan mine is being delayed due to the lack of obtainment of timely environmental regulatory approvals. Relevant Department of Mineral Resources and Department of Water Affair approvals have been obtained. The Group continues to work through the environmental regulatory approvals for the Delf Cullinan mine and anticipates that mine development will commence early 2013. The new mine is a replacement project for the existing Delf Sand mine and will result in improved yields, increased beneficiation capacity and improved profit margins.

NOTES TO THE CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

1. **Basis of preparation**

The unaudited condensed consolidated financial statements for the six month period ended 31 August 2012 have been prepared in accordance with and containing information required by International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*, as well as the AC 500 series as issued by the Accounting Practices Board, the Listings Requirements of the JSE Limited and the South African Companies Act, 71 of 2008, as amended. The unaudited condensed consolidated financial statements are prepared on the historical cost basis, with the exception of certain financial instruments and investment property which are measured at fair value. The results of the interim period are not necessarily indicative of the results for the entire year, and these unaudited financial statements should be read in conjunction with the audited financial statements for the year ended 29 February 2012.

The unaudited condensed consolidated financial statements were authorised for issue by the directors on 6 November 2012 for publication on 9 November 2012. The condensed consolidated financial statements for the six-month period ended 31 August 2012 have been prepared by the Financial Director, Mr M Potgieter CA(SA).

The preparation of unaudited condensed consolidated financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Although these estimates are based on management's best knowledge of current events and actions that the Group may undertake in the future, actual results may differ from those estimates.

The accounting policies and methods of computation are in terms of International Financial Reporting Standards and have been applied consistently by the Group to all periods presented in these unaudited condensed consolidated financial statements. All comparative figures throughout this report relate to the corresponding period of the prior year.

2. **Earnings per share ("EPS") reconciliation – basic and diluted**

EPS is based on the Group's profit for the six months period ended 31 August 2012, divided by the weighted average number of shares in issue during the six-month period and its comparative six-month period ended 31 August 2011.

Six months ended 31 August 2012			Six months ended 31 August 2011		
Net profit R'000	**Weighted average number of shares in issue '000**	**Earnings per share Cents**	Net profit R'000	Weighted average number of shares in issue '000	Earnings per share Cents
1 556	**183 709**	**0.8**	8 008	183 709	4.4

Headline earnings per share ("HEPS") reconciliation – basic and diluted

HEPS is based on the Group's headline earnings divided by the weighted average number of shares in issue during the six-month period ended 31 August 2012 and its comparative six-month period ended 31 August 2011.

	Six months ended 31 August 2012			Six months ended 31 August 2011		
	Net profit R'000	**Weighted average number of shares in issue '000**	**Headline earnings per share Cents**	Net profit R'000	Weighted average number of shares in issue '000	Headline earnings per share Cents
Net profit	1 556			8 008		
Profit on sale of assets	(204)			–		
Tax effect on headline adjustments	57			–		
	1 409	**183 709**	**0.8**	8 008	183 709	4.4

3. **Dividends**

The directors have elected not to declare a dividend for the period ended 31 August 2012 (2011: Rmil).

4. **Related party transactions**

	Unaudited period ended 31 August 2012 R'000	Unaudited period ended 31 August 2011 R'000
Product purchases between fellow subsidiary companies	**135**	100
Management and consulting fees paid to Infrasors Holdings Limited	**9 000**	7 200
Interest paid by subsidiaries to holding company	**74**	155
Contributions made to the Infrasors Environmental Rehabilitation Trust	**519**	519
Rental recoveries from director controlled entity	**145**	131
Rent paid to Whirlprops 35 Proprietary Limited	**675**	385

5. **Subsequent events**

Mazars remains the registered and AGM approved auditor. The managing partner changes to Brain Banks, after the resignation of the audit partner Mark Snow. No other material subsequent events have been identified.

6. **Directorate and Company secretary**

Mochele Noge# *(Chairman)*, Stephen Courtney* *(Deputy Chairman)*, Trevor Robinson *(Chief Executive Officer)*, Marius Potgieter *(Financial Director)*, Chris Boulle#, Percy Ying#, Hugh Courtney*∞, Kerry Colley *(Company Secretary)*.

All of the above directors are South African and resident in South Africa.

* Non-executive directors # Independent non-executive directors ∞ alternate to Stephen Courtney

Sponsor
Sasfin Capital
A division of Sasfin Bank Limited

Auditors
Mazars

Legal advisers and attorneys
HR Levin Attorneys Notaries and Conveyancers

Transfer secretaries
Link Market Services South Africa
Proprietary Limited

On behalf of the board

M Noge
Chairman

T Robinson
Chief Executive Officer

HISTORICAL FINANCIAL INFORMATION OF INFRASORS

STATEMENTS OF FINANCIAL POSITION AT 29 FEBRUARY 2012, 28 FEBRUARY 2011, 28 FEBRUARY 2010

	Notes	2012 R'000	2011 R'000	2010 R'000
ASSETS				
Non-current assets				
Property, plant and equipment	2	340 825	292 075	280 695
Investment property	3	98 089	87 483	56 780
Mineral rights	4	92 464	91 604	72 500
Goodwill	5	129	–	–
Investments in subsidiaries and associates	6	–	7 000	7 000
Held-to-maturity investments	7	49 596	46 949	64 273
Other financial assets	8	16 569	11 433	7 479
Deferred tax assets	9.3	12 557	11 823	3 001
Total non-current assets		**610 229**	**548 367**	**491 728**
Current assets				
Inventories	10	19 962	17 016	17 092
Trade and other receivables	11	46 068	39 251	38 842
Current tax receivables	9.2	–	968	6 232
Cash and cash equivalents	13	17 066	17 044	22 610
Total current assets		**83 096**	**74 279**	**84 776**
Assets of discontinued operation	12	**–**	**–**	**12 983**
Total assets		**693 325**	**622 646**	**589 487**
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	14	255 620	255 620	247 715
Revaluation reserve	15	6 150	6 150	6 150
Retained earnings		198 603	171 049	141 958
Non-controlling interest		1 914	–	–
Total equity		**462 287**	**432 819**	**395 823**
LIABILITIES				
Non-current liabilities				
Borrowings	16	80 623	63 798	70 287
Environmental rehabilitation provision	17	23 178	10 802	13 657
Deferred tax liabilities	9.3	69 411	63 637	55 095
Total non-current liabilities		**173 212**	**138 237**	**139 039**
Current liabilities				
Borrowings	16	22 115	22 724	17 941
Trade and other payables	18	35 452	28 842	32 409
Current tax liabilities	9.2	259	24	1
Total current liabilities		**57 826**	**51 590**	**50 351**
Assets of discontinued operation	12	**–**	**–**	**4 274**
Total equity and liabilities		**693 325**	**622 646**	**589 487**

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 29 FEBRUARY 2012, 28 FEBRUARY 2011, 28 FEBRUARY 2010

	Notes	2012 R'000	2011 R'000	2010 R'000
Continuing operations				
Revenue	19	**279 261**	**243 501**	**211 479**
Turnover	19	272 744	239 427	207 049
Cost of Sales		(191 411)	(169 375)	(144 789)
Gross Profit		**81 333**	**70 052**	**62 260**
Other income	19	882	2 230	1 461
Other gains and losses	20	10 015	13 239	39 127
Administration and other operating expenses	23	(51 647)	(44 510)	(36 524)
Investment revenue	21	5 635	1 844	2 969
Finance costs	22	(12 549)	(4 369)	(7 692)
Profit/(Loss) before tax		**33 669**	**38 486**	**61 601**
Income tax (expense)	9.1	(6 325)	(6 007)	(8 759)
Profit/(Loss) for the year from continuing operations		**27 344**	**32 479**	**52 842**
Loss for the year from discontinued operations	12	–	(3 388)	(22 800)
Net profit/(loss) for the year		**27 344**	**29 091**	**30 042**
Other comprehensive income		–	–	6 150
Total comprehensive income/(loss) for the year		**27 344**	**29 091**	**36 192**
Analysis of profit and other comprehensive income:				
Attributable to the equity holders of Infrasors at the end of the year		27 554	29 091	30 042
Attributable to non-controlling interest at the end of the year-controlling interest		(210)	–	–
		27 344	**29 091**	**30 042**
Earnings and diluted earnings per share (cents)	24	15.0	16.1	17.4
Earnings and diluted earnings per share from continuing operation (cents)	24	15.0	18.0	30.6
Earnings and diluted earnings per share from discontinued operations (cents)	24	–	(1.9)	(13.2)

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 29 FEBRUARY 2012, 28 FEBRUARY 2011, 28 FEBRUARY 2010

	Notes	2012 R'000	2011 R'000	2010 R'000
Cash flow from operating activities				
Cash receipts from customers		265 928	238 508	208 893
Cash paid to suppliers and employees		(229 891)	(204 656)	(170 258)
Cash generated from operations	25.1	**36 037**	**33 852**	**38 635**
Interest received	21	2 988	1 844	2 969
Interest paid	25.2	(7 750)	(4 369)	(9 846)
(Taxation paid)/taxation refund received	25.3	(67)	3 514	(5 518)
Net inflow from operating activities		**31 208**	**34 841**	**26 240**
Cash flow from investing activities				
Additions to property, plant and equipment	2	(33 258)	(33 909)	(34 191)
Proceeds from disposal of property, plant and equipment	25.4	640	3 697	6 502
Addition to investment property	3	(591)	(140)	(118)
Additions to mineral rights	4	(110)	(9 917)	–
Proceeds from environmental insurance policies	8.1	(5 358)	(6 428)	(2 872)
Payment of environmental insurance policies	8.1	2 560	3 847	–
Increase in other financial assets	8.2	(2 338)	(1 373)	263
(Increase)/Decrease in loans to group companies		–	–	–
Net cash outflow from investing activities		**(38 455)**	**(44 223)**	**(30 416)**
Cash flow from financing activities				
Proceeds on sale of treasury shares		–	1 760	–
Issue of shares		–	6 145	–
Proceeds from borrowings		18 971	14 101	13 612
Repayment of borrowings		(11 702)	(18 194)	(38 022)
Net cash inflow/(outflow) from financing activities		**7 269**	**3 812**	**(24 410)**
Increase/(decrease) in cash and cash equivalents for the period		**22**	**(5 570)**	**(28 586)**
Cash and cash equivalents at the beginning of the period		17044	22 614	51 200
Cash and cash equivalents at the end of the period		**17 066**	**17 044**	**22 614**

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2012

	Share capital R'000	Share premium R'000	Revaluation reserve R'000	Retained earnings R'000	Non-controlling interest R'000	Total R'000
Balance at 1 March 2009	**865**	**246 850**	**–**	**111 916**	**–**	**359 631**
Revaluation of property, plant and equipment (refer note 2)	–	–	7 151	–	–	7 151
Deferred tax on revaluation	–	–	(1 001)	–	–	(1 001)
Total comprehensive income – profit	–	–	–	30 042	–	30 042
Balance at 1 March 2010	**865**	**246 850**	**6 150**	**141 958**	**–**	**395 823**
Total comprehensive income – profit	–	–	–	29 091	–	29 091
Issue of share capital	38	6 107	–	–	–	6 145
Sale of treasury shares	15	1 745	–	–	–	1 760
Balance at 1 March 2011	**918**	**254 702**	**6 150**	**171 049**	**–**	**432 819**
Non-controlling interest arising from business combination (refer note 33.2)	–	–	–	–	2 124	2 124
Total comprehensive income – profit	–	–	–	27 554	(210)	27 344
Balance at 29 February 2012	**918**	**254 702**	**6 150**	**198 603**	**1 914**	**462 287**
Refer to notes:	14	14	15			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS AND GROUP ANNUAL FINANCIAL STATEMENTS

Infrasors Holdings Limited is a company domiciled in South Africa. The consolidated financial statements at 29 February 2012 comprise the Company and its subsidiaries (together referred to as "the Group"). The principal accounting policies adopted in the preparation of the financial statements are set out below.

Statement of compliance

The Company and Group's annual financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") and its Interpretations adopted by the International Accounting Standards Board ("IASB") and in compliance with AC 500 Standards as issued by the Accounting Practices Board and the requirements of the Companies Act of South Africa as amended.

Basis of preparation

The Company and Group's annual financial statements are prepared using a combination of the historical cost and fair value bases of accounting. Those categories to which the fair value basis of accounting has been applied are indicated in the individual accounting policies.

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

The accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in the notes to the financial statements where appropriate.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements, are described in the following policies:

- Mineral rights;
- Environmental rehabilitation provision; and
- Investment property.

The financial statements are presented in South African Rands, which is the Company's functional currency, and all values are rounded to the nearest thousand Rand except when otherwise indicated.

The accounting policies are consistent for the current year in comparison to the prior year, with the exception of new policies which have been adopted, being IAS 1 – *Presentation of Financial Statements,* IFRS 3 – *Business Combinations,* IFRS 7 – *Financial Instruments: Disclosure,* IAS 24 – *Related party disclosure*.

Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following Standards and Interpretations that are effective for the current year and that are relevant to its operations:

Amendment to IFRS 3 – Business Combinations

The major changes to IFRS 3 – *Business Combinations* are as follows:

IFRS 3 (2008) included a consequential amendment to IAS 39 that brought contingent consideration balances within the scope of that standard. This means that instead of changes in the amount of contingent consideration being accounted for as an adjustment to the cost of the original business combination, they are now accounted for in accordance with IAS 39 and recognised in the statement of comprehensive income. The amendment clarifies that the change in scope of IAS 39 is applied to business combinations on a prospective basis, meaning that where a business combination took place before the date of adoption of IFRS 3 (2008), changes in contingent consideration are accounted for as an adjustment to the cost of the original business combination.

The amendment clarifies that the option to measure non-controlling interest (NCI) at either fair value, or the proportionate share of the acquisition date fair value of the acquiree's identifiable net assets that are recognised by the acquirer, applies only to instruments that give the NCI a present ownership interest and entitle the holder to a proportionate share of net assets in the event of liquidation. All other components of NCI are measured at their acquisition date fair value, unless another measurement is required by IFRS.

IFRS 3 (2008) currently contains guidance on the attribution of the market-based measure of an acquirer's share-based payment awards that are issued in exchange for acquiree awards between consideration transferred and post-combination compensation cost when an acquirer is obliged to replace the acquiree's existing awards. IFRS 3 is amended so that the guidance for such awards also applies to voluntarily replaced unexpired acquiree awards.

The amendment is effective for periods beginning on or after 1 January 2011.

The amendment did not impact the group's annual financial statements.

Amendment to IFRS 7 – Financial Instruments: Disclosures

IFRS 7 was amended as part of the annual improvements to clarify the existing disclosure requirements. The amendments encourage qualitative disclosures in the context of the quantitative disclosure that is required to help users to form an overall picture of the nature and extent of risks arising from financial instruments. This amendment also clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans.

The amendment is effective for periods beginning on or after 1 January 2011.

Adoption of the standard resulted in disclosure changes for financial instruments.

Amendment to IAS 1 – Presentation of Financial Statements

The amendment clarifies that an entity may present the analysis of other comprehensive income by item either in the statement of changes in equity or in the notes to the financial statements.

The standard is effective for periods beginning on or after 1 January 2011.

Adoption of the standard resulted in disclosure changes. Items of other comprehensive income are presented in the statement of changes in equity.

Amendment to IAS 24 – Related party disclosure

Revised IAS 24 (revised), "Related party disclosures", issued in November 2009. It supersedes IAS 24, "Related party disclosures", issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government related entities to disclose details of all transactions with the government and other government-related entities.

The Group applied the revised standard from 1 March 2011. As part of the adoption of the revised standard, the Group and the subsidiaries disclose any transactions between the Company and its subsidiaries and its associates.

Basis of consolidation

Subsidiaries

The Group annual financial statements comprise the consolidated annual financial statements of the Company and its subsidiaries. The annual financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are those entities over whose financial and operating policies the Group has the power to exercise control, so as to obtain benefits from their activities. In assessing control, potential voting rights that are presently exercisable are taken into account. Where an investment in a subsidiary was acquired and disposed of during the financial year, its results are included from, or to, the date control commences or ceases.

New acquisitions are included in the Group's financial statements using the acquisition method whereby the assets and liabilities are measured at their fair value. The consideration paid for an acquisition is allocated on the basis of the fair values on the dates of acquisition.

Investments in subsidiaries are initially recognised at cost. The cost of an investment in a subsidiary is the aggregate of the fair value, at the date of exchange, of assets acquired, liabilities incurred or assumed, equity instruments issued and the direct costs attributable to the acquisition of the subsidiary.

Investments in subsidiaries are subsequently measured at cost less any accumulated impairment.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Associates are accounted for using the equity method and are initially recognised at cost which includes directly attributable costs. The Group's investment includes goodwill where applicable identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity movements of equity accounted investments, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or control ceases.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration paid for an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Transactions eliminated on consolidation

All intra-Group transactions and balances arising from intra-Group transactions with subsidiaries are eliminated in preparing the consolidated financial statements.

Property, plant and equipment

Property, plant and equipment are initially recognised at cost. The cost of property, plant and equipment includes amounts incurred initially to acquire an item of property, plant and equipment and amounts incurred subsequently to add or replace part of the asset. Included in the cost are any amounts relating to the cost of labour and transport to bring a particular item to a useable condition to enable it to operate in the manner intended by management. Amounts incurred subsequent to initial recognition to add or replace part of an asset or as part of major maintenance are also recognised at cost.

Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are recorded at historical cost and depreciated to write down the cost, less residual value, over their useful lives as follows:

Item	Useful life	Method
Land	Indefinite life	–
Buildings, foundations and civils	25 years	Straight line
Plant and equipment	5 – 20 years	Straight line
Computer equipment and software	3 – 5 years	Straight line
Furniture, fittings and office equipment	6 – 10 years	Straight line
Leasehold improvements	2 – 5 years	Straight line

Where a part of an item of property, plant and equipment is significant in relation to the cost of the item, that part is depreciated separately. The depreciation charge is recognised as an expense in the statement of comprehensive income. Depreciation starts when the assets are available to operate for its intended use, until completion of its useful life.

The residual values, useful lives and depreciation methods applied to property, plant and equipment, are reviewed and adjusted if necessary, at each financial year end. These changes are accounted for as a change in estimate.

The residual value of an asset is the estimated amount the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment, is included in the statement of comprehensive income and is calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item at the date of derecognition.

Normal repair and maintenance costs incurred on property, plant and equipment to keep property, plant and equipment in its normal operating condition is expensed in the statement of comprehensive income as an operating expense.

When a decision is made to sell an item of property, plant and equipment during the year and it meets the requirements of IFRS 5, – *Non-current assets held for sale and discontinued operations*, the asset is carried at the lower of its carrying amount or fair value less costs to sell, and depreciation on that asset ceases. Any impairment is recognised directly in profit and loss.

Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of an existing investment property at the time the cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no further economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying value of the asset is recognised in the statement of comprehensive income in the period of derecognition.

Transfers are made to and from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If the owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use, when it is revalued to fair value before being transferred to Investment properties.

Mining assets and mine development costs

Expenses incurred which result in future benefits in respect of acquiring mineral reserves and resources are capitalised as incurred. Capitalised costs (development expenditure) include expenditure incurred to expand the capacity of the mine. Directly attributable exploration expenditure is capitalised when incurred. Capitalised development expenditure and capitalised exploration expenditure (mining assets) is stated at cost less accumulated amortisation and impairment losses. Capitalised development expenditure and exploration expenditure is transferred to mineral rights once the mineral right has been granted.

The useful life of the mining assets and mine development costs over which they are amortised, equals the estimated useful life of the mine as indicated by the Competent Person's Report. Amortisation of the capitalised costs of mining assets and mine development costs starts at the time when the mining activities commence on the acquired mining assets.

Item	Useful life	Method
Mining assets and mine development costs	Life of mine	Units of production

Mineral rights

Mineral rights which are initially recognised at cost. The cost of mineral rights are incurred initially to acquire an item of Mineral rights. Amounts incurred subsequent to initial recognition are also recognised at cost. Costs which are classified as mineral assets and mine developments costs are transferred to mineral rights upon issuing of relevant mining approvals, which allow mining to occur on the relevant mining mineral.

Item	Useful life	Method
Mineral rights	Life of mine	Units of production

The amortisation charge is recognised as an expense in the statement of comprehensive income. The useful lives and amortisation methods applied to other intangible assets are reviewed and adjusted, if necessary, at each financial year end. These changes are accounted for as a change in estimate.

An item of other intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of other intangible asset is included in the statement of comprehensive income and is calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item at the date of derecognition.

An independent expert in the field was commissioned to evaluate each mine, to determine the Mineral Reserve and Mineral Resources, used to calculate the LOM, which included the preparation of a Mineral Resources and Mineral Reserves Statement. This information contains laboratory test results and relevant information upon which the Geologist bases his assumptions.

Mining rehabilitation assets

The mine rehabilitation asset is amortised on a straight-line basis over the estimated economic life of the mine, based on measured and indicated resources which are revised annually.

The mine rehabilitation is recognised and subsequent changes in the assumptions which impact the asset is reflected in the asset as set out in the environmental rehabilitation provision accounting policy.

Impairment of assets

The Group assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit to which it relates.

The recoverable amount of an asset is the higher of its fair value, less costs to sell and its value in use.

The value in use of an asset involves the estimating of the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal; and applying the appropriate discount rate to those future cash flows.

Where the carrying amount exceeds the recoverable amount the asset is then impaired to its estimated recoverable amount, and the impairment cost is expensed through the statement of comprehensive income.

Discontinued operations

Discontinued operations are material, distinguishable components of an enterprise that have been sold, or are the subject of formal plans for disposal or discontinuance. The profit or loss on the sale of a discontinued operation is determined up to the discontinuance date.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separate from normal income and expenses down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets are once classified as held for sale, are not depreciated or amortised.

Financial instruments

Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent to initial recognition these instruments are measured as set out below:

Classification

Financial assets are classified as loans and receivables, held to maturity or fair value through profit and loss ("FVTPL") and financial liabilities are classified as financial liabilities held at amortised cost.

Currently, the Company and Group have not classified any of its financial assets as available for sale ("AFS"). Should this category be utilised in the future, the appropriate accounting treatment as specified by IAS 39 – *Financial instruments: Recognition and measurement*, will be applied. Similarly for financial liabilities at FVTPL.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset/liability, or, where appropriate, a shorter period.

The interest income/expense is recognised on an effective interest basis for all financial instruments.

Fair value methods and assumptions

The fair value of financial instruments traded in an organised financial market is measured at the applicable quoted prices.

The fair value of financial instruments not traded in an organised financial market is determined using a variety of methods and assumptions that are based on market conditions and risk existing at statement of financial position date, including independent appraisals and discounted cash flow methods.

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss; held to maturity; and loans and receivables. The classification is dependent on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at the time of the purchase and reevaluates such designation at every reporting date.

The Group's financial assets include loans receivables, trade and other receivables, cash and cash equivalents, held to maturity investments and other financial assets.

Loans receivable that bear interest with determinable terms of repayment are included in non-current assets. Interest is accrued at an interest rate linked to bank prime rate. All interest charges are recognised in the statement of comprehensive income as finance income.

Loans receivable that bear no interest and where there are no determinable terms of repayment or are exceeding 12 months are included in non-current assets.

Loans receivable – loans and receivables

Loans to group companies are subsequently measured at amortised cost using the effective interest rate method, less any impairment loss.

Trade and other receivables – loans and receivables

Trade and other receivables are subsequently measured at amortised cost, using the effective interest rate method.

An allowance for estimated irrecoverable amounts is recognised in profit and loss when there is objective evidence (as described below) that the asset is impaired.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents – loans and receivables

Cash and cash equivalents comprise cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. These are subsequently measured at amortised cost.

For purposes of the cash flow statement, cash and cash equivalents comprise cash and cash equivalents as defined above.

Held to maturity investments – loans and receivables

These financial assets are subsequently measured at amortised cost using the effective interest rate method, less any impairment loss.

Other financial assets

Investments in environmental insurance policies – fair value through profit and loss

Environmental insurance policies are measured at the higher of the guaranteed payout balance or the market value of the relevant investments held at the reporting date. Gains or losses arising from changes in the market value of the category are presented in the income statement in the period in which they arise.

Investments in guaranteed endowment policy investment – held to maturity

Guaranteed endowment policy investments are measured at the amortised cost, which represents the present value of the guaranteed funds after the deduction of fees and finance costs.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the counterparty; or
- default in interest or principal payments; or
- probability that the borrower will enter bankruptcy or financial reorganisation.

The amount of the impairment for financial assets carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If there is any indication that a financial asset may be impaired, the recoverable amount is estimated. The financial asset is then impaired to its estimated recoverable amount, and the impairment loss is expensed through the statement of comprehensive income.

The carrying amount of the financial asset is reduced by the impairment loss, directly only when all legal steps have been exhausted and there is no possibility of an additional recovery.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the loan or receivable at the date the impairment is reversed, does not exceed what the amortised cost would have been, had the impairment not been recognised.

Derecognition of financial assets

The Company or Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. On derecognition, the difference between the carrying amount of the financial asset and proceeds receivable are included in the statement of comprehensive income for the period.

Financial liabilities

The Group's financial liabilities include interest-bearing debt, trade payables.

Financial liabilities incurred by the Company and Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. The accounting policies adopted for specific financial liabilities are set out below.

Borrowings – amortised cost

Interest-bearing borrowings, including instalment sale obligations, are subsequently measured at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

Trade and other payables – amortised cost

Trade and other payables are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

The Company or Group derecognises financial liabilities, when the Company or Group's obligations are discharged, cancelled or they expire. On derecognition, the difference between the carrying amount of the financial liability and the amount paid for it are included in the statement of comprehensive income for the period.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset when there is both an intention to settle on a net basis (or simultaneously) and a legal right to offset exists.

Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined on the weighted average basis and comprises all costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated selling costs.

When inventories are sold, the carrying amounts of those inventories are recognised and included as a cost of sales item in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as a cost of sales item in the period the write-down or loss occurs. The amount, of any reversal of any write-down of inventories arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories which is recognised as a cost of sales item in the period in which the reversal occurs.

Provisions and contingencies

Provisions are recognised when the Company or the Group has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

The amount of the provision is the present value of the best estimate of the expenditure required to settle the obligation. The amount of the provision is discounted using a pre-tax discount rate when the effect of the expected future cash outflow related to the provision is not expected to occur soon after the statement of financial position date and the effect of discounting is material. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligation.

Contingent assets and contingent liabilities are not recognised, but are disclosed in the notes to the financial statements.

Environmental rehabilitation provision

Estimated rehabilitation costs, which are based on the Group's interpretation of current environmental and regulatory requirements, represent the present value of the expected future costs to rehabilitate the mine properties on termination of mining operations. The estimated costs of operations are reviewed at year-end and adjusted as appropriate for changes in legislation, technology or other circumstances.

Provision is made for the Group's legal and constructive obligations to dismantle, remove and restore items of property, plant and equipment and remediation of disturbed areas in the financial period when the related environmental disturbance occurs, based on the estimated future costs using information available at the statement of financial position date. The provision is discounted using a current, market-based pre-tax discount rate and the unwinding of the provision is included in interest expense. Based on current environmental regulations and known rehabilitation requirements, management has included its best estimate of these obligations in its rehabilitation provision. However, it is reasonably possible that the Group's estimate of its ultimate rehabilitation liabilities could change as a result of changes in regulations or cost estimates.

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are accounted for as detailed below.

If the related asset is measured using the cost model:

(a) Subject to (b), changes in the liability shall be added to, or deducted from, the cost of the related asset in the current period.

(b) The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in profit or loss.

(c) If the adjustment results in an addition to the cost of an asset, the entity shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount, and shall account for any impairment loss, in accordance with IAS 36.

Based on current environmental regulations and known rehabilitation requirements, management has included its best estimate of these obligations in its rehabilitation provision. However, it is reasonably possible that the company's estimates of its ultimate rehabilitation liabilities could change as a result of changes in regulations or cost estimates.

Rehabilitation trust funds holding monies committed for use in satisfying environmental obligations are included in financial assets on the statement of financial position.

Current taxation

Tax expenses

Current and deferred taxes are recognised as income or expense and included in the statement of comprehensive income. The current tax payable is based on taxable profit. Taxable profit differs from profit reported in the statement of comprehensive income where there are items of income or expense that are taxable or deductible in other years and it also excludes items that are never taxable or deductible under existing legislation.

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a tax payable in the statement of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a tax receivable in the statement of financial position.

Current tax liabilities and current tax assets are measured at the amount expected to be paid to/(recovered from) the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill, recognition of assets arising from business combinations, or the initial recognition of an asset or liability in a transaction, affects neither accounting profit/(accounting loss) nor taxable profit/(tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that the Company or the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, to the extent that it is probable that the temporary difference will reverse in the foreseeable future, and taxable profit will be available against which the temporary difference can be recognised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recognised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date. The measurement of deferred tax assets and liabilities reflect the tax consequences that would follow from the manner in which the Company or Group expects to recover or settle the carrying amounts of its assets and liabilities at the statement of financial position date.

Capital and reserves

Ordinary shares

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds on shares issued.

Treasury shares

Shares purchased by subsidiary companies of Infrasors Holdings Limited are treated as treasury shares and deducted from share capital at cost in the Group financial statements. Dividends received on treasury shares are eliminated on consolidation.

Leases

Leases of assets where the Company or Group substantially assumes all the benefits and risks of ownership are classified as finance leases. Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. When an arrangement is or contains a lease, that lease is recognised in terms of the lease policy below.

Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

Lessee

The discount rate used in calculating the present value of the minimum lease payment is the incremental borrowing rate of interest. The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease liability. This liability is not discounted.

Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, are recognised in the period in which the service is rendered and are not discounted.

The expected cost of accrued leave is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating leave, when the absence occurs. Accrued leave is measured as the amount that the Group expects to pay as a result of unused entitlement that has accumulated to the employee at the statement of financial position date.

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

Post-employment benefits

Payments to defined contribution benefits plans, governed by the Pension Funds Act, 1956 (Act No 24 of 1956), are charged as an expense as the related service is rendered.

Revenue

Revenue is recognised at the fair value of the consideration received or receivable. Revenue from the sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred in respect of the transaction can be measured reliably.

Revenue arising from the rendering of services is recognised when the outcome of the transaction can be estimated to be reliable by reference to the stage of completion of the transaction. Stage of completion is determined by reference to costs incurred as per total estimated costs for the project. Revenue is measured at the fair value of the consideration received or receivable, which is represented by the invoiced amount excluding Value Added Tax, trade discounts and volume rebates.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s carrying value.

Rental income due from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Translation of foreign currencies

The functional currency of the Company is South African Rands.

Foreign currency transactions are recorded, on initial recognition, in Rands by applying to the foreign currency amount the spot exchange rate between the Rand and the foreign currency at the date of the transaction. At each statement of financial position date, foreign currency monetary items (such as trade receivables and trade creditors) are translated using the spot exchange rate at the statement of financial position date (closing rate).

Exchange differences arising in the settlement of monetary items or on translating monetary items at rates different from those at which they were translated in initial recognition during the period or in previous financial statements, are recognised in the statement of comprehensive income in the period on which they arise.

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

Standards and interpretations issued and not yet effective

At the date of authorisation of the annual financial statements, the following Standards and Interpretations applicable to the Group and Company were in issue but not yet effective:

Standard	**Details of Standard or amendment**	**Annual periods beginning on or after**	**Expected effect**
IFRS 9 – *Financial Instruments*	• New standard: Forms the first part of a three-part project to replace IAS 39 – *Financial Instruments: Recognition and Measurement.*	1 January 2013	To be assessed
	• Amendment: Mandatory effective date deferred to years beginning on or after 1 January 2015.	1 January 2015	To be assessed
IFRS 10 – *Consolidated Financial Statements*	• New standard that replaces the consolidation requirements in SIC-12 *Consolidation—Special Purpose Entities* and IAS 27 – *Consolidated and Separate Financial Statements*. This standard builds on existing principles by emphasising the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess.	1 January 2013	To be assessed
IFRS 12 – *Disclosure of Interests in Other Entities*	• New standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose entities and other off balance sheet entities.	1 January 2013	To be assessed
IFRS 13 – *Fair Value Measurement*	• New standard providing guidance on fair value measurement and disclosure requirement.	1 January 2013	To be assessed

Standard	Details of Standard or amendment	Annual periods beginning on or after	Expected effect
IAS 1 – *Presentation of Financial Statements*	• Amendment: Entity to Group together items within OCI that may be reclassified to profit or loss, and those that may not, in order to facilitate the assessment of their impact on the overall performance of an entity.·	1 July 2012	To be assessed
	• Amendment: Clarification of the comparative information requirements.	1 January 2013	To be assessed
IAS 12 – *Income Taxes*	• Amendment: Rebuttable presumption introduced that an investment property will be recovered through sale.	1 January 2012	To be assessed
IAS 16 – *Property, Plant and Equipment*	• Amendment: Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition thereof.	1 January 2013	To be assessed
IAS 19 – *Employee Benefits*	• Amendments: (i) Change in definition of short-term employee benefits; and (ii) recognition and measurement of termination benefits.	1 January 2013	To be assessed
IAS 27 – *Separate Financial Statements*	• Consequential amendments resulting from the issue of IFRS 10,11 and 12. Consolidation requirements now contained in IFRS 10.	1 January 2013	To be assessed
IAS 28 – *Investments in Associates and Joint Ventures*	• Consequential amendments arising as a result of issuing IFRS 10,11 and 12 (Including joint ventures in the equity accounting standard).	1 January 2013	To be assessed
IAS 32 – *Financial Instruments: Presentation*	• Amendment: Income tax relating to distributions to equity holders and transaction costs of equity transactions are accounted for in accordance with IAS 12.	1 January 2013	To be assessed

Interpretations	Annual periods beginning on or after	Expected effect
IFRIC 20 – ***Stripping Costs in the Production Phase of a Surface Mine***	1 January 2013	To be assessed

These standards and interpretations are expected to be applied when they become effective in the Group.

	2012 R'000	2011 R'000	2010 R'000
2. PROPERTY, PLANT AND EQUIPMENT			
Cost – owned			
Land	148 761	148 699	148 699
Buildings, foundations and civils	14 671	14 139	9 904
Mining assets and mine development costs	45 289	16 324	18 585
Mine rehabilitation assets	12 087	–	–
Plant and equipment	178 583	155 993	131 542
Computer equipment and software	2 257	3 084	2 766
Furniture, fittings and office equipment	1 446	1 434	1 161
Leasehold improvements	736	730	719
Total cost or valuation	**403 830**	**340 403**	**313 376**
Accumulated depreciation and impairment			
Buildings, foundations and civils	(5 046)	(4 063)	(3 569)
Mining assets and mine development costs	(2 364)	(1 777)	(1 469)
Plant and equipment	(53 009)	(39 672)	(25 773)
Computer equipment and software	(1 469)	(2 051)	(1 425)
Furniture, fittings and office equipment	(598)	(385)	(200)
Leasehold improvements	(519)	(380)	(245)
Total accumulated depreciation and impairment	**(63 005)**	**(48 328)**	**(32 681)**
Carrying amount	**340 825**	**292 075**	**280 695**

The carrying amount of property, plant and equipment can be reconciled as follows:

Group	Carrying amount 1 March 2011 R'000	Recognition of mine rehabilitation assets R'000	Additions R'000	Additions due to unwind of associate R'000	Additions due to business combination R'000	Capitalised borrowing costs R'000	Disposals R'000	Depreciation R'000	Carrying amount 29 February 2012 R'000
Land	148 699	–	62	–	–	–	–	–	148 761
Buildings, foundations and civils	10 076	–	86	–	–	–	(11)	(526)	9 625
Mining assets and mine development costs	14 547	–	13 032	15 514	–	348	–	(516)	42 925
Mine rehabilitation assets	–	12 087	–	–	–	–	–	–	12 087
Plant and equipment	116 321	–	19 344	–	5 383	–	(492)	(14 982)	125 574
Computer equipment and software	1 033	–	370	–	10	–	(15)	(610)	788
Furniture, fittings and office equipment	1 049	–	10	–	–	–	–	(211)	848
Leasehold improvements	350	–	6	–	–	–	–	(139)	217
Total	**292 075**	**12 087**	**32 910**	**15 514**	**5 393**	**348**	**(518)**	**(16 984)**	**340 825**
Notes		18		6	34				

The total additions per the statement of cash flows to the amount of R33.2 million, include totals per the additions column of R32.9 million and capitalised borrowing costs of R0.3 million.

Mine rehabilitation assets were recognised as part the recognition of the environmental rehabilitation provision raised to the amount of R12.1 million for the Delf Cullinan, Lyttelton Dolomite mine extension, Delf Sand mine extension, and will be amortised over the remaining LOM of the mine asset (refer note 17).

Included in additions for mining assets and mine development costs are exploration assets received to the amount of R15.2 million as part of the unwinding of the shares held in an associate company (refer notes 6 and 26.1).

Group	Carrying amount 1 March 2010 R'000	Additions R'000	Capitalised borrowing costs R'000	Classification transfer of assets to mineral rights R'000	Disposals R'000	Classification transfer of assets of discontinued operations R'000	Depreciation R'000	Carrying amount 28 February 2011 R'000
Land	148 699	–	–	–	–	–	–	148 699
Buildings, foundations and civils	6 335	4 010	–	–	–	225	(494)	10 076
Mining assets and mine development costs	17 116	6 183	742	(9 187)	–	–	(307)	14 547
Plant and equipment	105 769	22 158	–	–	(1 337)	1 337	(11 606)	116 321
Computer equipment and software	1 341	529	–	–	(4)	–	(833)	1 033
Furniture, fittings and office equipment	961	275	–	–	–	–	(187)	1 049
Leasehold improvements	474	12	–	–	–	–	(136)	350
Total	**280 695**	**33 167**	**742**	**(9 187)**	**(1 341)**	**1 562**	**(13 563)**	**292 075**

The total additions per the statement of cash flows to the amount of R33.909 million, include totals per the additions column of R33.2 million and capitalised borrowing costs of R0.7 million.

Certain of the plant and equipment held in Delf Sand Proprietary Limited and Lyttelton Dolomite Proprietary Limited are encumbered in terms of instalment sale agreements (refer note 16).

A land and buildings register containing details of the above is available for inspection by shareholders or their duly authorised agents during business hours at the registered office of the Company.

Land within the Group was pledged to ABSA Bank as security over the bond acquired on the initial bond amount issued of R72.3 million (refer note 16).

In order to reduce repair and maintenance costs, plant and equipment was upgraded and replaced with new plant and equipment.

Proceeds received due to insurance claims on computer equipment and plant and equipment derecognised in the year were to the amount of R125 326 (2011: R1.1 million) and was included in total proceed on sale of assets included in cash flow from investing activities of R0.6 million.

Group	Carrying amount 1 March 2009 R'000	Additions R'000	Revaluation R'000	Classification transfer of assets to Investment property R'000	Disposals R'000	Classification transfer of assets of discontinued operations R'000	Depreciation R'000	Impairments R'000	Carrying amount 28 February 2010 R'000
Land	159 083	–	7 151	(17 535)	–	–	–	–	148 699
Buildings, foundations and civils	7 577	207	–	–	(12)	(762)	(675)	–	6 335
Mining assets and mine development costs	5 257	11 882	–	–	–	–	(23)	–	17 116
Plant and equipment	113 819	20 968	–	–	(2 230)	(12 925)	(7 867)	(5 996)	105 769
Computer equipment and software	1 361	976	–	–	(10)	(75)	(911)	–	1 341
Furniture, fittings and office equipment	965	158	–	–	(17)	(41)	(104)	–	961
Leasehold improvements	610	–	–	–	–	–	(136)	–	474
Total	**288 672**	**34 191**	**7 151**	**(17 535)**	**(2 269)**	**(13 681)**	**(9 838)**	**(5 996)**	**280 695**

	2012 R'000	2011 R'000	2010 R'000
3. INVESTMENT PROPERTY			
Fair value of investment property	98 089	87 483	56 780
At fair value			
Balance at beginning of year	87 483	56 780	–
Transferred from Property, plant and equipment	–	–	17 535
Capital expenditure incurred	591	140	118
Fair value adjustment (refer note 20)	10 015	30 563	39 127
Balance at end of year	**98 089**	**87 483**	**56 780**

The Investment property is being developed to become a township establishment and the change in fair value is due to a change in the stage of completion.

The valuation of the total project potential was performed by Mr Phil Randal-Smith, an independent valuer. He conducted a valuation of the investment property in F2010, on a "willing, able and informed seller and willing, able and informed buyer" market basis for the fully completed project. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties. Using this valuation, the current fair value was based on the stage of completion method. The stage of completion has been confirmed by the town and regional planners, Hunter Theron Inc. The directors consider the valuation performed previously to remain pertinent. The fair value of the investment property at 29 February 2012 amounts to R98.1 million (2011: R87.5 million) which results in a fair value adjustment of R10.0 million (2011: R30.6 million). The Group's investment property is unencumbered.

	2012 R'000	2011 R'000	2010 R'000
4. MINERAL RIGHTS			
Owned			
Cost			
Opening balance	91 604	72 500	72 500
Arising on business combination (refer note 33)	750	–	–
Cost incurred in obtaining rights	110	9 917	–
Cost transferred from property, plant and equipment	–	9 187	–
Total mineral rights	**92 464**	**91 604**	**72 500**

No amortisation is charged, as the mineral rights obtained relate to the operations which are not yet operational. No impairment is deemed necessary as the mines are still under development.

	2012 R'000	2011 R'000	2010 R'000
5. GOODWILL			
Owned – cost			
Arising on acquisition of subsidiary (refer note 33)	**129**	**–**	**–**

The purchase price paid for the Spec Sand business was allocated between the identifiable assets and liabilities acquired. The amount that exceeded the identifiable assets and liabilities is recognised as goodwill. No impairment of goodwill is applicable in the current year as the entity traded as a going concern until 29 February 2012 and traded profitably in the subsequent period prior to the publication of this report.

The recoverable amount of each unit mentioned above was based on is value in use. The recoverable amount of the units was determined to be higher than its carrying amount and no impairment loss was recognised for any cash generating unit. Cash flows were projected on actual operating results and a three year forecasts.

Revenue forecasts were used as the basis for determining the value assigned to each cash-generating unit. The average revenue growth included in cash flow was an average of 10%. Values were based on past results and forecasts.

		2012 R'000	2011 R'000	2010 R'000
6.	**INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES**			
	Investment in associate	–	7 000	7 000
	Total investments	**–**	**7 000**	**7 000**
	Refer to Appendix for details of the investments in subsidiaries.			
	The investment in associate was unwound during the year as a consequence of concluding the exploration conducted for the Cullinan and Pienaarspoort projects. Exploration projects held by the associate company to the amount of R15.2 million (refer note 2 and note 26.1), was transferred to Infrasors in turn for the relinquishment of the shares held in the associate company. During the year, while the associate company was held, it did not generate any profit or losses for the year.			
	The Group's share of the results of its associate, which is unlisted, and its aggregate assets and liabilities are as follows:			
	Assets	–	1 599	1 631
	Liabilities	–	210	5 275
	Revenues	–	5 528	–
7.	**HELD TO MATURITY INVESTMENT**			
	Infrasors Empowerment Trust Loan			
	Balance at beginning of year	46 949	64 273	64 273
	Impairment adjustment (refer note 20)	–	(17 324)	–
	Discounting effect of financial asset	2 647	–	–
	Balance at end of year	**49 596**	**46 949**	**64 273**
	The fair value of the Infrasors Empowerment Trust debt is determined using a discounted cash flow method based on the original effective rate.			
	Fair value and Directors' valuation calculation			
	Debt – Infrasors Empowerment Trust	49 596	46 949	64 273

The Infrasors Empowerment Trust ("the Trust") owns 24 325 348 ordinary shares ("the shares") in Infrasors. The beneficiaries of the Trust include any black person (including any executive director of any company within the Infrasors Group) employed by Infrasors. The shares were acquired by the Trust for a sum of R132 million at an issue price of 550 cents per share and was initially financed to the extent of R52.8 million by Infrasors and R79.2 million by a financier. The shares were pledged to Infrasors as security for the Infrasors debt and the financier claim was subordinated in favour of Infrasors. The Infrasors debt bears no interest and is expected to be repaid in four years. The loan agreement had been renegotiated to provide an interest holiday to the Trust and as a resulting change in future cashflows, the loan amount has been adjusted to recognise an increased fair value at 29 February 2012 of R49.6 million (2011: R46.9 million).

	2012 R'000	2011 R'000	2010 R'000
8. OTHER FINANCIAL ASSETS			
8.1 Environmental insurance policies			
Environmental insurance policies are investments held in trust to be used to rehabilitate the environment after mining operations are completed at the Lyttelton, Marble Hall and Delf mining sites. (refer note 17)			
Balance at beginning of the year	10 060	7 479	4 607
Movement for the year	2 798	2 581	2 872
Insurance policy units purchased	5 358	6 428	2 980
Insurance policy payout reinvested	(2 230)	(3 607)	–
Policy costs	(330)	(240)	(108)
Balance at the end of year	**12 858**	**10 060**	**7 479**
During the year, insurance policies held in Allan Gray to the amount of R2.2 million (2011: R3.6 million) was reinvested in Sanlam policies to secure optimal returns.			
8.2 Guaranteed endowment policy investment			
Three-year guarantee policy for outstanding instalment sales on plant and equipment purchased. The guaranteed payout at the end of the policy is R8.0 million (2011: R4.0 million), and is guaranteed to settle the outstanding instalment liability due.			
Balance at the beginning of year	1 373	–	–
Endowment policy investments paid	2 338	1 373	–
Balance at the end of year	**3 711**	**1 373**	**–**
Total other financial assets	**16 569**	**11 433**	**–**

	2012 R'000	2011 R'000	2010 R'000
9. INCOME TAXES			
9.1 Income tax recognised in profit or loss			
Tax expense comprises:			
Current tax expense in respect of the current year	(266)	(309)	(71)
Adjustments recognised in the current year in relation to current tax of prior years	–	–	(14)
Mining royalty tax	(1 005)	(1 336)	–
Deferred tax expense relating to the origination and reversal of temporary differences	(5 054)	(4 362)	(8 674)
Total tax expense relating to continuing operations	**(6 325)**	**(6 007)**	**(8 759)**
Mining royalty tax is a taxation payable based on the extraction of minerals during mining activities, which came into effect as from 1 March 2010.			
The expense for the year can be reconciled to the accounting profit as follows:			
Profit/(Loss) from continuing operations	33 669	38 486	61 601

	2012 %	2011 %	2010 %
Reconciliation of tax rate			
Standard tax rate	28.0	28.0	28.0
Non-deductable expenses	–	0.2	0.2
Deductable expenses capitalised	(2.8)	(2.5)	(3.1)
Mining royalty tax	3.0	3.5	–
Capital allowances	(6.7)	(8.8)	(9.9)
Tax exempt revenues	(2.7)	(4.8)	(1.0)
Tax as a percentage of profit before tax	**18.8**	**15.6**	**14.2**

		2012 R'000	2011 R'000	2010 R'000
9.2	**Current tax receivables and tax liabilities**			
	Current tax assets			
	Tax refund receivable	–	968	6 232
		–	**968**	**6 232**
	Current tax liabilities			
	Income tax payable	259	24	1
		259	**24**	**1**
9.3	**Income tax recognised in other comprehensive income**			
	Gain on property revaluation (refer note 14)	**–**	**–**	(1 001)
	Total income tax recognised in other comprehensive income	**–**	**–**	**(1 001)**
9.4	**Deferred tax balances**			
	Deferred tax assets	12 557	11 823	3 001
	Deferred tax liabilities	(69 411)	(63 637)	(55 095)
		(56 854)	**(51 814)**	**(52 094)**
	Balance at the beginning of year	(51 814)	(52 094)	(43 298)
	Current – temporary differences per statement on changes in equity	–	–	(1 001)
	Current – temporary differences per profit and loss	(5 054)	(4 362)	(8 674)
	Current – temporary differences moved to assets of discontinued operations	14	4 642	879
	Balance at the end of year	**(56 854)**	**(51 814)**	**(52 094)**
	Comprising:			
	Provisions	150	200	88
	Prepayments	(64)	(54)	(40)
	Assessed losses	12 413	10 679	3 066
	Property, plant and equipment	58	998	(113)
	Deferred tax assets	**12 557**	**11 823**	**3 001**

The Group has tax loss carry forwards amounting to R12.4 million (2011: R10.7 million). Included in the total is tax losses generated by the losses generated from the discontinuation operations of Infrabric which has been assessed. The tax losses do not expire whilst the subsidiary continues trading and may not be used to offset taxable income elsewhere in the Group. Future trading operation of Infrabric include the rental of plant and equipment, previously used within the discontinued operations, and other rental and contract activities.

	2012 R'000	2011 R'000	2010 R'000
Deferred tax liabilities			
Provisions	642	(1 027)	430
Environmental rehabilitation provision	6 072	3 025	3 824
Assessed losses	501	4 634	7 217
Revaluation of land	(24 586)	(24 586)	(24 586)
Property, plant and equipment	(48 262)	(42 798)	(40 148)
Rehabilitation funds	(3 637)	(2 878)	(1 831)
Prepaid expenses	(141)	(7)	(1)
Deferred tax liabilities	**(69 411)**	**(63 637)**	**(55 095)**

10. INVENTORIES

	2012 R'000	2011 R'000	2010 R'000
Finished goods	12 437	8 708	6 488
Mining project work in progress	94	2 485	5 986
Consumables	7 431	5 823	4 618
Total inventories	**19 962**	**17 016**	**17 092**

No inventories were impaired during the year and included in Coast of sales.

11. TRADE AND OTHER RECEIVABLES

	2012 R'000	2011 R'000	2010 R'000
Financial assets			
Gross trade receivables	43 035	37 164	37 329
Provision for doubtful debts	(153)	(250)	(263)
Net trade receivables	42 882	36 914	37 066
Non-financial assets			
Deposits	1 408	300	80
Prepayments	719	1 043	189
Value Added Tax	422	154	18
Insurance claims	–	–	803
Sundry receivables	637	840	686
	46 068	**39 251**	**38 842**
Ageing of trade receivables			
At 29 February 2012, the age analysis of trade receivables was as follows:			
Current	25 532	20 333	18 215
30 days	15 192	6 853	6 534
Older than 30 days not impaired	–	3 800	3 800
Neither past due nor impaired	40 724	30 986	28 549
Past due but not impaired			
60 days	632	4 010	4 487
90 days	773	475	842
90 – 120 days	362	747	1 085
> 120 days	391	696	2 103
	42 882	**36 914**	**37 066**

	2012 R'000	2011 R'000	2010 R'000
Movement in provision for doubtful debts			
Opening balance at the beginning of the year	(250)	(263)	(939)
Utilisation of bad debt provision	178	41	800
Increase in provision for doubtful debt	(81)	(28)	(124)
Closing balance at the end of the year	**(153)**	**(250)**	**(263)**

The average debtor days outstanding are 58.6 days (2011: 56.3 days). Before accepting a new customer, the Company runs thorough credit and background checks to determine the potential customer's credit quality and credit limits. The credit quality of debtors neither past due nor impaired are acceptable as the credit history of the customers suggest the debt will be settled. Credit limits are reviewed at least once a year. None of the trade receivables that are neither past due nor impaired have exceeded the credit limits at year-end. None of the customers exceeded more than 5% of the total balance of trade receivables at year end and the concentration of credit risk is limited due to the customer base being large and unrelated.

The Group has provided in full for all receivables that are generally considered irrecoverable. Debt is considered irrecoverable if the debtor becomes illiquid, insolvent and not in a position to settle the amount due. The Group does not hold collateral over these balances. No receivable terms been renegotiated. Due to the short-term nature of trade receivables, the carrying amount approximates the fair value.

All other receivables are expected to be paid within normal terms.

12. DISCONTINUED OPERATIONS

On 30 November 2009, the board resolved to discontinue the brick manufacturing operation of Infrabric Proprietary Limited ("Infrabric").

The results of Infrabric for the year are presented below:

	Notes	2012 R'000	2011 R'000	2010 R'000
Revenue		–	–	9 477
		–	–	(4 140)
		–	–	5 337
Finance costs		–	–	(2 154)
Operating costs		–	(661)	(5 958)
Loss on sale of assets		–	(3 365)	(438)
Impairments		–	(680)	(22 945)
Loss before tax from discontinued operations		–	(4 706)	(26 158)
Tax income:				
Related to current pre-tax loss		–	1 318	3 358
Loss for the year from discontinued operations		–	(3 388)	(22 800)
The net cash flows incurred by Infrabric are as follows:				
Operating		–	(4)	2 297
Investing		–	2 542	1 910
Financing		–	(2 542)	(3 760)
Net cash outflow		**–**	**(4)**	**447**
Earnings per share:				
Basic earnings per share	23	–	(1.9)	(13.2)
Diluted earnings per share	23	–	(1.9)	(13.2)

In F2011 certain assets were transferred from discontinued operations to continued operations as the assets are utilised in other operations of the Group. The remaining assets of the discontinued operations were sold or impaired during F2011.

	2012 R'000	2011 R'000	2010 R'000
13. CASH AND CASH EQUIVALENTS			
Bank balances	17 023	17 003	22 592
Cash on hand	43	41	18
	17 066	**17 044**	**22 610**

Due to the short-term nature of cash and cash equivalents, the carrying amount approximates the fair value.

Cession of the Group bank accounts are provided as security on the ABSA notarial bond.

14. ISSUED CAPITAL

Share capital

Authorised

	2012 R'000	2011 R'000	2010 R'000
The total authorised number of ordinary shares with a par value of 0.5 cent per share.	**2 000 000**	**2 000 000**	**2 000 000**

Issued

The issued number of ordinary shares is 185 521 091 (2011: 177 839 491) at 0.5 cent each. All issued shares are fully paid up.

	2012 R'000	2011 R'000	2010 R'000
Per share register	185 521	185 521	177 840
Treasury shares held by subsidiary company	(1 812)	(1 812)	(4 862)
Shares held by external parties	**183 709**	**183 709**	**172 978**
Analysis of movement			
Balance at the beginning of year	183 709	172 978	172 985
Shares issued at 80 cents each	–	7 681	–
Treasury shares sold to third parties	–	3 050	–
Treasury shares acquired by subsidiary company	–	–	(7)
Closing balance at the end of year	**183 709**	**183 709**	**172 978**
Nominal value of issued shares at 0.5 cent each			
Shares in issue	927	927	889
Held as treasury shares by a subsidiary company	(9)	(9)	(24)
Held by external parties	**918**	**918**	**865**
Share premium			
Premium on shares issued	267 769	267 769	262 878
Treasury shares	(2 257)	(2 257)	(5 218)
Listing costs written off	(10 810)	(10 810)	(10 810)
Total share premium	**254 702**	**254 702**	**246 850**
Total issued share capital	**255 620**	**255 620**	**247 715**
Analysis of movement			
Balance at the beginning of year	255 620	247 715	247 715
Shares issued	–	6 145	–
Treasury shares sold	–	1 760	–
Balance at the end of year	**255 620**	**255 620**	**247 715**

		2012 R'000	2011 R'000	2010 R'000
15.	**REVALUATION RESERVE**			
	Balance at the beginning of year	6 150	6 150	–
	Increase arising on revaluation of property	–	–	7 151
	Deferred tax liability arising on property revaluation (refer note 9.4)	–	–	(1 001)
	Balance at the end of year	**6 150**	**6 150**	**6 150**

The revaluation reserve arose on the revaluation of land when it was transferred to investment property.

			2012 R'000	2011 R'000	2010 R'000
16.	**BORROWINGS**				
	Non-current portion		80 623	63 798	70 287
	Current portion		22 115	22 724	17 941
	Total borrowings		**102 738**	**86 522**	**88 228**
	16.1	ABSA Bank of South Africa (secured)	1 494	144	1 075
		Less current portion	(292)	(144)	(886)
		Non-current portion	**1 202**	**–**	**189**

The instalment sale agreements are secured by a cession on plant and equipment, held by Delf Sand Proprietary Limited. The instalment sale agreements are for Delf Sand Proprietary Limited plant and equipment (see note 2). The instalment sale agreements are payable in monthly instalments to the value of R34 447 (2011: R17 352) with an interest rate of 8% (2011: 8%) per annum over 48 months (2011: 48 months).

		2012 R'000	2011 R'000	2010 R'000
16.2	Imperial Bank Limited (secured)	–	104	372
	Less current portion	–	(104)	(298)
	Non-current portion	**–**	**–**	**74**

The instalment sale agreement was secured by a cession on plant and equipment, held by Delf Sand Proprietary Limited. The instalment sale agreement was for Delf Sand Proprietary Limited plant and equipment (see note 2). The instalment sale agreement was settled during the year and was payable in instalments of R25 492 (2011: 25 492) at an interest rate of prime + 0.25% (2011: prime + 0.25%) per annum over 36 months (2011: 36 months).

		2012 R'000	2011 R'000	2010 R'000
16.3	Wesbank a division of FirstRand Bank Limited (secured)	3 410	6 071	3 005
	Less current portion	(2 056)	(2 709)	(1 593)
	Non-current portion	1 354	3 362	1 412

The instalment sale agreements are secured by a cession on plant and equipment, held by Delf Sand Proprietary Limited. The instalment sale agreements are for Delf Sand Proprietary Limited plant and equipment (see note 2). The instalment sale agreements are payable in monthly instalments to the value of R197 570 (2011: R240 961) with an interest rates ranging between 8.1% to 9.0% (2011: 8.1% – 9.0%) per annum over periods between 36 – 48 months (2011: 36 – 48 months).

		2012 R'000	2011 R'000	2010 R'000
16.4	Stannic a division of Standard Bank of South Africa Limited (secured)	–	66	408
	Less current portion	–	(66)	(342)
	Non-current portion	**–**	**–**	**66**

The instalment sale agreement was secured by a cession on plant and equipment, held by Delf Sand Proprietary Limited. The instalment sale agreement was for Delf Sand Proprietary Limited plant and equipment (see note 2). The instalment sale agreement was payable in monthly instalments to the value of R22 465 (2011: R22 465) with an interest rate of 8.73% (2011: 8.73%) per annum over 48 months (2011: 48 months).

		2012 R'000	2011 R'000	2010 R'000
16.	**BORROWINGS (continued)**			
16.5	ABSA Bank Notarial bond (secured)	72 334	64 595	80 159
	Less current portion	(13 977)	(14 823)	(13 434))
	Non-current portion	**58 357**	**49 772**	**66 725**

The Company entered into a restructured loan agreement with ABSA Bank Limited to secure loan facilities of R72.3 million (2011: R64.6 million) and extend the payment terms of the previous loan to a new five year period. The facilities are secured over freehold land and cession of Group bank accounts. The facilities were arranged to fund capital expenditure and working capital requirements to support growth and expansion of the Group's mining and operating activities.

Property held in the subsidiaries Delf Sand Proprietary Limited and Lyttelton Dolomite Proprietary Limited were provided as security and the facility accrues interest at an effective interest rate of prime plus 1.1% (2011: less 1%). The terms of the bond are fixed. Two instalments are paid annually, which include capital and interest paid over a period of 60 months. Interest is accrued monthly. The total of the instalments paid is R14 533 196 (2011: R20 001 785) per annum.

		2012 R'000	2011 R'000	2010 R'000
16.6	ABSA Bank of South Africa (secured)	–	12	84
	Less current portion	–	(12)	(70)
	Non-current portion	**–**	**–**	**14**

The instalment sale agreement was secured by a cession on plant and equipment held by Lyttelton Dolomite Proprietary Limited. The instalment sale agreement was held for Lyttelton Dolomite Proprietary Limited plant and equipment (see note 2). The instalment sale agreement was payable in monthly instalments to the value of R6 327 in F2011 with an interest rate of 9.5% per annum over 30 months.

		2012 R'000	2011 R'000	2010 R'000
16.7	Wesbank, a division of First Rand Bank Limited (secured)	16 165	8 214	2 664
	Less current portion	(2 726)	(2 062)	(857)
	Non-current portion	**13 439**	**6 152**	**1 807**

The instalment sale agreements are secured by a cession on plant and equipment held by Lyttelton Dolomite Proprietary Limited. The instalment sale agreements are for Lyttelton Dolomite Proprietary Limited plant and equipment (see note 2). The instalment sale agreements are payable in monthly instalments to the value of R475 494 (2011: R134 526) with interest rates ranging between 6.1 – 8% (2011: 6.1% – 8.0%) per annum over 36 – 48 months (2011: 36 – 48 months).

		2012 R'000	2011 R'000	2010 R'000
16.8	Standard Bank Limited (secured)	2 392	–	–
	Less current portion	(614)	–	–
	Non-current portion	**1 778**	**–**	**–**

The instalment sale agreements are secured by a cession on plant and equipment, held by Delf Silica Coastal Proprietary Limited. The instalment sale agreements are for Delf Silica Coastal Proprietary Limited plant and equipment (see note 2). The instalment sale agreements are payable in monthly instalments to the value of R51 189 with an interest rate of 9.2% per annum over 36 months. The loan balance of R2.659 million was assumed as part of the business combination (refer note 33).

		2012 R'000	2011 R'000	2010 R'000
16.9	Scania Finance Southern Africa Proprietary Limited (secured)	3 868	4 996	–
	Less current portion	(1 348)	(1 697)	–
	Non-current portion	**2 520**	**3 299**	**–**

The instalment sale agreements are secured by a cession on plant and equipment, held by Delf Sand Proprietary Limited. The instalment sale agreements are for Delf Sand Proprietary Limited plant and equipment (see note 2). The instalment sale agreements are payable in monthly instalments to the value of R139 098 (2011: R131 718) with an interest rate of 10.0% (2011: 10.0%) per annum over 48 months (2011: 48 months).

		2012 R'000	2011 R'000	2010 R'000
16.	**BORROWINGS (continued)**			
16.10	ABSA Bank Notarial bond (secured)	1 207	2 320	3 338
	Less current portion	(1 102)	(1 107)	(952)
	Non-current portion	**105**	**1 213**	**2 386**

Plant and equipment held in the subsidiary Infrabric Proprietary Limited was provided as security and the facility accrues interest at an effective interest rate of bank prime rate (2011: prime). The instalments are payable monthly to the value of R104 996 (2011: R104 996) payable over 60 months (2011: 60 months).

		2012 R'000	2011 R'000	2010 R'000
16.11	Spec Sand CC (unsecured)	1 868	–	–
	Less current portion	–	–	–
	Non-current portion	**1 868**	**–**	**–**

The loan agreement held by Delf Silica Coastal Proprietary Limited is unsecured. The loan agreement bears interest at prime bank rate + 2% and is payable over 60 months. The original value of the loan was R1.489 million (refer note 33) and increased to R1.868 million due to interest accruals, and further loan amounts.

	2012 R'000	2011 R'000	2010 R'000
Total book value of assets ceded in respect of instalment sale agreements	22 207	23 715	16 594
Total book value of assets ceded in respect of notarial bonds	142 000	142 000	159 400

Borrowing powers

The articles of association of Infrasors Holdings Limited and its subsidiary companies provide no limitation on the borrowing powers of the directors, accordingly the borrowings set out above comply with the Memorandum of Incorporation of the respective companies.

17. ENVIRONMENTAL REHABILITATION PROVISION

	2012 R'000	2011 R'000	2010 R'000
Environmental rehabilitation provision at the beginning of period	10 802	13 657	14 030
Released to the statement of comprehensive income during the year			
– change in estimate due to life of mine changes	289	(2 855)	(373)
Capitalised to property, plant and equipment during the year			
– mine rehabilitation assets	12 087	–	–
Environmental rehabilitation provision at the end of the year	**23 178**	**10 802**	**13 657**

The environmental provisions are based on management's best estimate of all known obligations. It is however, reasonable to expect changes in the ultimate rehabilitation costs as a result of changes in regulations or cost estimates. Cost estimates are not reduced by potential proceeds from the sale of assets and from future clean-up in view of uncertainty in estimating those proceeds. Other environmental liabilities not directly relating to the rehabilitation are expensed as incurred. The environmental rehabilitation liability is secured by guarantees issued to the DMR to the amount of R15.3 million (2011: R19.9 million) (refer note 29). Funds to the amount of R12.9 million (2011: R10.0 million) (refer note 8) have been put aside to be used for environmental rehabilitation purposes and have been accumulated by environmental insurance policy investments held in the Infrasors Environmental Rehabilitation Trust.

The increase in the provision resulted from the increase in the life of mine of the Lyttelton Centurion, Delf Cullinan and Delf Sand mining operations. The Lom is calculated in the Competent Persons Report along with changes in the mining techniques and mine pit design. The movement in the provision is included in administration and other operating expenses in the statement of comprehensive income. Changes to the provision resulting from new mining operations and mine area extensions have been capitalised to Mine rehabilitation assets (refer note 2).

	2012 R'000	2011 R'000	2010 R'000
17. ENVIRONMENTAL REHABILITATION PROVISION (continued)			
The rehabilitation provision consists of:			
Decommissioning assets	3 571	980	1 210
Restoration cost	19 607	9 822	12 447
	23 178	**10 802**	**13 657**
Assumptions used in determining the environmental rehabilitation provision			
Annual inflation rate used	6.10%	3.70%	6.20%
Pre-tax risk-free rate for discounting	6.53%	7.78%	8.30%
Discount periods	10 to 34 years	10 to 35 years	10 to 36 years

18. TRADE AND OTHER PAYABLES

	2012 R'000	2011 R'000	2010 R'000
Financial liabilities			
Trade payables	29 015	23 845	27 900
Intercompany loans	–	–	–
Non-financial liabilities			
VAT	927	–	900
Other accruals	2 805	1 785	1 680
Leave pay accruals	2 023	2 491	1 416
Bonus accruals	682	721	513
	35 452	**28 842**	**32 409**

Trade payables consist of purchases from suppliers at terms of 30 days from statement date. Interest is paid on overdue accounts at an interest rate linked to the prime bank rate. Leave pay accruals are utilised as and when employees take leave, or are settled when they terminate their employment with the Company. The 13th cheque bonuses are paid at the end of each calendar year.

Due to the short-term nature of the Group's trade and other payables, the carrying amount approximates its fair value.

19. REVENUE

	2012 R'000	2011 R'000	2010 R'000
Turnover – local sales	272 744	239 427	207 049
Turnover – local services	–	–	–
Interest received (refer note 21)	5 635	1 844	2 969
Other income	882	2 230	1 461
Rental income	427	705	398
Other	455	1 525	1 063
	279 261	**243 501**	**211 479**

	2012 R'000	2011 R'000	2010 R'000
20. OTHER GAINS AND LOSSES			
Impairment adjustments on held to maturity investment (refer note 7)	–	(17 324)	–
Fair value adjustment on investment property (refer note 3)	10 015	30 563	39 127
	10 015	**13 239**	**39 127**
21. INVESTMENT REVENUE – FINANCE INCOME			
Interest received – financial institutions	2 988	1 844	2 969
Investment revenue – discounting effect of financial asset (refer note 7)	2 647	–	–
Total investment revenue	**5 635**	**1 844**	**2 969**
22. FINANCE COSTS			
Finance cost – continued operations	(12 549)	(4 369)	(7 692)
Interest paid – financial institutions	(7 934)	(4 983)	(7 692)
Interest paid – SARS	(164)	(128)	–
Borrowing costs capitalised	348	742	–
Finance cost – unwinding of financial liability	(4 799)	–	–
Finance cost – discontinued operations	–	–	(2 154)
Total finance costs	**(12 549)**	**(4 369)**	**(9 846)**

The capitalisation rate used to determine the amount of eligible borrowing cost for capitalisation was the weighted average borrowing rate of 8.5% (2011: 7.5%) per annum.

		2012 R'000	2011 R'000	2010 R'000
23. ADMINISTRATION AND OTHER OPERATING EXPENSES				
Includes:				
– auditors' remuneration				
– audit fees		(1 045)	(754)	(750)
– depreciation		(16 984)	(13 563)	(7 673)
– operating lease payments	– premises	(1 957)	(1 073)	(761)
	– equipment	(253)	(164)	(364)
– sublease recoveries	– premises	273	248	225
Employee costs		(57 851)	(55 285)	(49 334)
– salaries and wages		(50 070)	(45 639)	(40 661)
– directors' emoluments		(11 069)	(10 577)	(10 992)
– post-employment benefits		(2 190)	(1 876)	(1 147)
– capitalised remuneration		5 478	2 807	3 466
Profit/(Loss) on sale of assets		122	(186)	(3)
Consultation services from unrelated parties		563	462	352
Percentage of employees who are members of a provident fund		80%	79%	78%

	2012 Cents per share	2011 Cents per share	2010 Cents per share
24. EARNINGS AND DILUTED EARNINGS PER SHARE			
From continuing operations	15.0	18.0	30.6
From discontinued operations	–	(1.9)	(13.2)
Earnings per share	**15.0**	**16.1**	**17.4**
Diluted earnings per share			
From continuing operations	15.0	18.0	30.6
From discontinued operations	–	(1.9)	(13.2)
Diluted earnings per share	**15.0**	**16.1**	**17.4**

24.1 **Earnings and diluted earnings per share**	**R'000**	**R'000**	**R'000**
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share and diluted earnings per share is reconciled as follows:			
Profit for the year attributable to shareholders	27 554	32 479	52 842
Loss for the year from discontinued operations used in the calculation of basic earnings per share	–	(3 388)	(22 800)
Earnings used in the calculation of basic earnings and diluted earnings per share from continuing operations	**27 554**	**29 091**	**30 042**
Total number of shares in issue ('000)	185 521	185 521	177 978
Weighted number of treasury shares held for the year ('000)	1 812	4 581	4 862
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)	183 709	180 940	172 978
From continuing operations	15.0	18.0	30.6
From discontinued operations	–	(1.9)	(13.2)
Earnings per share and diluted earnings per share (cents)	**15.0**	**16.1**	**17.4**

	2012 Cents per share	2011 Cents per share	2010 Cents per share
24.2 Headline earnings and diluted headline earnings reconciliation			
Earnings used in the calculation of HEPS and DHEPS is reconciled as follows:			
Basic earnings	**27 554**	**29 091**	**30 042**
Adjusted for the following:			
Impairment of assets of discontinued operations	–	680	22 945
Fair value adjustments on investment property (refer note 3)	(10 015)	(30 563)	(39 127)
Impairment adjustment on Empowerment Trust loan (refer note 7)	–	17 324	–
(Profit)/Loss on disposal – property, plant and equipment (refer note 23)	(122)	186	3
Loss on sale of assets in discontinued operations (refer note 12)	–	3 365	438
Gross remeasurements excluded from headline earnings	(10 137)	(9 008)	(15 741)
Taxation charge on disposal of property, plant and equipment	34	(190)	(1)
Taxation charge on adjustment on investment property	1 402	8 558	10 956
Taxation charge on fair value adjustment on Empowerment Trust loan	–	(4 851)	–
Taxation charge on loss on sale of assets of discontinued operations	–	(995)	(123)
	1 436	2 522	10 832
Net remeasurements excluded from headline earnings	(8 701)	(6 486)	(4 909)
Headline earnings and diluted headline earnings	**18 843**	**22 605**	**25 133**
Weighted average number of ordinary shares used in the calculation of headline earnings and diluted headline earnings per share ('000) (refer 24.1)	183 709	180 940	172 978
Headline earnings and diluted headline earnings per share (cents)	**10.3**	**12.5**	**14.5**
Headline earnings and diluted headline earnings per share are based on the Group's headline earnings and diluted headline earnings divided by the weighted average number of shares in issue during the 12-month period.			
Diluted headline earnings and diluted headline earnings per share (cents)	**10.3**	**12.5**	**14.5**

		2012 Cents per share	2011 Cents per share	2010 Cents per share
24.3	**Net asset value ("NAV") per share**			
	Ordinary share capital and reserves	462 287	432 819	395 823
	Total number of shares in issue (net of treasury shares) (refer note 14)	183 709	183 709	172 978
	NAV per share (cents)	**251.6**	**235.6**	**228.8**
	Tangible net asset value ("TNAV") per share			
	Ordinary share capital and reserves	462 287	432 819	395 823
	Intangible assets (mineral rights and goodwill)	(92 593)	(91 604)	(72 500)
	Tangible net asset value ("TNAV")	369 694	341 215	323 323
	TNAV per share (cents)	**201.2**	**185.7**	**186.9**

25. NOTES TO THE STATEMENT OF CASH FLOWS

25.1	**Cash generated from operations**			
	Profit before taxation	**33 669**	**33 780**	**35 443**
	Continuing operations	33 669	38 486	61 601
	Discontinued operations (refer note 12)	–	(4 706)	(26 158)
	Adjustments for			
	Depreciation	16 984	13 563	9 838
	Impairment of discontinued operations	–	680	22 945
	Interest paid	12 549	4 369	9 846
	Interest received	(5 634)	(1 844)	(2 969)
	(Profit)/Loss on sale of PPE	(122)	186	–
	Loss on sale of PPE – discontinued operations	–	3 365	441-
	Change in rehabilitation estimate	289	(2 855)	(373)
	Other non-cash flow adjustments	(1 348)	–	(1 060)
	Fair value adjustment of held to maturity investment	–	17 324	–
	Fair value adjustment on investment property	(10 015)	(30 563)	(39 127)
	Operating cash flow before changes in working capital	**46 372**	**38 005**	**34 984**
	(Increase)/Decrease in trade and other receivables	(11 170)	424	1 821
	(Increase)/Decrease in inventory	(5 775)	736	(1 512)
	Increase/(Decrease) in trade and other payables	6 610	(5 313)	3 342
		36 037	**33 852**	**38 635**

		2012 R'000	2011 R'000	2010 R'000
25.2	**Interest paid**			
	Interest paid – financial institutions	(7 934)	(4 983)	(9 846)
	Interest paid – SARS	(164)	(128)	–
	Borrowing costs capitalised	348	742	–
		(7 750)	**(4 369)**	**(9 846)**
25.3	**Taxation paid**			
	Amount outstanding at the beginning of year	944	6 231	797
	Statement of comprehensive income accrued	(265)	(309)	(84)
	Mining royalty taxation paid	(1 005)	(1 336)	–
	Interest paid on outstanding tax	–	(128)	–
	Amount outstanding at year-end	259	(944)	(6 231)
		(67)	**3 514**	**(5 518)**
25.4	**Proceed on sale of assets**			
	Disposal of assets – continued operations	518	1 341	4 000
	Disposal of assets – discontinued operations	–	2 542	2 943
	Profit/(Loss) on sale of asset – continued operations	122	(186)	(3)
	Profit/(Loss) on sale of asset – discontinued operations	–	–	(438)
		640	**3 697**	**6 502**

26. RELATED PARTY TRANSACTIONS

Related parties are those parties that control or have a significant influence over the Group (ie key management personnel), and parties that are controlled or significantly influenced by the Group (including subsidiaries). Infrasors has no holding company, nor is there a major shareholder that has a significant influence over the Group.

Group companies have entered into transactions in the ordinary course of business with each other, and/or other institutions/individuals that are also shareholders or key management personnel. All such transactions have been concluded under terms that are consistent with those entered into with third parties.

Details of transactions between the Group and other related parties are disclosed below:

			Group	
		2012 R'000	2011 R'000	2010 R'000
26.1	**Transactions with Group entities**			
	Purchases from subsidiary companies	100	6 808	3 947
	Purchases from related parties are consistent with those prices and terms entered into with third parties			
	Management fees paid to Infrasors Holdings Limited	16 845	7 200	11 205
	Management fees were paid for services rendered in the areas of administration and technical advice, based on the apportioned time spent			

	Group 2012 R'000	2011 R'000	2010 R'000
Interest paid by subsidiary companies to Infrasors Holdings Limited	1 634	627	566
Interest rate linked to prime bank rate plus 1.5%			
Contributions made to Infrasors Environmental Rehabilitation Trust	1 898	1 898	1 370
Financial effect of unwinding in investment of associate company		–	–
Unwinding of Investment in associate	7 000	–	–
Settlement of trade receivable	3 800	–	–
Settlement of loans receivable	4 714	–	–
Purchase of mine assets and mine development assets	(15 514)	–	–

The 30% shareholding in the associate company, Inframin Southern Mining Projects Limited, to the amount of R7 million held along with related loans amounts receivable to the amount of R4.366 million, and trade receivable to the amount of R3.8 million from the associate company was relinquished. In turn the Group received exclusivity in further developing mine developments valued at R15 166 million. The mine development received were included in additions to Mining assets and mine development costs for the year (refer notes 2 and 6).

Other transactions and balances with related parties

	2012 R'000	2011 R'000	2010 R'000
26.2 **Rent paid**	1 137	643	550
Amount payable at year-end	135	123	93

Infrasors leases its head office from Whirlprops 35 Proprietary Limited, a company controlled by a director, HS Courtney. The existing lease contract as referred to in the pre-listing statement of 19 July 2007 has been amended to the square meterage occupied 800 m^2, leased at a rate of R119.79 per m^2 (2011: R108.90 per m^2) (with an annual escalation of 10%). The amended lease expires on 31 August 2012 and Infrasors has accepted an option to renew the lease. The rental charged is arm's length and market related, and was determined by an expert independent third party.

26.3 **Fees capitalised**	1 748	1 640	–

Fees were paid to Whirlprops 35 Proprietary Limited were paid to during the year, a company controlled by a director, HS Courtney.

26.4 **Rent recoveries**	252	229	225
Amount receivable at year-end	110	80	75

Infrasors subleases offices located at its head office to Gioberti Investments 1 Proprietary Limited a company controlled by a director, M Noge. The offices are sub-leased at a rate of R119.79 per m^2 (with an annual escalation rate of 10% per year). The lease expires 31 August 2012 and the Company has an option to extend the lease for a further 12 months.

26.5 **Legal and consultation services**	196	160	153

Infrasors received legal and consultation services from HR Levin Inc attorneys. C Boulle, is a partner in HR Levin Inc attorneys.

The subsidiary companies of the Group are identified in the Appendix and form part of related parties.

Other than as disclosed above there were no significant transactions with related parties.

27. RISK MANAGEMENt

Financial risk management aims to limit risks through ongoing operational and finance activities. The board assesses and manages the Group's financial risk throughout the year. Certain transactions require the prior approval of the Board, and comprehensive monthly financial reports are circulated to the executive directors for scrutiny. There have been no changes in the policies managing risks from the prior year.

27.1 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the share capital structure the Group may return capital to shareholders, buy-back its own shares or issue new shares or sell assets to reduce debt.

The Group's capital consists of share capital, share premium, other reserves and retained earnings attributable to holders of the parent, which amounts to R462.3 million (2011: R432.8 million).

Management believes it has met its capital management objectives for the year under review and the results for the year is considered an adequate return. The Group monitors capital on the basis of the net debt:equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalents as shown in the statement of financial position.

There have been no changes in the Group's objectives, policies and processes for managing capital from the prior year. The Group's strategy is to maintain the net debt:equity ratio to below 30%. The net debt:equity ratios at 29 February 2012 and 28 February 2011 were as follows:

	2012 R'000	**2011 R'000**	**2010 R'000**
Total debt	138 449	115 388	124 912
Less: Cash and cash equivalents	(17 066)	(17 044)	(22 610)
Net debt	121 383	98 344	102 302
Total equity	462 287	432 819	395 823
Total capital	583 670	531 163	498 125
Net debt:equity ratio	26%	23%	21%

27.2 Liquidity risk

The Group's risk to liquidity is that funds might not be available to cover future commitments. The Group manages liquidity risk through continuously monitoring the present and future cash flow requirements and maintaining adequate overdraft and borrowing facilities. The risk on the Group's liquid funds, cash equivalents and short-term investments is limited because the counterparties are banks with high credit ratings. The following table details the Group's remaining contractual maturity for its financial liabilities which are included in the maturity analysis provided internally for the purpose of managing liquidity risk. There have been no changes in the Group's objectives, policies and processes for managing liquidity risk from the prior year.

Maturity analysis – financial liabilities

2012

Contractual repayments	**Weighted average interest rate**	**< 1 year R'000**	**1 – 5 years R'000**	**5+ years R'000**	**Total R'000**
Borrowings	9.1%	26 981	80 169	–	107 150
Trade and other payables	–	29 015	–	–	29 015
Total liabilities		**55 996**	**80 169**	**–**	**136 165**

2011

Contractual repayments	Weighted average interest rate	< 1 year R'000	1 – 5 years R'000	5+ years R'000	Total R'000
Borrowings	8.1%	29 116	72 808	–	101 924
Trade and other payables	–	23 845	–	–	23 845
Total liabilities		**52 961**	**72 808**	**–**	**125 769**

2010

Contractual repayments	Weighted average interest rate	< 1 year R'000	1 – 5 years R'000	5+ years R'000	Total R'000
Borrowings	10.5%	28 042	87 116	–	115 158
Trade and other payables	–	27 900	–	–	27 900
Total liabilities		**55 942**	**87 116**	**–**	**143 058**

27.3 Interest rate risk

Deposits attract interest at rates that vary with prime. The Group policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit or loss. Competitive quotes are obtained from financiers on potential loan agreements to ensure market related interest rates are accepted as part of loan finance.

Cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks.

At this reporting date, Infrasors had no material exposure to interest rate risk other than that as disclosed in note 17 and has no interest rate derivative contracts.

The interest rate sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the statement of financial position date. The analysis is prepared assuming the amount cash and cash equivalents, and borrowings outstanding on the date of financial position date was effective for the whole year. A 50 basis point (2011: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 29 February 2012 would (decrease)/increase by (R0.345 million) or R0.345 million [2011: (R0.277 million) or R0.277 million] before tax. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings. There have been no changes in the Group's objectives, policies and processes for interest rate risk from the prior year.

27.4 Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Group is exposed to credit risk from its operating activities and certain finance activities. With regard to financing activities, transactions are only conducted with counterparties who have a high quality credit standing. At the level of operations, the granting of credit is made on application and is approved by the management. Outstanding debts are continuously monitored, and credit risks are taken into account through allowances.

At the reporting date there were no financial guarantees for third party obligations that increase credit risk.

Trade receivables consist of a large number of customers, spread across diverse industries, in the Gauteng and KwaZulu-Natal region. Ongoing credit valuation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty. At the reporting date, the Group had no significant concentration of credit risk due to the diverse industry client spread. There have been no changes in the Group's objectives, policies and processes for managing credit risk from the prior year.

27.5 Fair value of financial instruments

The fair values of all financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

	2012		2011		2010	
	Carrying amount R'000	Fair value R'000	Carrying amount R'000	Fair value R'000	Carrying amount R'000	Fair value R'000
Cash and cash equivalents	17 066	17 066	17 044	17 044	22 610	22 610
Borrowings	(102 738)	(102 738)	(86 522)	(86 522)	(91 566)	(91 566)
Trade and other payables	(29 015)	(29 015)	(23 845)	(23 845)	(27 900)	(27 900)
Loan receivable	49 596	49 596	46 949	46 949	64 273	64 273
Environmental insurance policies	12 858	12 858	10 060	10 060	7 479	7 479
Guaranteed endowment policies	3 711	3 711	1 373	1 373	–	–
Trade and other receivables	42 882	42 882	36 914	36 914	37 066	37 066

27.6 Fair value hierarchy disclosure

Financial assets at fair value through profit and loss by category:

	Level 1	Level 2	Level 3	Total
2012				
Total assets	12 858	–	–	12 858
2011				
Total assets	10 060	–	–	10 060
2010				
Total assets	7479	–	–	7479

Categorisation is determined on the basis of the lowest level input that is significant to the fair value measurements of the relevant levels, is as follows:

- Level 1 – valued using quoted prices in active markets for identical assets;
- Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices within level 1; and
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

There has been no transfer during the year between Level 1 and Level 2.

	2012 R'000	2011 R'000	2010 R'000
28. COMMITMENTS			
Capital commitments authorised			
– contracted for	–	–	–
– not contracted for	–	32	–
	–	**32**	–

	2012 R'000	2011 R'000	2010 R'000
29. Contingent liabilities			
Guarantees			
Guarantees for Eskom by financial institutions on behalf of Lyttelton Dolomite Proprietary Limited.	–	535	535
Guarantees for Chevron South Africa Proprietary Limited by financial institutions on behalf of Lyttelton Dolomite Proprietary Limited.	1 250	1 250	1 250
– Guarantees for environmental rehabilitation made to the Department of Mineral Resources by financial institutions on behalf of the subsidiary company Lyttelton Dolomite Proprietary Limited.	9 374	9 374	9 374
– Guarantees for environmental rehabilitation made to the Department of Mineral Resources by financial institutions on behalf of the subsidiary company Infrasors Holdings Limited.	2 032	487	–
– Guarantees for environmental rehabilitation made to the Department of Mineral Resources by financial institutions on behalf of the subsidiary company Delf Sand Proprietary Limited.	4 087	3 000	3 125
– Guarantees for environmental rehabilitation made to the Department of Mineral Resources by financial institutions on behalf of the subsidiary company Pienaarspoort Ontwikkeling Proprietary Limited.			
The guarantees for environmental rehabilitation to the DMR is required in order to ensure finance is available to rehabilitate the environment after completion of mining activities at the various mining sites.	8 000	7 047	7 047
– Guarantees were provided on behalf of the subsidiary Delf Sand Proprietary Limited to a variety of suppliers including: Eskom; City of Tshwane Metropolitan Municipality; Ehlers Incorporated, and Johnson and Botha Incorporated. No security was provided on the guarantees issued by ABSA Bank on an authorised bank overdraft, which is currently unutilised. The bank overdraft facility available is to the value of R4.1 million (2011: R4.1 million).	88	88	88

30. Operating leases

	2012 R'000	2011 R'000	2010 R'000
30.1 Operating lease commitments			
– 12 months	1 365	1 394	1 081
– 2 to 5 years	1 382	2 371	3 765
– 5 years +	316	494	600
Total operating lease commitments	**3 063**	**4 259**	**5 446**

The operating lease commitments reflect non-cancellable operating lease rentals

The Company leases office space and the Group leases the beneficiation plant factory in Tongaat as well as access roads used at Delf Sand and Delf Cullinan (refer note 23).

	Group 2012 R'000	Company 2011 R'000	2010 R'000
30.2 **Sublease recoveries**			
– 12 months	137	273	273
– 2 to 5 years	–	137	410
– 5 years +	–	–	–
Total sublease recoveries	**137**	**410**	**683**

The sublease recoveries relate to office space sublet (refer note 26.4).

30.3 **Operating lease income**

Plant and equipment, which includes unutilised transport vehicles, are rented out on an *ad hoc* basis. Currently there are no future rental income to be disclosed.

31. INSTALMENT SALE COMMITMENTS

Instalment payments	2012 Present value of instalments	2012 Minimum instalment
– 12 months	11 188	11 188
– 2 to 5 years	19 897	21 007
Total instalment sale commitments	**31 085**	**32 195**

The instalment sale commitments relate to plant and equipment acquired by Delf Sand Proprietary Limited and Lyttelton Dolomite Proprietary Limited (refer note 16).

	Group 2012 R'000	Company 2011 R'000	2010 R'000
32. NOTARIAL BOND COMMITMENTS			
– 12 months	15 793	15 930	14 386
– 2 to 5 years	59 161	66 805	69 111
Total notarial bond commitments	**74 954**	**82 735**	**83 497**

The notarial bond commitments relate to loans acquired by Infrasors Holdings Limited and Infrabric Proprietary Limited (refer note 16).

33. BUSINESS COMBINATIONS

33.1 **Business acquired**

	Principal activity	Acquisition date	Consideration R'000
Spec Sand	Silica mining and beneficiation	1 October 2011	3 613

During the year a new subsidiary company, Delf Silica Coastal Proprietary Limited was created. Assets and liabilities which were held by Delf Sand Proprietary Limited, previously referred to as Delf Tongaat, was transferred to the new subsidiary. The silica mining and beneficiation business operation held by Spec Sand CC was purchased through the issue of shares in the subsidiary Delf Silica Coastal Proprietary Limited and the recognition of a loan payable. The primary reason for the resulting business combination, is to allow the Group to better serve the clients in the KwaZulu-Natal area and have access to additional mining reserves.

Spec Sand CC obtained a non-controlling interest of 33.3% in the shares of Delf Silica Coastal Proprietary Limited as part of consideration received. The assets acquired and the liabilities assumed are recognised at fair value.

Goodwill to the amount of R129 000 arose on the acquisition in order for the Group to obtain access to mining reserves as part of its footprint expansion in the KwaZulu-Natal area.

Acquisition costs incurred relating to the transaction included in operating expenses were to the amount of R45 000.

		R'000
33.2	**Consideration transferred**	
	Fair value of loan payable	1 489
	Fair value of equity issued in subsidiary company	2 124
	Total consideration	**3 613**
33.3	**Assets and liabilities acquired at the date of acquisition at fair value**	
	Non-current assets	**Spec Sand**
	Property, plant and equipment	5 393
	Mineral rights	750
	Non-current liabilities	
	Borrowings	(2 659)
	Net asset value	**3 484**
33.4	**Goodwill arising on acquisition**	
	Consideration payable	3 613
	Less: Net asset value	(3 484)
	Goodwill	**129**

33.5 **Impact of acquisitions on results of the Group**

Revenue of R7.1 million and a net loss R0.6 million of the business combination was recognised from the acquisition date till year-end.

It is impracticable to determine the revenue or the net profit of the acquired business in isolation since acquisition as the acquired operations were integrated into existing operations from its acquisition date.

It is impracticable to determine the revenue or the net profit for the combined entity from the beginning of the financial reporting period, as audited financial results are not readily available for Spec Sand CC for the applicable period.

34. SEGMENTED CONSOLIDATED FINANCIAL RESULTS

The Group applies IFRS 8 – *Operating Segments* which requires a management approach to reporting segment information. Accordingly, the Group focuses on reporting by sales product category as it does internally in management reporting. All the Group's activities are within South Africa. The reporting segments are grouped based on the relevant mineral mined.

The Group's reporting segments are therefore as follows:

Silica	• Direct sales
Dolomite and limestone	• Direct sales
Other	• Management services within the Group

	Continued operations			Discontinued operations	Group Total
2012	**Silica R'000**	**Dolomite and limestone R'000**	**Other R'000**	**Bricks R'000**	**Total R'000**
Turnover from external customers	85 661	185 205	1 878	–	**272 744**
Intersegment revenues	–	–	16 845	–	**16 845**
Interest revenue	1	497	5 137	–	**5 635**
Interest expense	(945)	(699)	(10 905)	–	**(12 549)**
Net profit/(loss) before tax	12 155	27 711	(6 197)	–	**33 669**
Additions to non-current assets	13 670	18 478	1 110	–	**33 258**
Assets	108 855	263 002	321 468	–	**693 325**
Liabilities	(46 905)	(88 665)	(95 465)	–	**(231 035)**
2011					
Turnover from external customers	78 997	160 430	–	–	**239 427**
Intersegment revenues	–	–	7 241	–	**7 241**
Interest revenue	87	231	1 526	–	**1 844**
Interest expense	(1 180)	(449)	(2 740)	–	**(4 369)**
Net profit before tax	9 800	25 450	3 236	–	**38 486**
Additions to non-current assets	21 070	12 459	380	–	**33 909**
Assets	213 792	232 690	176 164	–	**622 646**
Liabilities	(49 427)	(69 177)	(71 223)	–	**(189 827)**
2010					
Turnover from external customers	73 817	133 232	–	–	**207 049**
Intersegment revenues	–	–	11 772	–	**11 772**
Interest revenue	146	107	2 714	–	**2 967**
Interest expense	(792)	(349)	(6 549)	–	**(7 690)**
Net profit before tax	13 858	20 210	27 533	–	**61 601**
Additions to non-current assets	12 749	21 325	117	–	**34 191**
Assets	240 077	224 238	112 189	**12 983**	**589 487**
Liabilities	(38 519)	(65 868)	(84 003)	**4 274**	(193 664)

Major customers and suppliers

In order to maintain its competitiveness, especially under the volatile market conditions during the past year, the Group has endeavoured to streamline its production costs. In 2012, the Group's largest customer accounted for 6.9% (2011: 7.3%) of turnover, and falls within the aggregate segment.

Transfer prices between operating segments are at an arm's length basis, in a manner similar to transactions with third parties.

SHAREHOLDER INFORMATION AND ANALYSIS AS AT 29 FEBRUARY 2012

Shareholders diary

Financial year-end	29 February 2012
Annual general meeting	26 October 2012
Interim financial results (on or about)	20 November 2012

Detailed below is an analysis of the distribution and ownership of Infrasors' issued share capital as at 29 February 2012 showing the number of shareholders, the shareholder spread, and major shareholders – defined as those holding more than 5% of the issued capital:

	Number of shares
Shares held externally as at 29 February 2012	183 709 164
Treasury shares	1 811 927
Balance per the share register as at 29 February 2012	**185 521 091**

Shareholder spread	Number of shareholders	% of shareholders	Number of shares	% of issued shares
1–500	32	4.92%	10 387	0.01%
501–1 000	27	4.15%	23 998	0.01%
1 001–5 000	116	17.85%	391 362	0.21%
5 001–10 000	120	18.46%	1 048 953	0.57%
10 001–50 000	228	35.08%	5 706 138	3.08%
50 001–100 000	55	8.46%	4 181 885	2.25%
100 001 shares and over	72	11.08%	174 158 368	93.87%
	650	**100.00%**	**185 521 091**	**100.00%**
Distribution of shareholders				
Individuals	604	92.91%	56 825 483	30.63%
Non-resident	3	0.54%	45 442 100	24.49%
Unit trusts	1	0.15%	9 183 318	4.95%
Private and public companies	42	6.40%	74 070 190	39.93%
	650	**100.00%**	**185 521 091**	**100.00%**

Category	Number of shareholders	% of shareholders	Number of shares	% of issued shares
Shareholder spread				
Public	640	98.43%	65 824 266	35.48%
Non-public	10	1.57%	119 696 825	64.52%
Directors of the Company and its subsidiaries	4	0.62%	15 807 108	8.52%
Treasury shares held by subsidiary	1	0.16%	1 811 927	0.98%
Senior management and employees	2	0.32%	1 801 000	0.97%
Shareholders with an interest of 10% or more in the Company	3	0.47%	100 276 790	54.05%
	650	**100.00%**	**185 521 091**	**100.00%**

Major shareholders	Number of shares	%
Shareholders other than directors with a beneficial interest in excess of 5%		
SIS Segaintersettle AG	45 016 000	24.26%
Infrasors Empowerment Trust	24 325 348	13.11%
Lereko Investments Proprietary Limited	24 000 000	12.94%
RE:CM and Calibre Limited	23 326 942	12.57%
	116 668 290	**62.88%**

Appendix to the annual financial statements – subsidiary companies

Details of Infrasors' subsidiary companies are set out below.

Name and registration number	Date and place of incorporation and length of time during which business has been carried out	Issued ordinary share capital	Shareholding held	Main business	Date of becoming a subsidiary
Delf Group					
Delf Sand Proprietary Limited 1998/018044/07	10 September 1998 South Africa 14 years	100 ordinary shares of R1 each	100%	Mining, milling and beneficiation of sand and silica products.	16 March 2007
Pienaarspoort Ontwikkeling Proprietary Limited 1993/004118/07	22 July 1993 South Africa 18 years	100 ordinary shares of R1 each	100%	Mining, exploration, proposed future blasting, crushing, milling and beneficiation of silica flint products.	16 March 2007
Delf Silica Proprietary Limited 1998/013868/07	Dormant	900 ordinary shares of R1 each	100%	Sales of silica products	16 March 2007
Delf Silica Coastal Proprietary Limited 2011/102436/07	1 October 2011 South Africa 5 months	300 ordinary shares of no par value	67%	Mining activities	1 October 2011
Delf Cullinan Proprietary Limited 2011/102732/07	1 July 2011 South Africa 8 months	100 ordinary shares with no par value	100%	Mining activities	1 July 2011
Lyttelton Group					
Lyttelton Dolomite Proprietary Limited 1998/005918/07	26 March 1998 South Africa 14 years	100 ordinary shares of R1 each	100%	Mining and beneficiation activities, supplying construction dolomite and metallurgical dolomite.	15 March 2007
Infrasors Environmental Rehabilitation Trust IT3148/99	17 March 1999 South Africa 13 years	R100 Trust capital	100%	Environmental rehabilitation Trust	15 March 2007
Other subsidiaries					
Infrabric Proprietary Limited 1998/011330/07	12 June 1998 South Africa (acquired the business assets with effect 28 February 2007)	100 ordinary shares of R1 each	100%	Manufacturing and supplying cement bricks	23 April 2007
Infrasors Management Services Proprietary Limited 1999/004612/07	4 March 1999 South Africa 12 years	100 ordinary shares of R1 each	100%	Management services	1 March 2007

Aggregated profit of subsidiary companies 2012: R29.3 million (2011: R37.1 million) (2010: R32.2 million).

SHARE PRICE HISTORY OF INFRASORS ON THE JSE

Set out below is a table showing the aggregate volumes and values traded and the highest and lowest prices traded in Infrasors Shares for:

– each month over the 12 months prior to the date of issue of this circular;

– each quarter over the two years to the said 12-month period; and

– each day over the 30 days preceding the last practicable date and prior to the date of issue of this Circular.

	High (cents)	Low (cents)	Volume	Traded value (R)
QUARTERLY				
31 March 2010	76	70	87 400	62 328
30 June 2010	77	59	3 938 597	2 732 930
30 September 2010	68	51	5 887 989	3 469 231
31 December 2010	65	40	20 833 907	11 930 338
31 March 2011	60	42	5 405 935	2 833 098
30 June 2011	54	39	2 914 795	1 366 249
30 September 2011	52	20	10 322 922	4 389 258
30 December 2011	70	35	23 315 885	11 582 951
30 March 2012	68	55	3 563 858	2 207 411
MONTHLY				
30 March 2012	65	55	364 479	359 983
30 April 2012	76	57	1 636 518	1 127 933
31 May 2012	93	66	1 607 558	1 287 515
29 June 2012	75	65	609 880	423 016
31 July 2012	75	63	1 244 061	856 636
31 August 2012	74	59	683 979	445 311
28 September 2012	65	60	690 220	420 787
31 October 2012	68	60	932 816	595 757
30 November 2012	61	41	3 623 307	1 817 641
31 December 2012	56	49	550 520	288 640
31 January 2013	56	43	3 414 671	1 697 660
28 February 2013	48	38	1 131 409	502 590
13 March 2013	48	41	94 790 256	33 227 761
DAILY				
18 April 2013	47	45	3 424 000	76 000
17 April 2013	46	45	5 061 300	110 831
16 April 2013	45	45	151 080 900	3 357 354
15 April 2013	45	43	6 622 800	150 400
12 April 2013	45	45	139 328	62 697
11 April 2013	45	45	153 131	68 908
10 April 2013	45	45	125 000	56 250
09 April 2013	45	45	46 000	20 700
08 April 2013	0	0	0	0
05 April 2013	45	45	73 200	32 940
04 April 2013	45	42	152 800	68 400
03 April 2013	0	0	0	0
02 April 2013	42	42	50 000	21 000
28 March 2013	42	42	18 100	7 602
27 March 2013	42	42	14 000	5 880
26 March 2013	0	0	0	0

	High (cents)	Low (cents)	Volume	Traded value (R)
25 March 2013	42	42	13 350	5 607
22 March 2013	0	0	0	0
20 March 2013	0	0	0	0
19 March 2013	0	0	0	0
18 March 2013	42	42	6 770	2 843
15 March 2013	46	42	199 740	90 928
14 March 2013	45	41	13 560	5 942
13 March 2013	41	41	5 000	2 050
12 March 2013	42	41	50 000	20 509
11 March 2013	45	41	54 911	24 329
08 March 2013	43	42	200 000	84 500
07 March 2013	47	42	17 637	8 014
06 March 2013	0	0	0	0
05 March 2013	47	46	120 800	56 676

INFRASORS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2007/002405/06)
Share code: IRA ISIN: ZAE000101507
("Infrasors" or "the company")

The definitions and interpretations commencing on page 4 of the Circular to which this form of acceptance, surrender and transfer is attached shall bear the same meaning herein.

This document is important and applies to shareholders of Infrasors electing to accept the Mandatory Offer.

If you are in any doubt about how to complete this form, please consult your professional advisor immediately.

FORM OF ACCEPTANCE, SURRENDER AND TRANSFER (FOR CERTIFICATED SHAREHOLDERS ONLY)

To the Transfer Secretaries:
Link Market Services South Africa Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

Notes:

1. A separate form is required for each Certificated Shareholder.
2. Part A, B and D must be completed by all Certificated Shareholders who wish to accept the Mandatory Offer,
3. Part C:
   3.1 Section 1 must be completed by all Certificated Shareholders who wish to accept the Mandatory Offer and who are emigrants of the common monetary area.
   3.2 Section 2 must be completed by all other Certificated Shareholders who are non-residents and who wish to accept the Mandatory Offer.
4. No receipts will be issued for documents of title lodged unless specifically requested. Lodging agents are requested to prepare special transaction receipts, if required.

Dear Sirs,

I/We hereby accept the mandatory offer and surrender and enclose the share certificates, certified transfer deeds and/or other documents of title, in respect of my/our holding of Infrasors Shares, as per my/our instructions contained herein.

PART A – All Certificated Shareholders must please complete this section (in BLOCK CAPITALS)

I/We hereby accept the Mandatory Offer in respect of ________________ Certificated Shares.

A balance certificate (if applicable) for shares that have not been accepted will be posted, by registered post, on or about the first business day following the closing date.

Surname ____________________

First names (in full) ____________________

Title (Mr, Mrs, Miss, Ms, etc) ____________________

Address to which the offer consideration, which a Certificated Shareholder is entitled to in terms of the Mandatory Offer, should be sent (if different from registered address):

____

____

Postal code ____________________

Country ____________________

The Offer Consideration will be posted on the first business day following the closing date, provided that the form of acceptance, surrender and transfer and relevant documents of title were received by the transfer secretaries. No payment will be made for acceptances made after 12:00 on the closing date.

I/We hereby surrender and enclose the share certificates, certified transfer deeds and/or other documents of title, details in respect of which are set out in the table below, in respect of my/our holding of Certificated Shares:

Name of registered holder (separate form for each holders)	Certificate number(s) (in numerical order)	Number of shares
Total		

PART B

I/We hereby certify that:

- I/We own the shares issued by Infrasors as detailed in the table set out above at the end of Part A (defined for purposes of this Part B as the "Shares");
- the Shares are fully paid-up;
- the Shares are in registered form;
- I/We am/are the legal owner solely entitled to the Shares and have the power to dispose of the Shares;
- there are no pre-emption right nor any other right by virtue of which any person or entity may be entitled to demand that one or more of the Shares be transferred to him;
- none of the Shares are encumbered with any pledge or usufruct, there are no right to acquire any pledge or usufruct of the Shares and none of the Shares are subject of any attachment; and
- the Shares are freely transferable.

PART C

1. To be completed only by Certificated Shareholders who wish to accept the Mandatory Offer and who are emigrants from the common monetary area

   The Offer Consideration will be forwarded to the authorised dealer nominated below for its control and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from South Africa must provide the following information:

   Name and address of authorised dealer in South Africa or substitute instruction

   ____

   ____

   ____

2. To be completed only by all other non-resident Certificated Shareholders who wish to accept the Mandatory Offer

   The Offer Consideration will be posted to the registered address of the non-resident concerned, unless written instructions to the contrary are received and an address provided below.

   Substitute address or bank details

   ____

   ____

   ____

3. If no nomination is made in terms of 1 or 2 above, the Offer Consideration will be held in trust by Infrasors.

PART D

1. To be completed by all Certificated Shareholders who wish to accept the Mandatory Offer

   I/We acknowledge that this acceptance of the offer must be lodged, together with the relevant documents of title, prior to the closing date of the mandatory offer.

   ____

   ____

   ____