

Date: 21 December 2007

On behalf of: Cape Diamonds Plc ('Cape Diamonds' or the 'Company')

## **Cape Diamonds Plc**

### **Preliminary announcement of the final results for the year ended 30 June 2007**

#### **Highlights**

Cape Diamonds Plc (AIM: CAPE), the diamond producing group ("Group") with diamond mining assets in the Republic of South Africa, today reports its full year results for the year ended 30 June 2007.

#### **Operations**

- Mining activities have mainly focused on pit development and ore exposure in the Leicester and Russel pits.
- Commercial production at the Leicester pit from the interim phase one crushing, screening and rotary pan plant began on 1 October 2006. The rotary pan plant has since been replaced by the Dense Medium Separation ("DMS") plant which commenced commissioning on 29 October 2007. The pan plant continues to assist in sampling for the update of the geological model.
- The start-up of the DMS plant was delayed due to extended lead-times by contractors, and more recently, heavy rain-falls and shortage of power supply from local suppliers, Eskom. Commissioning is expected to be completed by February 2008. Tonnes treated during commissioning will start at 50,000 tonnes per month, increasing to 150,000 tonnes and it is expected that the DMS will reach full production of 200,000 tonnes per month by May 2008.
- Despite the limitations of the interim phase pan plant (crushing and liberation of ore being inadequate and pan operations/diamond recoveries restricted, limiting the number of carats that can be recovered), this plant operation has provided useful information for the technical aspects and design of the DMS plant and has given the Group useful information regarding geotechnical, metallurgical and marketing details allowing it to update the geological model and mining plans.
- A three-year mining plan is in place, conducted by an independent company, Surpac Mine Planning and Scheduling ("Surpac").
- The Leicester pit will supply approximately 150,000 tonnes per month of fresh ore to the new DMS plant with the rest of the ore to be supplied from the Russel pit.
- Currently 326,000 tonnes of run-of-mine stockpile (fresh ore from the pits) and an additional 500,000 tonnes of tails (oversize ore that could not be treated by the interim phase one pan plant) are available for treatment by the DMS plant.
- A package of 1,208 carats was sold in Johannesburg during October 2007; included in this parcel was a 23.68 carat gem quality diamond that was sold for \$7,000 per carat.

- It is foreseen that the DMS plant will add substantial value to the operation, particularly as it includes an advanced crusher system to ensure total liberation of ore. The flow sort recovery is the latest technology in use for diamond recovery.
- Exploration and drilling activities during the year were mainly focused on the Leicester pit to assist with the qualifying of the indicated/inferred resource to a reserve. The drilling includes 6,000 diamond drill core metres, and four holes drilled in the adjoining Russel pit. The information was captured by the Surpac mine planning and geological models which are updated, as new information becomes available. Two independent companies, MSA for geological work and Surpac for mine planning, are engaged by the Group to update the geological models and the mine planning

### **Highlights for the year ended 30 June 2007**

- Loss after tax for year ended 30 June 2007: £8.4 million (2006: loss £4.3million)
- In February 2007, the Black Economic Empowerment (“BEE”) Agreement to sell 25.6% interest to Wheatfields Investment No 223 (Pty) Ltd (“Wheatfields”) was re-negotiated and finalised. The sum of £0.1 million (R1 million) was received in March 2006 and £0.6 million (R9 million) was received from Wheatfields in March 2007. Wheatfields is the Group’s BEE partner and this transaction will result in benefits to both parties, including the continuation of the mining licence (extending it from an initial 2008 expiry date to a revised date of 2038) and future investment / business growth. Following this transaction, Cape Diamonds owns 74.4% of Golden Falls . The transaction results in a loss on disposal of £5.2 million recognised in the income statement. In addition, deferred consideration is payable, in the form of preference dividends which will be credited to the income statement on receipt.
- In June 2007, we announced the appointment of Mr Merika Johannes Madungandaba as Finance Director, Mr Sharon Sasson as an Executive Director and Dr Anna Theresa Masamo Mokgokong and Mr Oren Jonathan Lubow as non-executive directors of the Company. In addition, Mr Keith Hardy entered into a consultancy agreement to provide support to the finance function.
- In March 2007, financing facilities were arranged with the Industrial Development Corporation of South Africa Limited (“IDC”) for £3.5 million (R50 million) to fund the construction of the DMS plant.
- A further £1.5 million (net of expenses) was raised in June 2007 via the placing of 1.6 million new ordinary shares at £1 per share with Golden Hope Limited, an Israeli diamond company, for working capital requirements.
- Commitments in Golden Falls include amounts committed for the DMS plant of £2,327,221.
- The financial statements have been prepared on a going concern basis as explained in Note 1 to the Preliminary Announcement.

### **Post Balance Sheet Events**

- In December 2007 a further financing facility has been agreed with IDC for £2.1 million (R30 million) to finance the DMS plant.
- In December 2007 £2.9 million (net of expenses) has been raised via the placing of 10 million new ordinary shares of 10 pence each at a subscription price of 30 pence per share from Forreston Limited, a subsidiary of Golden Hope Limited. Golden Hope now holds 11,690,000 ordinary shares of the Company being 26.2% of the enlarged share capital of the Company.

- Mr Masoud Alikhani has agreed to retire from the Board and will not seek re-election at the Annual General Meeting on 22<sup>nd</sup> February 2008.

**Commenting on the results, Masoud Alikhani, Non-executive Chairman of Cape Diamonds, said:**

*During the year ended 30 June 2007, our focus was on the construction and the installation of the DMS plant and I am pleased to be able to report that the DMS plant is on site to commence ore-processing in early 2008.*

*The diamonds extracted by Cape Diamonds are of good quality and continue to achieve attractive prices. We expect the DMS to be fully operational by May 2008, at which time mining grades are expected to improve further with the introduction of the latest pit development technology, which is currently being implemented.*

*With our newly strengthened Board and our operations moving towards full production with the DMS plant, we look forward to the future with renewed confidence.*

**Enquires to:**

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## **Chairman's Statement**

I am pleased to report Cape Diamonds' final results for the year ended 30 June 2007.

The results for the year ended 30 June 2007 show a loss after taxation of £8.4 million (2006: loss £4.3 million).

In February 2007, the Group finalised the agreement to sell a 25.6 per cent interest in Golden Falls to Wheatfields a BEE company. Consideration of £0.1 million was received in March 2006 and in March 2007, £0.6 million (R9 million) was received from Wheatfields. This transaction will result in benefits to both the parties, including continuation of the mining licence (beyond the current 2008 expiry date) and potential investment and business growth opportunities. The transaction results in a loss on the partial disposal of a subsidiary to the BEE partner of £5.2 million. In addition, deferred consideration is payable, in the form of preference dividends which will be credited to the income statement on receipt. The maximum receivable over a period of ten year from 2007 is £6.3 million (R89 million).

During the year the development of the Leicester pit was completed. Development expenditure amounting to £4.3 million (2006: £2.8 million) was capitalised. Additional expenditure on plant and equipment including the DMS plant amounted to £1.8 million (2006: £0.4 million) in the period.

The results include share-based payment costs on the issue of warrants of £0.7 million (2006: £3.2 million).

## **Financing**

In December 2007 a further financing facility has been agreed with IDC for £2.1 million (R30 million). Also in December 2007 £2.85 million (net of expenses) has been raised via the placing of 10 million new ordinary shares of 10 pence each at a subscription price of 30 pence per share from Forrester Limited, a subsidiary of Golden Hope Limited. The off-take agreement with Empimex Diamonds Limited of Israel for £4 million for working capital is available.

After making enquiries, the Directors have formed a judgement, at the time of approving the Financial Statements, that there is a reasonable expectation that the Group has access to adequate resources to continue in operation and remain in existence for the foreseeable future. These resources include the anticipated revenue from the projected diamond recoveries achievable by the new DMS plant and the Group's ability to raise further funds. If the production from the plant is delayed or at lower levels than expected, the Board will have to take steps to address any short-term funding shortfall that may arise in the period to 31 December 2008. The Company is seeking the consent of shareholders to provide the Company with the authority to issue up to a further 17 million ordinary shares to facilitate, when necessary, the raising of further finance through the issue of shares. The DMS plant has now been tested and the Board is confident that it will be fully operational by early January 2008 and be in full production in May 2008. For these reasons the Directors continue to adopt the going concern basis in preparing the Financial Statements. (See note 1)

## **Outlook**

As stated above, the newly built DMS plant is being commissioned and is expected to reach full production capacity of 200,000 tonnes treated per month by May 2008. The DMS plant is the latest in mining and metallurgical technology and has significantly greater recovery capacities in comparison to traditional pan operations. Mining grades are also expected to improve with the ongoing pit development.

The resource summary as shown in the Admission Document dated 22 May 2006 is currently being upgraded to reflect the results of the continual site exploration and production and we hope to be able to report more fully on the reserves and resources at the site in the next two to three months.

2007 was a difficult year for Cape but I am pleased to report that the DMS plant has been successfully installed and sufficient capital has been raised to allow the business to move forward. My desire was to bring the Company to an operational stage which is now imminent. It is for this reason that I have told the Board of Directors that I will retire from the Board and will not seek re-election at the Annual General Meeting on 22<sup>nd</sup> February 2008.

The Board is seeking a replacement Chairman and this appointment will be announced to shareholders in due course.

M. Alikhani  
Non-executive Chairman  
21 December 2007

## Cape Diamonds Plc

### Consolidated income statement

	Notes	Year ended 30 June 2007 Audited £	Year ended 30 June 2006 Audited £
Revenue	5	883,975	-
Mining expenses		(987,142)	-
<b>Gross loss</b>		<b>(103,167)</b>	<b>-</b>
Other operating income		11,565	24,842
Administrative expenses		(2,117,978)	(4,551,337)
Other operating expenses		(1,249,261)	(975,787)
Loss on part disposal of subsidiary	6	(5,156,070)	-
<b>Operating loss</b>		<b>(8,614,911)</b>	<b>(5,502,282)</b>
Investment income		248,626	41,791
Finance costs		(52,337)	(134,237)
<b>Loss before taxation</b>		<b>(8,418,622)</b>	<b>(5,594,728)</b>
Taxation	7	5,443	1,286,487
<b>Loss for the year</b>		<b>(8,413,179)</b>	<b>(4,308,241)</b>
Attributable to:			
Equity holders of the parent		(7,305,535)	(4,463,396)
Minority interest		(1,107,644)	155,155
		<b>(8,413,179)</b>	<b>(4,308,241)</b>
<b>Loss per share</b>			
Basic and diluted	8	22.14p	23.19p

The above results all relate to continuing operations.

**Cape Diamonds Plc**

**Consolidated statement of recognised income and expense**

		<b>Year ended 30 June 2007 Audited £</b>	<b>Year ended 30 June 2006 Audited £</b>
Exchange differences on translation of foreign operations	<b>9</b>	(172,982)	(42,743)
Loss for the year	9	(8,413,179)	(4,308,241)
<b>Total income and expense recognised</b>	<b>9</b>	<b>(8,586,161)</b>	<b>(4,350,984)</b>
Attributable to:			
Equity holders of the parent		(7,478,517)	(4,406,139)
Minority interest		(1,107,644)	155,155
		<b>(8,586,161)</b>	<b>(4,350,984)</b>

## Cape Diamonds Plc

### Consolidated balance sheet

	Notes	As at 30 June 2007 Audited £	As at 30 June 2006 Audited £
<b>Non-current assets</b>			
Property, plant and equipment		47,638,581	41,204,633
Investments		161,344	-
Deferred tax asset		-	713,078
		<b>47,799,925</b>	<b>41,917,711</b>
<b>Current assets</b>			
Diamond stocks		145,588	45,280
Trade and other debtors		1,370,875	412,973
Cash and cash equivalents		3,013,191	9,731,664
		4,529,654	10,189,917
<b>Total assets</b>		<b>52,329,579</b>	<b>52,107,628</b>
<b>Current liabilities</b>			
Trade and other payables		(2,152,351)	(2,696,211)
Provisions		(40,103)	(49,886)
		(2,192,454)	(2,746,097)
<b>Net current assets</b>		2,337,200	7,443,820
<b>Non-current liabilities</b>			
Provisions		(183,357)	(196,970)
Long term liabilities		(1,290,197)	-
Deferred tax		(10,078,288)	(10,009,142)
		(11,551,842)	(10,206,112)
<b>Total liabilities</b>		<b>(13,744,296)</b>	<b>(12,952,209)</b>
<b>Net assets</b>		<b>38,585,283</b>	<b>39,155,419</b>
<b>Equity</b>			
Share capital	9	3,459,605	3,282,105
Share premium	9	26,394,541	25,089,041
Translation reserve	9	(215,906)	(42,924)
Accumulated profit	9	4,259,047	10,827,197
Equity attributable to equity holders of the parent		33,897,287	39,155,419
Minority interest	9	4,687,996	-
<b>Total equity</b>		<b>38,585,283</b>	<b>39,155,419</b>

## Cape Diamonds Plc

### Consolidated cash flow statement

		Year ended 30 June 2007 Audited £	Year ended 30 June 2006 Audited £
<b>Net cash outflow from operating activities</b>	10	(4,017,402)	(2,640,076)
<b>Investing activities</b>			
Interest received		248,626	41,791
Pre-production development costs		(4,383,698)	(2,266,649)
Acquisition of property, plant and equipment		(2,132,669)	(292,074)
Acquisition of Investments		(164,004)	-
Disposal of plant		-	50,305
Acquisition of subsidiary	6(a)	-	(190,000)
Partial disposal of subsidiary	6(b)	716,828	-
<b>Net cash used in investing activities</b>		<u>(5,714,917)</u>	<u>(2,656,627)</u>
<b>Financing activities</b>			
Proceeds on issue of shares		1,617,500	15,178,293
Loans received		1,684,587	-
Interest paid		(52,337)	(134,237)
<b>Net cash inflow from financing activities</b>		<u>3,249,750</u>	<u>15,044,056</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		(6,482,569)	9,747,353
Cash and cash equivalents at beginning of the year		9,731,664	3,509
Effect of foreign exchange rate changes		(235,904)	(19,198)
<b>Cash and cash equivalents at end of the year</b>		<u><u>3,013,191</u></u>	<u><u>9,731,664</u></u>

## Notes to the Announcement

### 1. Going concern

The Group was loss making in the current year, recording a loss of £8.4 million. In addition, the nature of the Group's business is such that there is significant reliance on the DMS plant at the Elandsplaagte mine reaching full capacity by May 2008.

The Directors' assumption over the timing of the DMS plant reaching full capacity is crucial to the Group meeting its forecast cashflows for the period ending 31 December 2008. Should the full commissioning of the DMS plant be delayed or the expected levels of production not be reached there may be insufficient cashflow for the Group to manage its day to day operations without seeking and relying on further financing, which may or may not be available. Therefore there is a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

After making enquiries, the Directors have formed a judgement, at the time of approving the Financial Statements, that there is a reasonable expectation that the Group can access to adequate resources to continue in operation and remain in existence for the foreseeable future. This assumes that these resources include the Group's ability to raise further funds if the production from the plant is delayed or does not meet forecast expectations. The Directors plan to seek the approval of the shareholders to issue a further 17 million shares at the AGM. In addition, the Directors consider that there are various costs in relation to the mining activities which could be deferred without an adverse impact on the operations.

The DMS plant has now been tested and the Board is confident that it will be fully operational by early January 2008 and be in full production in May 2008.

For these reasons the Directors continue to adopt the going concern basis in preparing the Financial Statements.

### 2. Basis of accounting

The accounting policies for the preliminary announcement are consistent with those applied in the preparation of the audited financial statements for the year ended 30 June 2007, which have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

The financial information has been prepared on the historical cost basis, except for certain financial instruments which are carried at fair value or historical cost and in accordance with IFRS.

The financial information of the subsidiaries is prepared for the same reporting period as the parent company, using consistent accounting policies.

### 3. General information and accounting policies

Cape Diamonds Plc is a company incorporated in Great Britain and registered in England and Wales under the Companies Act 1985. It was incorporated on 25 March 2004 under the name of Dominion Mining Plc and changed its name to Cape Diamonds Plc on 26 January 2006.

This financial information is presented in pounds sterling. The currency of the primary economic environment in which the group operates is South African Rand. Foreign operations are included in accordance with the policies set out in 1.

The R/£ exchange rates for the year are as follows:

	2007	2006
Year end rate	14.18	13.20
Average rate for the year	13.95	11.44

The announcement for the year ended 30 June 2007, including all comparatives, has been prepared using the accounting policies consistent with the 2006 audited financial statements.

#### 4. Compliance with applicable law and IFRS

The financial information has been prepared in accordance with those parts of the Companies Act 1985 applicable to Companies reporting under IFRS, Article 4 of the IAS Regulation and International Financial Reporting Standards ("IFRS") as adopted by the European Union and related interpretations.

For Cape Diamonds, there are no differences between IFRS as adopted for use in the European Union and full IFRS as adopted for use by the International Accounting Standards Board.

While the financial information contained in this announcement has been computed in accordance with IFRS, this announcement does not itself contain sufficient information to comply with IFRS. This announcement does not constitute the Group's statutory accounts for the year ended 30 June 2007 but is derived from those accounts. The statutory accounts for the year ended 30 June 2007 will be delivered to the Registrar of Companies following the Company's AGM. The auditors have reported on those accounts and their reports were unqualified but modified to include an emphasis on matter paragraph on this uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. They did not contain statements under section 237(2) or (3) of Companies Act 1985.

Copies of the published accounts of the Company will be posted shortly to all shareholders and will be available free of charge during normal business hours from the offices of the Company at 19-20 Grosvenor Street, London, W1K 4QH and from the Company's website at [www.capediamonds.com](http://www.capediamonds.com)

#### 5. Revenue

During the year there were sales of five parcels of diamonds amounting to £0.9 million of revenue, all of which were to a South African based company and therefore to the South African market which is the Group's only segment.

#### 6 a) Acquisition of Minority Interest

On 24 February 2006, the Company acquired the remaining 49 per cent. of its 51 per cent held subsidiary, Golden Falls .

	£
Minorities share of net assets at acquisition	-
Fair value adjustments	
Mining properties	33,363,807
Deferred tax	(10,009,142)
	<hr/>
Adjusted net book value	23,354,665
	<hr/> <hr/>
Consideration paid in shares	(11,000,000)
Consideration paid in cash	(190,000)
	<hr/>
Gain on acquisition of minority interest	<b>12,164,665</b>
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## b) Disposal of Minority Interest

On 8 February 2007, Dominion Mining Investments (Pty) Limited ("DMI") sold 25.6% of its holding in Golden Falls to Wheatfields with the following result:

	£
Cash consideration received	716,828
Share of net assets disposed of to minority interest	(5,872,898)
	<hr/>
Loss of partial disposal of subsidiary	<b>(5,156,070)</b>
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## 7. Current Tax - Group

	Year ended 30 June 2007 Audited £	Year ended 30 June 2006 Audited £
Current taxation		
- UK	-	-
- South Africa	-	(25,545)
Capital gains tax		
- South Africa	(103,940)	-
Deferred taxation		
-- current year	327,449	1,312,032
- underprovision prior year	(218,066)	-
	<hr/> 5,443	<hr/> 1,286,487
	<hr/> <hr/>	<hr/> <hr/>

	Year ended 30 June 2007 £	Year ended 30 June 2006 £
<b>Loss before tax</b>	<b>(8,418,622)</b>	<b>(5,594,728)</b>
Tax at the UK Corporation tax rate of 30%*	2,525,587	1,678,469
Tax effect of amounts that are not deductible in determining taxable profit	(2,232,667)	(1,308,881)
Tax effect of timing differences	1,285,227	-

Tax effect of tax losses not recognised	(223,360)	(304,059)
Effect of different tax rates of subsidiaries operating in other jurisdictions	111,108	(61,347)
Additional deferred tax adjustment	(218,066)	-
Additional deferred tax (liability)/assets recognised	<u>(1,242,386)</u>	<u>1,012,305</u>
<b>Total tax credit</b>	<u>5,443</u>	<u>1,286,487</u>

\*In May 2007 the Government in the UK proposed a new tax rate of 28%.

## 8. Loss per share

	<b>Year ended 30 June 2007 Audited £</b>	<b>Year ended 30 June 2006 Audited £</b>
Loss for the purposes of basic and diluted loss per share being attributable to equity holders of the parent	<u>(7,305,535)</u>	<u>(4,463,396)</u>
<b>Statutory number of shares</b>		
Weighted average number of ordinary	32,997,012	19,247,938
Shares for the purpose of basic loss per share	32,977,012	19,247,938
Share warrants	4,379,150	4,744,150
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>37,356,162</u>	<u>23,992,088</u>
Basic and diluted loss per share	22.14p	23.19p

The loss per share of 22.14p (2006: loss 23.19p) has been calculated on the basis of the loss of £7,305,535 (2006: loss £4,463,396) and on 32,997,012 shares of 10 pence (2006: 19,247,938) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The outstanding share warrants are anti-dilutive as the Group made a loss during the current and prior years.

## 9. Statement of change in equity

	Share capital	Share premium	Share application funds	Translation reserve	Accumulated (loss)/profit	Minority interest	Total
	£	£	£	£	£	£	£
At 1 July 2005	1,284,336	-	846,500	(181)	(41,646)	327,117	2,416,126
Shares issued	1,997,769	26,629,019	-	-	-	-	28,626,788
Share application funds received	-	-	(846,500)	-	-	-	(846,500)
Gain on acquisition of Minority	-	-	-	-	12,157,700	6,965	12,164,665
Net loss for the year	-	-	-	-	(4,463,396)	155,155	(4,308,241)
Deferred taxation	-	-	-	-	-	(489,237)	(489,237)
Share issue expenses	-	(1,539,978)	-	-	-	-	(1,539,978)
Exchange differences on translation of overseas operations	-	-	-	(42,743)	-	-	(42,743)
Share-based payments	-	-	-	-	3,174,539	-	3,174,539
<b>At 30 June 2006</b>	<b>3,282,105</b>	<b>25,089,041</b>	<b>-</b>	<b>(42,924)</b>	<b>10,827,197</b>	<b>-</b>	<b>39,155,419</b>
Net loss for the year	-	-	-	-	(7,305,535)	(1,107,644)	(8,413,179)
Shares issued	177,500	1,440,000	-	-	-	-	1,617,500
Share issue expenses	-	(134,500)	-	-	-	-	(134,500)
Share of net assets disposed of to minority	-	-	-	-	-	5,872,898	5,872,898
Exchange differences on translation of overseas operations	-	-	-	(172,982)	-	(77,258)	(250,240)
Share-based payments	-	-	-	-	737,385	-	737,385
<b>At 30 June 2007</b>	<b>3,459,605</b>	<b>26,394,541</b>	<b>-</b>	<b>(215,906)</b>	<b>4,259,047</b>	<b>4,687,996</b>	<b>38,585,283</b>

The translation of the Group's foreign operations to the Group's functional currency at each balance sheet gives rise to a foreign exchange difference that is initially recorded as a separate component of the equity in the translation reserve. This reserve is recognised in the income statement on the disposal of the foreign operation.

## 10. Notes to the cash flow statement

	Year ended 30 June 2007 Audited £	Year ended 30 June 2006 Audited £
Operating loss from continuing operations	(8,614,911)	(5,502,282)
Adjustments for:		
Depreciation of property, plant and equipment	276,395	71,827
Amortisation of rehabilitation assets	5,403	2,972
Loss on disposal of fixed assets	-	41,341
(Decrease)/Increase in provisions	(45,721)	15,990
Share-based payments	737,384	3,174,539
Loss on part disposal of subsidiary	5,156,070	-
Other non-cash items	-	41,428
Net foreign exchange losses	630,202	813,070
Operating cash flows before movements in working capital	(1,855,178)	(1,341,115)
Increase in stock	(105,143)	(52,247)
(Increase)/decrease in receivables	(979,705)	386,527
Decrease in payables	(1,077,377)	(1,633,241)
Net cash outflow from operating activities	(4,017,402)	(2,640,076)

## 11. Events After the Balance Sheet Date

On 27 July 2007, 3.6 million warrants were agreed to be issued to directors and staff for which contracts have not been issued.

- In December 2007 a further financing facility has been agreed with IDC for £2.1 million (R30 million) to finance the DMS plant.
- In December 2007 £2.9 million (net of expenses) has been raised via the placing of 10 million new ordinary shares of 10 pence each at a subscription price of 30 pence per share from Forreton Limited, a subsidiary of Golden Hope Limited. Golden Hope now holds 11,690,000 ordinary shares of the Company being 26.2% of the enlarged share capital of the Company.
- Mr Masoud Alikhani has agreed to retire from the Board and will not seek re-election at the Annual General Meeting on 22<sup>nd</sup> February 2008.