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DISCLAIMER Statements in this report include 'forward-looking statements' that express or imply expectations of future events or results. These statements include financial projections and estimates and their underlying assumptions as well as statements regarding plans, objectives and expectations with respect to future operations, projects and performance. Information statements contained in this annual report that are not historical facts are considered forward-looking statements. Although Simmer and Jack Mines, Limited believes that the assumptions inherent in the forward looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and beyond the control of Simmer and Jack Mines, Limited, that could cause actual results and developments to differ materially from those expressed, implied or projected in these statements. Undue reliance should therefore not be placed on these forward-looking statements, which only apply as of the date of this report. Simmer and Jack Mines, Limited disclaims any intention or obligation to update or revise any forward looking statement, whether as a result of new information, future events or otherwise.



Group structure



(listed on the JSE)

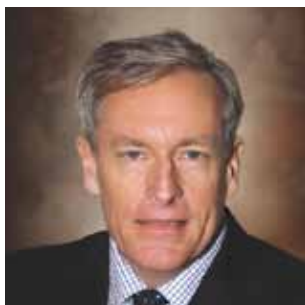
100%

Caledonian Mining and
Exploration Company
Proprietary Limited

100%

Bobsat Investments
Proprietary Limited

Board of directors



EXECUTIVE DIRECTORS

Paul Smith (49)

(Executive director and executive chairman of the board)

BSc, DMT (Camborne School of Mines (UK)), BCom (Hons), MBA

Date of appointment: 8 August 2012

Paul has significant experience in the mining industry. His more recent positions include that of director – new business at Aquarius Platinum and consultant to a number of local and international mining companies. Paul has had significant experience in sub-Saharan Africa, Middle Asia and South America in the field of resources project development and finance.



Daniel Watson (30)

(Chief financial officer and acting Chief executive officer)

BCom (University of Stellenbosch), PGDM (University of Cape Town)

Date of appointment: 9 December 2011

Daniel has a BCom (Financial Analysis) with majors in financial analysis and investment management. He completed a post-graduate diploma in Management (Accounting) at the University of Cape Town in 2006. Daniel has served as a policy analyst at the South African Chamber of Commerce and Industry (SACCI) and financial analyst at Sovereignty Capital Advisors (SOVCAP). Daniel is the former business development manager of Vulisango Holdings Proprietary Limited, responsible for managing and developing Vulisango's asset base.

NON-EXECUTIVE DIRECTORS



Kevin Wakeford (50)

(Independent non-executive director; chairman of the remuneration committee; member of the social and ethics committee; member of the audit and risk committee)

BA (Hons) Cum Laude (University of Port Elizabeth)

Date of appointment: 1 July 2011

Kevin was one of the key facilitators of the Coega Project. He is the former chief executive officer of the Port Elizabeth Chamber (PERCCI) and thereafter the South African Chamber of Business (SACOB). He is also the former economic advisor to the Premier of the Eastern Cape and project advisor to the Minister of Home Affairs. He is currently chairman of the board of SA Biomedical. He also served as non-executive director of First Uranium Corporation (TSX). He is non-executive director of Phakwe BEE Resolution Services. Currently the chief executive officer of Wakeford Enterprises (Consulting and Advisory Services).



Gareth Rees, CA(SA) (37)

(Lead independent non-executive director; chairman of the audit and risk committee; member of the remuneration committee; member of the social and ethics committee)

BCom, HDipAcc (Rhodes University); MBA (GIBS)

Date of appointment: 1 July 2011

Gareth is a shareholder and director of Burde and Co Proprietary Limited, a manufacturer of steel products for the building and construction industry. He has over 15 years' experience in the financial services sector gained during his time as a corporate finance executive at Sovereignty Capital, the CFO of Brait Private Equity and as a financial institutions (FIST) audit partner at Deloitte. He completed a diploma in Advanced Banking at the University of Johannesburg in 2003.



Margaret Ndlovu (60)

(Independent non-executive director; member of the audit and risk committee, chairperson of the social and ethics committee)

BA Social Sciences (University of the North)

Date of appointment: 9 December 2011

Margaret has a BA in Social Sciences and completed a Management Programme at the Lincoln University. She is the former executive manager of human resources for SAA Technical and the human resources director of Barloworld Equipment RSA, a division of Barloworld Proprietary Limited. She is currently the talent development director at Barloworld Equipment, a division of Barloworld Proprietary Limited and also a director on the board of Zibula Exploration Proprietary Limited.

CEO's report

The year under review saw one key transaction take place, the conclusion of the sale of Transvaal Gold Mining Estates Proprietary Limited (TGME) to Stonewall Proprietary Limited. This, together with the initial sale of all Simmers' assets to Village Main Reef Limited (Village), the year before, leaves Simmer and Jack Mines, Limited (Simmers) as a cash shell, with R41 million at year end. During the year under review, Simmers has focused on finalising the two transactions, consolidating its cash position and focusing on developing a new and exciting strategy for the company going forward, focusing on mining supply services.

Simmers has kept cost overheads to a bare minimum. Our advisors and sponsor, Bridge Capital and Rand Merchant Bank, respectively have contributed significantly to our future growth prospects and our compliance with the JSE Listings Requirements.

During the period under review, Simmers received all outstanding amounts due to the transaction with Village Main Reef Limited (Village/VMR), including the R20 million loan to VMR and an amount of R2,2 million recovered from First Uranium Corporation in terms of a previous Shared Services Agreement. This resulted in an increased cash balance for Simmers of R21 million at year end. The increase in cash on the Simmers balance sheet resulted in a 3,32 cents NAV per share, after the accounting of the sale of Transvaal Gold Mining Estates (TGME) as summarised below.

The sale of Transvaal Gold Mining Estates (TGME) by Simmers to Stonewall Mining Proprietary Limited (Stonewall) at last balance sheet date, was a contingency and had in fact not yet been concluded as it had not received section s.11 approval by the Department of Mineral Resources. The said approval was eventually granted by the Minister on 12 June 2012. On the sale of TGME, Simmer achieved cash shell status on the Johannesburg Stock Exchange (JSE). The sales price of R25 million produced a profit on sale of R22,3 million before tax. Stonewall has indemnified Simmers against any liability that might arise pertaining to past events and as such, all future risks and rewards arising in TGME are deemed to have passed to Stonewall.

Looking forward, Simmers management has undertaken a definitive review of the state of the mining industry in South Africa, and the events and developments taking place in sub-Saharan Africa in general. We have concluded that there is significant business opportunity in the field of mining supply services. More specifically a focus on the sourcing and supply of strategically important mining equipment and major cost item consumables. A key aspect of this conclusion was also the recognition of the failings of historic suppliers to the industry and the growth and success of new equipment and materials suppliers from newer and more dynamic regions of the world. Simmers intends harnessing this opportunity.

Further adding to this view, Simmers understands the strategic importance of South Africa, and more specifically Johannesburg, as a centre for supplying goods and services to the resources industry in sub-Saharan Africa. Simmers intends to fully utilise this fact. To this end, our team have defined a number of key existing businesses that fit the new Simmers strategy, and we are developing these opportunities currently. The Simmers team will ensure that the acquisition of any business going forward would first be rewarding to shareholders, be approved by shareholders and would further support the retention of Simmers as a main board listed company. Simmers has made significant progress on a number of potential investments which fall within the ambit of the above-mentioned strategy and hopes to be in a position to present these for shareholder approval in the near future.

NOTE ON THE 2012 FINANCIAL BASIS OF REPORTING

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.



Daniel Watson

*Interim chief executive officer, and chief financial officer
25 September 2012*

Corporate governance

Good corporate governance remains an integral part of the manner in which the affairs of the company are being managed. The board therefore remains fully committed to the principles of good governance as set out in the King Report on Corporate Governance, 2009 (“King III”). The board is fully cognisant of all principles as contained in King III and has, where appropriate, applied such principles, taking into consideration the best interest of the company and the current nature of its business as a cash shell with no operating assets. Principles that have not been applied as a result of the foregoing relate mainly to the establishment of an internal audit function and IT governance. The board will continuously monitor the developments in the company in order to ensure the application of all relevant principles as appropriate.

BOARD OF DIRECTORS

The board is based on a unitary structure and exercises full and effective control over the company. Following the approval of the Village transaction which resulted in a disposal by Simmers of the majority of its assets to Village during the first half of 2011, a number of changes were made to the composition of the board of directors of Simmers.

Additional changes took place during the period under review. Mr Marius Saaiman resigned as financial director on 4 December 2011 and was replaced on 9 December 2011 with the appointment of Mr Daniel Watson as financial director. On the same date, Ms Margaret Ndlovu was appointed as independent non-executive director. Following the resignation of Mr Valence Watson, also in December 2011, Mr Kevin Wakeford was appointed as chairman of the board with effect from 14 December 2011. Mr Paul Smith took over the chairman position on 8 August 2012 with his appointment as executive director and chairman of the board. In view of the chairman of the board not being an independent non-executive director, Mr Gareth Rees was appointed

as lead independent director in line with the recommendation of King III.

As a result of these changes, the board now comprises five members, being an executive chairman, three independent non-executive directors as well as an additional executive director. The directors at the date of this report are:

Independent non-executive directors

Kevin Wakeford
Gareth Rees
Margaret Ndlovu

Executive directors

Paul Smith – Executive chairman
Daniel Watson – Interim chief executive officer and chief financial officer

The board is satisfied that the composition of the board is appropriate for the company’s current position and requirements. Although the chairman is not an independent non-executive director as recommended by King III, the majority of the non-executive directors are independent. The composition of the board is, however, reviewed on a regular basis.

The board has been structured in such a way as to ensure that no one individual or group of individuals has unfettered decision-making powers. The board charter confirms this policy in stating that “there should be a clear division of responsibilities between the executive responsibility for the running of the company’s business and the leadership of the board, such that no one individual has unfettered powers of decision-making”.

ATTENDANCE AT BOARD MEETINGS

Details of attendance of directors at meetings of the board of directors during the period under review were as follows:

Director	7 Sep 2011	18 Oct 2011	26 Jan 2012	19 Mar 2012	14 Jun 2012
PM Saaiman	P	P	R	R	R
V Watson	P	P	R	R	R
K Wakeford	P	P	P	P	P
G Rees	P	P	P	P	P
D Watson	N/A	N/A	P	P	P
M Ndlovu	N/A	N/A	P	P	P

Key:

P Present
A Apology
R Resigned
N/A Not applicable

In terms of the company’s memorandum of incorporation, Mr Rees is required to retire by rotation at the forthcoming annual general meeting and has offered himself for re-election by shareholders. In addition, all newly appointed directors have to stand down for election as required by the memorandum of incorporation. Mr Watson, Mr Smith and Ms Ndlovu, having been appointed after the previous annual general meeting, have indicated their availability for election by shareholders at the forthcoming annual general meeting.

BOARD COMMITTEES

While the board remains accountable and responsible for the performance and affairs of the company, it delegates to board committees certain functions to assist it in properly discharging its duties. The chairman of each board committee reports at every scheduled meeting of the board and minutes of board committee meetings are provided to the board. All the members of board committees are non-executive directors. Each board committee

Corporate governance continued

functions in accordance with the provisions of the committee mandate as approved by the board. Both the directors and the members of the board committees are supplied with full and timely information that enables them to properly discharge their responsibilities. All directors have unrestricted access to all company information.

The chairman of each committee is also required to attend annual general meetings to answer questions raised by shareholders.

The established committees are:

Audit and risk committee

As at the date of this report, the committee comprised:

- Gareth Rees – Chairman
- Kevin Wakeford – Member
- Margaret Ndlovu – Member

The composition of the committee meets the requirements of the Companies Act of 2008 (“the Act”), as it consists of three non-executive directors, all of whom meet the requirements for independence as per the Act. All of the members also meet the requirements for independence as per King III. In accordance with its approved mandate, the committee meets at least four times a year and is primarily responsible for carrying out its duties relating to accounting policies and procedures, internal controls, financial reporting practices, the appointment of and relationship with the external auditors, including setting the principles for recommending the use of the external auditors for non-audit services, and the identification and monitoring of significant risks to the business. The committee has noted the recommendations of King III for the involvement of an audit committee in ensuring the integrity of the company’s integrated reporting and will be addressing the internal and external assurance processes to achieve this objective.

Member	7 Sep 2011	30 Jan 2012	19 Mar 2012	14 May 2012*
M Saaiman	P	R	R	R
K Wakeford	P	P	P	P
G Rees	P	P	P	P
V Watson	P	R	R	R
M Ndlovu	N/A	P	P	P

* A special meeting was held.

Key:
 P Present
 R Resigned
 N/A Not applicable

A report from the committee can be found on page 11 of the annual report. Due to the limited operation status of the business, the company has no internal audit at this point in time. The committee is also responsible for the oversight of risk management throughout the company and appropriate policies and measures are implemented as warranted by the company. Further, the committee has assessed and positively endorsed the experience and expertise of the financial director. The audit partner attends meetings of the committee by invitation. The external auditors also have unrestricted access to the chairman of the committee as well as the chairman of the board.

Remuneration and nominations committee

As at the date of this report, the committee comprised:

- Kevin Wakeford – Chairman
- Gareth Rees – Member
- Margaret Ndlovu – Member

The company has a limited number of employees; however, a decision was taken to establish a remuneration and nominations committee. The establishment of the remuneration and nominations committee occurred after the 2012 financial year-end and therefore no meetings took place during the period under review.

The board resolved to include the functions ordinarily performed by a nominations committee with that of the remuneration committee. The combined committee is chaired by an independent non-executive director. The lead independent director acts as chairman of the audit and risk committee which the board believes is more appropriate in view of his qualifications and experience.

Social and ethics committee

As at the date of this report, the committee comprised:

- Margaret Ndlovu – Chairman
- Kevin Wakeford – Member
- Gareth Rees – Member

The composition of the committee meets the requirements of the Companies Act of 2008 (“the Act”), as it consists of three non-executive directors. The composition of the committee is also in line with the recommendations of King III as all members are classified as independent directors. In terms of the approved mandate of the social and ethics committee, the committee has been mandated to monitor the company’s activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice in respect of the matters as listed in Regulation 43 to the Companies Act of 2008. In view of the limited operational activities in the company to date, the committee has not as yet been able to issue any report regarding its areas of responsibilities. The committee only met once during the period under review to discuss the mandate of the committee.

Member	14 Jun 2012
M Ndlovu	P
K Wakeford	P
G Rees	P

Key:
 P Present

The social and ethics committee of the company is entitled to require from any director or prescribed officer of the company any information or explanation necessary for the performance of the committee’s functions. The social and ethics committee may request from any employee of the company any information or explanation necessary for the performance of the committee’s functions. Members of the social and ethics committee will attend any general shareholders’ meeting and receive all notices of any other communications relating to any general shareholders’ meeting. The social and ethics committee may be heard at any general shareholders’ meeting contemplated on any part of the business of the meeting that concerns the committee’s functions.

RELATIONSHIP WITH SHAREHOLDERS

The company maintains dialogue with its key financial audiences, especially institutional shareholders and analysts.

The company adopts a proactive stance in timely dissemination of appropriate information to stakeholders through print and electronic news releases and the statutory publication of the company's financial performance.

The board encourages shareholders to attend its annual general meeting, notice of which is contained in this annual report, where shareholders will have the opportunity to put questions to the board, including the chairmen of the board committees.

DIRECTORS' SHARE DEALINGS

The board has an approved trading in shares policy in terms of which dealing in the company's shares by directors and employees is prohibited during closed periods. Directors may not deal in the company's shares without first advising and obtaining clearance from the chairman of the board. In the absence of the chairman, clearance must be obtained from any two directors, one of whom must be an independent non-executive director. No director or executive may trade in Simmers shares during closed periods as defined in the JSE Listings Requirements. The directors of the company advise the company secretary of all their dealings in securities for publication purposes.

INSIDER TRADING

There is a clear policy that no director or employee may deal, directly or indirectly, in Simmers shares on the basis of unpublished price-sensitive information regarding the business or affairs of the company.

BOARD PROCEDURES

The directors have access to the advice and services of the company secretary, who plays an active role in the corporate governance of the company. They are entitled, at the company's expense, to seek independent professional advice about the affairs of the company regarding the execution of their duties as directors. A board charter has been put in place and outlines the responsibilities of the board as a whole. The charter confirms the board's commitment to the principles of good corporate governance. It furthermore confirms the board's primary function as being responsible to determine the company's strategic direction and to exercise prudent control over the company and its affairs. The charter reminds directors of their duty to at all times act in the best interest of the company and to adhere to all relevant legal standards of conduct. The responsibilities of individual directors are spelled out in detail to ensure that all directors are fully aware of what is expected of them in the fulfilment of their roles as directors of the company.

The charter also addresses issues such as the composition and size of the board, board assessment, development and procedures, the role of the company secretary and the frequency and proceedings of board meetings.

The board has approved an annual work plan that ensures that all governance and compliance-related issues will appear on the board agenda during an annual cycle. This, inter alia, includes the annual assessment of the directors, board and board committees. The newly appointed board will be afforded an opportunity to settle in before proceeding with the first round of assessments during the current financial year.

DISCLOSURE AND INFORMATION

The board has approved a disclosure of information policy, the main aim of which is to prevent price-sensitive information from being disclosed to a selected audience and to set out the required procedure in the event of such a disclosure taking place.

ETHICS

The company has a code of ethics which was approved by the board. The board subscribes to the principle of ethical leadership and appreciates the importance of leading by example in this regard.

GOING CONCERN

The directors are of the opinion that the business will remain a going concern in the year ahead and information in this regard is contained in the statement of the responsibility of the directors in the annual financial statements.

The directors accept the ultimate responsibility for the preparation of the financial statements and related financial information that fairly represent the state of affairs and results of the Group. The annual financial statements as set out in this report have been prepared in conformity with International Financial Reporting Standards and are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable and prudent judgement and estimates. The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The external auditors are responsible for independently auditing and reporting on these financial statements in conformance with International Auditing Standards. The independent auditors' report is set out on page 10.

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Notes to the form of proxy	Inserted

Directors' responsibility and approval of annual financial statements

The directors are required by the Companies Act of South Africa, 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the group and company as at the end of the financial year and the results of their operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The financial statements have been prepared under the supervision of the chief financial officer and acting chief executive officer, Mr D Watson.

The external auditors are engaged to express an independent opinion on the annual financial statements of the group and the company.

The financial statements are prepared in accordance with International Financial Reporting Standards and incorporate full and responsible disclosure in line with the accounting policies of the group. The annual financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and company and all employees are required to maintain the highest ethical standards in ensuring the group's and company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the group and company. The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 30 June 2013 and, in the light of this review and the current financial position, they are satisfied that the group and company is still seen as a going concern and that the directors are evaluating potential transactions to expand Simmers again.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The board of directors are responsible for the financial affairs of the group and the company.

The external auditors are responsible for independently reviewing and reporting on the group and company's financial statements.

The financial statements have been examined by the group's and company's external auditors and their report is presented on page 10.

The group and company annual financial statements for the year ended 30 June 2012, set out on pages 14 to 35 were approved by the board of directors on 10 September 2012, and were signed on its behalf by:



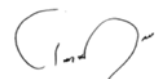
Daniel Watson
Interim chief executive officer, and chief financial officer
25 September 2012



Paul Smith
Chairman

Declaration by the company secretary

In terms of section 88(2)(e) of the Companies Act of 2008, as amended, I certify that the company has lodged with the Commission all such returns and notices as required by the Companies Act and that all such returns and notices are true, correct and up to date.



Annamarie van der Merwe
For: iThemba Governance and Statutory Solutions Proprietary Limited
Company secretary
25 September 2012

Independent auditor's report

To the shareholders of SIMMER AND JACK MINES, LIMITED

We have audited the financial statements of Simmer and Jack Mines, Limited set out on pages 14 to 35, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Simmer and Jack Mines, Limited as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 30 June 2012, we have read the Directors' Report, Audit Committee Report and Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.



GRANT THORNTON

Chartered Accountants (SA)
Registered Auditors

C Pretorius

Partner
Chartered Accountant (SA)
Registered Auditor

25 September 2012

Grant Thornton Office Park
137 Daisy Street
Sandown, 2196

Audit committee report

1. OBJECTIVES AND SCOPE

The overall objectives of the committee are:

- To assist the board in discharging its duties relating to the safeguarding of assets and the operation of adequate systems and control processes
- To control reporting processes and the preparation of financial statements in compliance with the applicable legal and regulatory requirements and accounting standards
- To provide a forum for the governance of risk, including control issues and developing recommendations for consideration by the board
- To oversee the internal and external audit appointments and functions
- To perform duties that are attributable to it by the Companies Act, 2008 (the Act), the JSE and other regulatory bodies

Committee performance

- Received and reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes
- Reviewed the reports of both internal and external audit findings and their concerns arising out of their audits and requested appropriate responses from management
- Considered the independence and objectivity of the external auditors
- Reviewed a documented assessment, including key assumptions, prepared by management on the going concern status of the company, and made recommendations to the board
- Reviewed and recommended for adoption by the board the financial information that is publicly disclosed, which included:
 - The annual report for the year ended 30 June 2012
 - The interim results for the six months ended 31 September 2012
- Reviewed the performance and expertise of the financial director and chief financial officer and confirmed his suitability for the positions

The committee is satisfied that it has fulfilled its obligations in respect of its scope of responsibilities.

2. MEMBERS OF THE AUDIT COMMITTEE

The members of the audit committee are all independent non-executive directors of the company and include:

Name	Qualification
Gareth Rees	Bcom, HDipAcc (Rhodes University); MBA (GIBS)
Kevin Wakeford	BA (Hons) Cum Laude (University of Port Elizabeth)
Margaret Ndlovu	BA Social Sciences (University of the North)

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act of South Africa and Regulation 42 of the Companies Regulation, 2011.

3. MEETINGS HELD BY THE AUDIT COMMITTEE

The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

4. EXTERNAL AUDITOR

The committee satisfied itself through enquiry that the external auditor, Mrs C Pretorius is independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act of South Africa that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

5. ANNUAL FINANCIAL STATEMENTS

Following the review of the annual financial statements the audit committee recommend board approval thereof.

6. ACCOUNTING PRACTICES AND INTERNAL CONTROL

There are no significant accounting practices or internal control issues that have occurred in the year.

7. CHIEF FINANCIAL OFFICER

The audit committee has considered and satisfied itself of the appropriateness of the expertise and experience of the chief financial officer.

On behalf of the audit committee



Gareth Rees

Chairman audit committee

Rivonia

25 September 2012

Directors' report

NATURE OF BUSINESS

Simmer and Jack Mines, Limited (Simmers) is a holding company whose main assets are cash. The Simmers shares are listed on the JSE Limited (JSE). During the period under review, the group disposed of the subsidiary company that had mineral rights and was involved in gold mining, in the Mpumalanga area.

In the prior year Simmers disposed of the majority of its assets, including Simmer and Jack Investments Proprietary Limited (SJ&I), its 25,5% investment in the equity of First Uranium Corporation Limited (FIU), as well as 392 784 secured convertible Rand denominated notes issued by Mine Waste Solutions Proprietary Limited with a face value of R1 000 each (MWS Rand Notes), to Village Main Reef Limited (Village) during the period under review ('the Village transaction'). SJ&I is the owner of Buffelsfontein Gold Mines Limited (BGM), who in turn holds 100% of Buffelsfontein Mine (Buffels) and Tau Lekoa Mine (Tau Lekoa).

MINING RIGHTS AND PROPERTY

A schedule detailing the group's previous mining rights and property is available at the group's registered address. At year-end the company did not own any mining rights or property.

SHARE CAPITAL

All shares rank *pari passu* in all respects.

Authorised

As at 30 June 2011

1 900 000 000 ordinary shares of 2 cents each R38 000 000

As at 30 June 2012

1 900 000 000 ordinary shares of 2 cents each R38 000 000

Issued

Share capital

	Share capital R'000	Share premium R'000	Total R'000
As at 30 June 2011			
1 260 857 893 ordinary shares of 2 cents each	25 217	592 205	617 422
As at 30 June 2012			
1 260 857 893 ordinary shares of 2 cents each	25 217	592 205	617 422

GENERAL ISSUES OF SHARES FOR CASH

No new shares were issued during the period under review.

SHARE INCENTIVE TRUST AND SHARE OPTION SCHEME

The Simmer and Jack Mines Limited Share Incentive Trust, which was approved by the members on 4 October 2000, is in the process of being wound up and co-exists with the Share Option Scheme, which was approved by shareholders at the AGM on 29 September 2006. No new shares are being allocated and issued to the Share Incentive Trust.

DIRECTORATE

The names and details of the directors of the company are reflected on page 3. Names of directors retiring by rotation are reflected in the notice of the forthcoming annual general meeting on page 38 of this annual report.

DIRECTORS' BENEFICIAL INTERESTS IN SHARES

The number of shares held by directors in the issued capital of the company as at 30 June 2012 was as follows:

Name of director	Number of shares held as at 30 June 2012	Number of shares held as at 30 June 2011
K Wakeford (<i>Direct and indirect</i>)	14 400 000	400 000
M Ndlovu (<i>Indirect</i>)*	4 776 917	4 287 917

* It should be noted that a material portion of the indirect holding of Ms Ndlovu is as a result of her being a minority shareholder of Vulisango who is a substantial shareholder in Vulisango.

There have been no changes in the directors' holdings from the end of the financial period to the date of this publication. Mr Smith acquired 19 700 000 shares in the company's share capital after year-end, but prior to being appointed as a director of the company.

Mr Watson is a beneficiary of the JDV Family Trust which owns 27% in Vulisango which in turn is a substantial shareholder in the company.

SERVICE CONTRACTS

As at the date of this report the company has an executive chairman and chief financial officer. The chief financial officer is also the acting chief executive officer. The executive directors have entered into service contracts with a maximum notice period of one calendar month. The non-executive directors do not have service contracts.

CHANGES TO THE BOARD OF DIRECTORS

A number of changes occurred in the composition of the board during the period under review. Details of these changes as well as those that occurred after period-end are provided below:

Name of director	Date of appointment	Date of resignation
M Ndlovu	9 December 2011	
D Watson	9 December 2011	
P Smith	8 August 2012	
V Watson	28 April 2010	14 December 2011
K Wakeford	1 July 2011	
M Saaiman	1 July 2010	14 December 2011
G Rees	1 July 2011	

CHANGE IN COMPANY SECRETARY

iThemba Governance and Statutory Solutions Proprietary Limited (represented by Ms Marianne Fourie and Ms Annamarie van der Merwe) was appointed as company secretary with effect from 11 July 2011. Contact details of the company secretary are provided on the inside back cover of this report.

FINANCIAL RESULTS

The total comprehensive attributable profit to shareholders for the 12 months ended 30 June 2012 amounted to R19.614 million (2011: R2 453.874 million loss). Headline loss per share was 0,22 cents (2011: 91,06 cents loss per share) based on the weighted average number of shares in issue during the year. For more information regarding the financial position of the company, the reader is referred to the annual financial statements on pages 14 to 35 of this report.

CHANGES TO ACCOUNTING POLICIES

No accounting policies were changed during the financial period under review.

DIVIDENDS

No dividends were declared or paid to members.

BASIS OF PREPARATION

The Annual Financial Statements set out in this report have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of 2008, as amended. The main business of the Group at period end is holding cash. The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

CASH SHELL STATUS

For the shareholders information, according to paragraph 3.25 of the JSE Listings Requirements, cash shell companies are afforded a 6-month period within which to enter into an agreement to make an announcement relating to the acquisition of viable assets that satisfy the conditions for listing as set out in Section 4 of the Listing Requirements. Commencement of the said 6-month period was 19 June 2012 and concludes on 19 December 2012. At such time, should Simmer not comply with the Listing Requirements, the share will be suspended on the JSE and be given three more months to comply, after which failure to do so would result in a mandatory de-listing of Simmers. At the time of the annual financial statements going to print, Simmers was still in negotiations with owners of potential qualifying assets. Any material developments will be reported to investors as and when they arise.

DETAILS OF SUBSIDIARIES

Details of the group's interest in its subsidiaries are set out in note 2 to the annual financial statements.

SPECIAL RESOLUTIONS IN SUBSIDIARIES

It is confirmed that no special resolutions were passed in any of the subsidiaries of Simmer and Jack Mines, Limited during the period under review.

MATERIAL CONTRACTS

No material contracts other than in the ordinary course of business have been entered into during the period under review.

EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any matter or circumstance arising since the end of the financial period.

SHAREHOLDER ANALYSIS

A comprehensive analysis of shareholders together with a list of shareholders beneficially holding, directly or indirectly, in excess of 5% of the ordinary shares of the company as at 30 June 2012, is set out on pages 36 to 37.

LISTINGS

The abbreviated name under which the company is listed on the JSE is "Simmers" and the company's JSE Clearing House Code is "SIM".

Statement of financial position

AS AT 30 JUNE 2012

	Notes	GROUP		COMPANY	
		2012 R'000	2011 R'000	2012 R'000	2011 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	1	77	-	77	-
Investments in subsidiaries	2	-	-	-	40
		77	-	77	40
Current assets					
Financial assets	3	-	2 865	15 697	2 865
Trade and other receivables	4	711	-	711	-
Cash and cash equivalents	5	41 416	20 000	41 416	20 000
		42 127	22 865	57 824	22 865
Non-current assets held for sale	6	-	29 605	-	-
Total assets		42 204	52 470	57 901	22 905
EQUITY AND LIABILITIES					
Equity					
Equity attributable to owners of the parent					
Share capital and premium	7	581 648	581 648	617 422	617 422
Reserves		340 083	340 083	240 866	240 866
Accumulated loss		(879 843)	(899 458)	(800 703)	(840 143)
Equity attributable to owners of the parent		41 888	22 273	57 585	18 145
Non-controlling interest		-	1	-	-
		41 888	22 274	57 585	18 145
Liabilities					
Non-current liabilities					
		-	-	-	-
Current liabilities					
Trade and other payables	9	316	4 760	316	4 760
		316	4 760	316	4 760
Non-current liabilities held for sale	6	0	25 436	-	-
Total liabilities		316	30 196	316	4 760
Total equity and liabilities		42 204	52 470	57 901	22 905

Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2012

	GROUP		COMPANY	
	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000
Other income	2 364	-	2 364	-
General administrative and overhead expenditure	(4 579)	-	(4 579)	-
Operating loss	(2 215)	-	(2 215)	-
Finance income	997	-	997	-
Reversal of impairment	-	-	15 698	-
(Loss)/profit before taxation	(1 218)	-	14 480	-
Taxation	-	-	-	-
(Loss)/profit for the period from continuing operations	(1 218)	-	14 480	-
(Loss)/profit for the period from discontinued operations	20 833	(2 363 593)	24 960	(2 941 342)
Profit/(loss) from disposal of assets and subsidiaries	10 22 348	(407 634)	24 960	(722 746)
Loss on investment in subsidiary	11 -	(268 880)	-	(268 880)
TGME disposal group	12 (1 515)	(23 424)	-	-
Simmers disposal group	12 -	(1 663 654)	-	(1 949 716)
Profit/(loss) for the year/period	19 615	(2 363 593)	39 440	(2 941 342)
Other comprehensive income for the period from discontinued operations, net of taxation	-	-	-	-
Total comprehensive profit/(loss) for the year/period	19 615	(2 363 593)	39 440	(2 941 342)
Total comprehensive profit/(loss) attributable to:				
Owners of the parent	19 615	(2 363 593)	39 440	(2 941 342)
Loss/earnings per share from continuing operations				
Basic (loss)/earnings per share (cents)	(0,10)	0,00		
Diluted (loss)/earnings per share (cents)	(0,10)	0,00		
Earnings/(loss) per share from discontinued operations				
Basic earnings/(loss) per share (cents)	1,56	(190,88)		
Diluted earnings/(loss) per share (cents)	1,56	(190,88)		
Earnings/(loss) per share				
Basic earnings/(loss) per share (cents)	19 1,56	(190,88)		
Diluted earnings/(loss) per share (cents)	19 1,56	(190,88)		

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2012

	Attributable to owners of the parent							Non-controlling interest R'000	Total equity R'000
	Share capital R'000	Share premium R'000	Share-based payment reserve R'000	Available-for-sale valuation R'000	Other reserves R'000	Accumulated (loss)/ retained income R'000	Total attributable to owners of the parent R'000		
GROUP									
Balance at 1 April 2010	23 956	1 207 957	318 683	11 738	89 765	1 464 135	3 116 234	1	3 116 235
Comprehensive loss for the period	-	-	-	-	-	(2 363 593)	(2 363 593)	-	(2 363 593)
Issue of shares for cash	791	36 083	-	-	-	-	36 874	-	36 874
Capital distribution	-	(687 139)	-	-	-	-	(687 139)	-	(687 139)
Disposal of assets and subsidiary	-	-	-	(11 738)	(89 765)	-	(101 503)	-	(101 503)
Share-based payments	-	-	21 400	-	-	-	21 400	-	21 400
Total changes for the period	791	(651 056)	21 400	(11 738)	(89 765)	(2 363 593)	(3 093 961)	-	(3 093 961)
Balance at 30 June 2011	24 747	556 901	340 083	-	-	(899 458)	22 273	1	22 274
Comprehensive profit for the year	-	-	-	-	-	19 615	19 615	-	19 615
Total changes for the year	-	-	-	-	-	19 615	19 615	(1)	19 614
Balance at 30 June 2012	24 747	556 901	340 083	-	-	(879 843)	41 888	-	41 888
	Share capital R'000	Share premium R'000	Share-based payment reserve R'000	Accumulated (loss)/ retained income R'000	Total equity R'000				
COMPANY									
Balance at 1 April 2010	24 426	1 243 261	237 418	2 101 199	3 606 304				
Comprehensive loss for the period	-	-	-	(2 941 342)	(2 941 342)				
Issue of shares for cash	791	36 083	-	-	36 874				
Exercise of call and put options	-	-	3 448	-	3 448				
Share issue cost written off against share premium	-	(687 139)	-	-	(687 139)				
Total changes for the period	791	(651 056)	3 448	(2 941 342)	(3 588 159)				
Balance at 30 June 2011	25 217	592 205	240 866	(840 143)	18 145				
Comprehensive profit for the year	-	-	-	39 440	39 440				
Total changes for the year	-	-	-	39 440	39 440				
Balance at 30 June 2012	25 217	592 205	240 866	(800 703)	57 585				

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	GROUP		COMPANY	
		12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000
Cash flows from operating activities					
Cash (absorbed)/generated by operations	14	(7 360)	1 031 480	8 338	696 990
Finance income		997	-	997	-
Net cash from operating activities		(6 363)	1 031 480	9 335	696 990
Cash flows from investing activities					
Purchase of property, plant and equipment		(86)	-	(86)	-
Net movement in discontinued operations		-	(911 974)	-	(530 933)
Net movement in loans to group companies and associates		-	-	-	(9 350)
Net decrease/(increase) in financial assets		2 865	(2 865)	(12 833)	(2 865)
Proceeds on disposal of assets held for sale		25 000	-	25 000	-
Cash flows from investing activities		27 779	(914 839)	12 081	(543 148)
Cash flows from financing activities					
Proceeds from shares issued		-	36 874	-	36 874
Repayment of share premium		-	(687 139)	-	(687 139)
Cash flows from financing activities		-	(650 265)	-	(650 265)
Net decrease in cash and cash equivalents		21 416	(533 624)	21 416	(496 423)
Cash and cash equivalents at the beginning of the year/period		20 000	632 798	20 000	624 408
Net cash and cash equivalent included in Simmers disposal group		-	(79 174)	-	(107 985)
Total cash and cash equivalents at end of the year/period	5	41 416	20 000	41 416	20 000

Accounting policies

1. General information

Simmer and Jack Mines, Limited (“the company” or “Simmers”) and its subsidiaries (together “the group”) is a holding company whose main assets are cash.

2. Presentation of financial statements

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board or its successor, requirements of the Companies Act of South Africa and regulations of the JSE Limited. The financial statements have been prepared on the liquidation basis, unless otherwise stated.

These accounting policies are consistent with the previous year. The fact that the financial statements have been prepared on the liquidation basis in the prior year, has no material impact on the 30 June 2012 statement of financial position.

3. Basis of consolidation

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences, until the date that control ceases. Subsidiaries are recognised at cost less impairment losses in the company's separate accounts.

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the group's interest in equity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4. Significant judgements

The 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 if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently by all entities in the group to all periods presented in these consolidated financial statements.

The preparation of the financial statements in conformity with IFRS requires the group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimate of taxation

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the income tax and deferred tax provisions in the period in which such determination is made.

5. Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and Fixtures	6 years
Computer equipment	3 years
Computer software	2 years

6. Investment in subsidiaries

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange; of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

7. Financial instruments

Initial recognition

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss, when there is objective evidence 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. Trade and other receivables are measured at original invoice amount when the effect of discounting is immaterial.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Trade and other payables are measured at original invoice amount when the effect of discounting is immaterial.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Loans and receivables

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

8. Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent, unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by 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 an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

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 utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused secondary tax on companies (STC) credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Accounting policies continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in other comprehensive income; or
- a business combination.

Current and deferred taxes are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, directly to other comprehensive income.

9. Non-current assets held for sale

When the group intends to sell a non-current asset or a group of assets (a disposal group), and if sale within 12 months is highly probable, the asset or disposal group is classified as held for sale and presented separately in the statement of financial position.

Liabilities are classified as held for sale and presented as such in the statement of financial position if they are directly associated with a disposal group.

Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue being measured in accordance with the group's accounting policy for those assets. No assets classified as held for sale are subject to depreciation or amortisation subsequent to their classification as held for sale.

10. Profit or loss from discontinued operations

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resell.

Profit or loss from discontinued operations, are presented in a single amount in the statement of comprehensive income. This amount, which the post-tax profit or loss of discontinued operations and the post-tax gain or loss, resulting from the remeasurement of assets classified as held for sale, is further analysed in note 12.

The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the reporting date for the latest period presented.

11. Impairment of assets

At each statement of financial position date the group assesses 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.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset.

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

12. Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the group reacquires its own equity instruments, those treasury shares are deducted from equity. No gain or loss is recognised in profit or loss of the purchase, sale, issue or cancellation of the group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

13. Share-based payments

Costs associated with share-based awards to employees and non-executive directors under the old share option scheme, which pertains to options granted to employees before October 2006, are charged to profit and loss at the date the employee accepts the offer of shares, as this is the date of change in ownership in terms of the share trust deed. In terms of the new option scheme, which pertains to options granted to employees after October 2006, these costs are charged to the statement of comprehensive income on a pro rata basis of a third of the allocated options over the three-year vesting period.

14. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

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

Employee benefit trust

The carrying value of shares held by the employee benefit trust are recorded as treasury shares, shown as a reduction in retained earnings within shareholders' equity.

15. Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue for the group comprises the sale of gold. Revenue is stated at the invoice amount and is exclusive of value added taxation.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Rental income arising from operating leases is recognised on a straight-line basis over the lease terms on ongoing leases.

At year-end, all revenue has been disclosed as part of the discontinued operations (refer to note 12).

16. Presentation currency

The group results are presented in South African rands, the currency in which most of its business is conducted.

17. Segment reporting

At period-end, no segment report has been prepared as the group disposed of all its reporting segments during the period or is in the process of disposing of them. Any information presented relating to segment reporting would therefore not be material to users of the financial statements.

18. Statements and interpretations not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the group.

Management anticipates that all of the pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement. Management does not expect the new standards and interpretations that have been issued to date to have a material impact on the group financial statements.

Notes to the annual financial statements

FOR THE YEAR ENDED 30 JUNE 2012

	2012			2011		
	Cost R'000	Accumulated depreciation and impairment R'000	Carrying value R'000	Cost R'000	Accumulated depreciation and impairment R'000	Carrying value R'000
1. PROPERTY, PLANT AND EQUIPMENT GROUP						
Furniture and fixtures	56	(5)	51	-	-	-
Computer equipment	22	(2)	20	-	-	-
Computer software	8	(2)	6	-	-	-
Total	86	(9)	77	-	-	-
	2012			2011		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
COMPANY						
Furniture and fixtures	56	(5)	51	-	-	-
Computer equipment	22	(2)	20	-	-	-
Computer software	8	(2)	6	-	-	-
Total	86	(9)	77	-	-	-

Reconciliation of property, plant and equipment – 2012	Carrying value beginning of year R'000	Additions R'000	Disposal of Simmers disposal group R'000	Depreciation R'000	Transfer to assets held for sale R'000	Carrying value at 30 June 2012 R'000
GROUP						
Furniture and fixtures	-	56	-	(5)	-	51
Computer equipment	-	22	-	(2)	-	20
Computer software	-	8	-	(2)	-	6
Total	-	86	-	(9)	-	77

Reconciliation of property, plant and equipment – 2011	Carrying value beginning of year R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment R'000	Carrying value at 30 June 2011 R'000
Land and buildings	6 411	42 610	(46 493)	(2 128)	(400)	-
Plant and equipment	96 696	12 124	(102 941)	(4 548)	(1 331)	-
Furniture and fixtures	16 678	9 027	(20 666)	(5 035)	(4)	-
Motor vehicles	984	319	(1 114)	(130)	(59)	-
Mining assets	458 951	623 639	(981 106)	(91 632)	(9 852)	-
Computer equipment and software	2 746	1 182	(1 561)	(2 316)	(51)	-
Exploration costs	1 437	2 233	(3 670)	-	-	-
Total	583 903	691 134	(1 157 551)	(105 789)	(11 697)	-

1. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Reconciliation of property, plant and equipment – 2012	Carrying value beginning of year R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying value at 30 June 2012 R'000
COMPANY					
Furniture and fixtures	-	56	-	(5)	51
Computer equipment	-	22	-	(2)	20
Computer software	-	8	-	(2)	6
Total	-	86	-	(9)	77

Reconciliation of property, plant and equipment – 2011	Carrying value beginning of year R'000	Additions R'000	Disposals R'000	Depreciation R'000	Disposal of Simmers disposal group R'000	Carrying value at 30 June 2011 R'000
Furniture and fixtures	1 087	50	(342)	(256)	(539)	-
Motor vehicles	189	-	-	(71)	(118)	-
Computer equipment and software	818	53	(281)	(370)	(220)	-
Total	2 094	103	(623)	(697)	(877)	-

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2012

		GROUP			COMPANY		
	Held by	Holding 2012 %	Holding 2011 %	Carrying amount 2012 R'000	Carrying amount 2011 R'000	Carrying amount 2012 R'000	Carrying amount 2011 R'000
2. INVESTMENTS IN SUBSIDIARIES							
Name of company							
Subsidiaries							
Bobsat Investments Proprietary Limited	Simmer and Jack Mines, Limited	100%	100%	-	-	10 631	10 631
<i>Impairment of investment in Bobsat Investments Proprietary Limited</i>				-	-	(10 631)	(10 631)
<i>Bobsat Investments Proprietary Limited - Equity loan</i>				-	-	10	10
<i>Less: Impairment</i>				-	-	(10)	(10)
The loan is subordinated, interest free and is repayable at the discretion of the borrower.				-	-	-	-
Transvaal Gold Mining Estates Limited	Simmer and Jack Mines, Limited	0%	100%	-	-	-	108 368
<i>Transvaal Gold Mining Estates Limited - Equity loan</i>				-	-	-	543 463
<i>Less: Impairment</i>				-	-	-	(651 831)
The loan is subordinated, interest free and is repayable at the discretion of the borrower.				-	-	-	-
Sabie Mines Proprietary Limited	Simmer and Jack Mines, Limited	0%	100%	-	-	-	40
<i>Sabie Mines Proprietary Limited - Equity loan</i>				-	-	-	16 941
<i>Less: Impairment</i>				-	-	-	(16 941)
The loan is subordinated, interest free and is repayable at the discretion of the borrower.				-	-	-	40
Caledonian Mining and Exploration Company Proprietary Limited	Simmer and Jack Mines, Limited	100%	100%	-	-	-	-
<i>Caledonian Mining and Exploration Company Proprietary Limited - Equity loan</i>				-	-	8 298	8 298
<i>Less: Impairment</i>				-	-	(8 298)	(8 298)
The loan is subordinated, interest free and is repayable at the discretion of the borrower.				-	-	-	-
Vanaxe Share Block Proprietary Limited	Sabie Mines Proprietary Limited	0%	99%	-	-	-	39
<i>Vanaxe Share Block Proprietary Limited - Equity loan</i>				-	-	-	603
<i>Less: Impairment</i>				-	-	-	(642)
The loan is subordinated, interest free and is repayable at the discretion of the borrower.				-	-	-	-
				-	-	-	40

	GROUP		COMPANY	
	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000
3. FINANCIAL ASSETS				
Available for sale				
Unlisted shares – Rand Mutual Assurance Company 115 shares				
- Directors' valuation	-	8	-	-
Unlisted shares – Rand Refinery Limited 24 004 shares				
- Directors' valuation	-	22 252	-	-
Listed shares – 60 622 653 First Uranium Corporation (“FIU”) ordinary shares at the closing exchange rate quoted on the stock exchange. The FIU investment was previously accounted for as an investment in associate.	-	220 414	-	220 414
	-	242 674	-	220 414
Disposal of Simmers disposal group (refer note 10)	-	(242 674)	-	(220 414)
Total available for sale financial assets	-	-	-	-
Designated at fair value through profit or loss				
Mine Waste Solution convertible Rand Notes	-	321 101	-	321 101
Disposal of Simmers disposal group (refer note 10)	-	(321 101)	-	(321 101)
	-	-	-	-
Loans and receivables				
Simmer and Jack Mines, Limited Share Trust	-	-	29 558	29 558
The loan is secured by a pledge of shares of the company and is interest free. There is no fixed date for repayment.				
Reversal of impairment	-	-	(13 861)	(29 558)
Village Main Reef Limited	-	2 865	-	2 865
The loan is unsecured, interest free with no fixed terms of repayment.				
	-	2 865	15 697	2 865
Total other financial assets	-	2 865	15 697	2 865
Current assets				
Loans and receivables	-	2 865	15 697	2 865
	-	2 865	15 697	2 865
4. TRADE AND OTHER RECEIVABLES				
Deposits	55	-	55	-
VAT	656	-	656	-
	711	-	711	-
All amounts disclosed above are short term. The carrying value of trade receivables is considered a reasonable approximation of fair value.				
None of the trade receivables are past due or impaired.				
5. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Cash on hand	1	-	1	-
Bank balances	41 415	20 000	41 415	20 000
Closing balance	41 416	20 000	41 416	20 000

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2012

	GROUP		COMPANY	
	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000
6. NON-CURRENT ASSETS HELD FOR SALE				
Investment property				
Balance at beginning of the year	-	4 903	-	-
Transferred from investment property	-	3 924	-	-
Fair value adjustment	-	(903)	-	-
Disposals	-	-	-	-
Transferred to Simmers disposal group	-	(7 924)	-	-
Closing balance	-	-	-	-
Transvaal Gold Mining Estate Limited disposal group				
On 9 September 2010, Simmers entered into an agreement with Stonewall Mining Proprietary Limited (Stonewall) to acquire Transvaal Gold Mining Estates Limited (TGME), Sabie Mines Proprietary Limited and Vanaxe Shareblock Proprietary Limited for R25 million. All conditions of the sale have been met and fulfilled by 20 June 2012.				
In terms of the agreement, Stonewall has assumed all care and maintenance costs as from 1 September 2010.				
The carrying amounts of assets and liabilities in the TGME disposal group for the prior year is summarised as follows:				
Non-current assets				
Investment Properties	-	6 206	-	-
Property, plant and equipment	-	11 698	-	-
Environmental rehabilitation trust fund	-	5 796	-	-
Current assets				
Inventories	-	2 014	-	-
Trade and other receivables	-	3 589	-	-
Cash and cash equivalents	-	302	-	-
Assets classified as held for sale	-	29 605	-	-
Non-current liabilities				
Finance lease obligation	-	(442)	-	-
Environmental rehabilitation provision	-	(8 692)	-	-
Current liabilities				
Finance lease obligation	-	(2 916)	-	-
Trade and other payables	-	(13 386)	-	-
Liabilities classified as held for sale	-	(25 436)	-	-
7. SHARE CAPITAL				
Authorised				
1 900 000 000 (2011: 1 900 000 000)				
Ordinary shares of 2 cents each	38 000	38 000	38 000	38 000
Issued share capital				
Ordinary shares	24 747	24 747	25 217	25 217
Share premium	620 603	620 603	620 603	620 603
Share issue costs written off against share premium	(28 398)	(28 398)	(28 398)	(28 398)
Treasury shares issued to share trust	(35 304)	(35 304)	-	-
Total issued share capital	581 648	581 648	617 422	617 422
Reconciliation of number of shares issued:	'000	'000	'000	'000
Reported as at 1 July	1 260 858	1 221 318	1 260 858	1 221 318
Issue of shares for cash	-	39 540	-	39 540
Shares issued to Simmers' Share Trust	-	-	-	-
Closing balance	1 260 858	1 260 858	1 260 858	1 260 858

All share option schemes have been cancelled during the financial period and no share option scheme was in place at year-end.

	GROUP		COMPANY	
	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000
8. CATEGORIES OF FINANCIAL INSTRUMENTS				
The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities.				
Financial assets				
Loans and receivables				
- Trade and other receivables	711	-	711	-
- Loans receivable	-	2 865	-	2 865
- Cash and cash equivalents	41 416	20 000	41 416	20 000
	41 416	22 865	42 127	22 865
Financial liabilities				
Financial liabilities measured at amortised cost				
- Trade and other payables	316	4 759	316	4 759
	316	4 759	316	4 759
9. TRADE AND OTHER PAYABLES				
Trade and other payables	316	4 760	316	4 760
	316	4 760	316	4 760

All amounts of trade and other payables are short term. The carrying values are considered to be a reasonable approximation of fair value.

10. DISPOSAL OF SIMMERS DISPOSAL GROUP AND TGME DISPOSAL GROUP

A merger transaction between Simmers and Village Main Reef Limited (Village) was approved by the Simmers and Village shareholders on 25 March 2011. In terms of the merger Simmers and Village had entered into an agreement in terms of which Village acquired the majority of the Simmers assets in exchange for Village shares, which Village shares were unbundled to Simmers' shareholders.

The sale assets (collectively referred to as the Simmers disposal group) consisted of:

- 100% shareholding in and claims on loan account against Simmer and Jack Investments Proprietary Limited, which is the holding company of Buffelsfontein Gold Mines Limited, which in turn, owns the Buffelsfontein Gold Mine, Hartebeesfontein Gold Mine and the Tau Lekoa Mine;
- 60 622 653 common shares in First Uranium Corporation (FIU); and
- 392 874 Mine Waste Solutions Proprietary Limited (MWS) Notes.

The liabilities assumed by Village were as follows:

- all of Simmers' rights and obligations under the Absa Note Programme;
- all of Simmers' rights and obligations under the Forward Gold Purchase Transaction;
- payment by Village to Simmers of any amount which is or becomes or will become due, owing and payable by Simmers to any other person under, in terms of or arising out of the Absa Note Programme Documents;
- payment by Village to Simmers of any amount which is or becomes or will become due, owing and payable by Simmers to any other person under, in terms of or arising out of the Forward Gold Purchase Transaction Documents; and
- all loss, liability, damage or expense which Simmers may suffer as a result of or which may be attributable to any claims arising out of, or connected with, the Aberdeen loan agreement.

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2012

	GROUP		COMPANY	
	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000
10. DISPOSAL OF SIMMERS DISPOSAL GROUP AND TGME DISPOSAL GROUP CONTINUED				
This transactions was finalised and became effective on the 27 June 2011.				
Carrying value of assets sold				
Investment Properties	-	28 859	-	-
Property, plant and equipment	-	1 157 551	-	877
Environmental rehabilitation trust fund	-	119 853	-	-
Financial assets	-	321 101	-	321 101
Investment in subsidiaries	-	-	-	154 556
Available for sale investments	-	242 674	-	220 414
Total non-current assets	-	1 870 038	-	696 948
Reimbursive assets	-	70 553	-	-
Financial asset	-	4 750	-	4 750
Loan ceded to Village Main Reef Limited	-	249 839	-	887 982
Inventories	-	28 221	-	-
Cash and cash equivalent	-	96 000	-	107 985
Trade and other receivables	-	36 780	-	2 493
Total current assets	-	486 143	-	1 003 210
Non-current assets held for sale	-	31 581	-	-
Financial liabilities	-	(230 809)	-	-
Environmental rehabilitation provision	-	(239 063)	-	-
Total non-current liabilities	-	(469 872)	-	-
Financial liabilities	-	(162 955)	-	(2 469)
Trade and other payables	-	(328 767)	-	(18 924)
Bank overdraft	-	(16 826)	-	-
Total current liabilities	-	(508 548)	-	(21 393)
Non-current liabilities held for sale	-	(45 689)	-	-
Total net assets	-	1 363 653	-	1 678 765
Consideration received	-	956 019	-	956 019
Net consideration received	-	956 019	-	956 019
Loss on disposal of Simmers disposal group	-	(407 634)	-	(722 746)

On 9 September 2010, Simmers entered into an agreement with Stonewall Mining Proprietary Limited (Stonewall) to acquire Transvaal Gold Mining Estates Limited (TGME), Sabie Mines Proprietary Limited and Vanaxe Shareblock Proprietary Limited for R25 million. The sale was subject to a number of conditions, which should have been fulfilled by 28 February 2012, but due to the approval of Section 11 of the Department of Mining still being outstanding extension has been granted to accommodate the approval.

	GROUP		COMPANY	
	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000
10. DISPOSAL OF SIMMERS DISPOSAL GROUP AND TGME DISPOSAL GROUP CONTINUED				
This transaction was finalised and became effective on the 14 June 2012.				
Carrying value of assets sold				
Investment properties	6 636	-	-	-
Property, plant and equipment	9 810	-	-	-
Environmental rehabilitation trust fund	8 055	-	-	-
Investment in subsidiaries	40	-	40	-
Total non-current assets	24 541	-	40	-
Inventories	4 827	-	-	-
Cash and cash equivalent	413	-	-	-
Trade and other receivables	1 125	-	-	-
Total current assets	6 365	-	-	-
Environmental rehabilitation provision	(8 691)	-	-	-
Total non-current liabilities	(8 691)	-	-	-
Financial liabilities	(576)	-	-	-
Trade and other payables	(18 987)	-	-	-
Total current liabilities	(19 563)	-	-	-
Non-current liabilities held for sale	-	-	-	-
Total net assets, excluding cash disposed of	2 652	-	40	-
Consideration received	25 000	-	25 000	-
Net consideration received	25 000	-	25 000	-
Profit on disposal of TGME disposal group	22 348	-	24 960	-
11. LOSS ON INVESTMENT IN SUBSIDIARY				
On 17 June 2011 Simmer and Jack Mines, Limited received 597 512 158 shares in Village Main Reef Limited as consideration for the sale of the disposal assets as shown above. These shares were unbundled to the shareholders on 27 June 2011.				
Value of shares on 17 June 2011 597 512 158 at R1,60 per share	-	956 019	-	956 019
Value of shares on 27 June 2011 597 512 158 at R1,15 per share	-	687 139	-	687 139
Loss on unbundling	-	268 880	-	268 880

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2012

	GROUP		COMPANY	
	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000
12. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS				
TGME disposal				
Operating results for the current and prior period as well as the loss from remeasurement to fair value less cost to sell are summarised below.				
Revenue	53 053	10 451	-	-
Cost of production	(56 301)	(34 120)	-	-
Gross loss	(3 248)	(23 669)	-	-
Other income	3 068	4 651	-	-
Operating expenses, administrative and general expenses	(1 594)	(3 777)	-	-
Operating loss	(1 774)	(22 795)	-	-
Investment revenue	734	43	-	-
Restructuring costs	-	(876)	-	-
Fair value adjustments	-	2 043	-	-
Finance cost	(475)	(739)	-	-
Loss from discontinued operations before tax	(1 515)	(22 324)	-	-
Tax expense	-	-	-	-
Loss for the year/period	(1 515)	(22 324)	-	-
Remeasurement to fair value less cost to sell	-	(1 100)	-	-
Tax expense on loss on remeasurement	-	-	-	-
Loss for the year/period from discontinued operations	(1 515)	(23 424)	-	-
Simmers disposal group				
Operating results for the current and prior period until the date of disposal is summarised as follows:				
Revenue	-	1 755 258	-	-
Cost of production	-	(1 685 090)	-	-
Gross profit/(loss)	-	70 168	-	-
Other income	-	70 107	-	42 141
Operating expenses, administrative and general expenses impairments	-	(20 088)	-	(237 405)
	-	(30 905)	-	-
Operating loss	-	89 283	-	(195 264)
Finance income	-	187 337	-	72 423
Loss from equity-accounted investment	-	(873 476)	-	-
Restructuring costs	-	(49 629)	-	(835)
Fair value adjustments	-	36 156	-	(539 540)
Loss on impairment of investment in associate	-	(972 126)	-	(1 234 680)
Loss/gain on non-current assets held for sale	-	-	-	-
Finance charges	-	(178 622)	-	(51 820)
Loss before taxation	-	(1 761 077)	-	(1 949 716)
Taxation	-	-	-	-
Loss for the period/year	-	(1 761 077)	-	(1 949 716)
Transfer from other comprehensive income from prior periods	-	97 423	-	-
Taxation on remeasurement	-	-	-	-
Loss for the period/year from discontinued operations	-	(1 663 654)	-	(1 949 716)

	GROUP		COMPANY	
	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000
13. TAXATION				
Current				
Normal income tax	-	-	-	-
Secondary tax on companies	-	-	-	-
Foreign income tax or withholding tax	-	-	-	-
	-	-	-	-
Deferred tax				
Originating and reversing temporary differences	-	-	-	-
	-	-	-	-
Reconciliation of tax expense				
Reconciliation between accounting profit and tax expense				
Accounting (loss)/profit	19 614	(2 363 593)	23 742	(2 941 342)
Tax at the applicable tax rate of 28%	(5 492)	661 806	(6 648)	823 576
Tax effect of adjustments on taxable income				
Non-deductible expenses	81	56 038	81	52 999
Deferred tax asset not recognised	5 411	(717 844)	10 962	(876 575)
	-	-	-	-
No provision has been made for 2012 taxation in view of losses incurred. The estimated tax loss available for set-off against future taxable income for the company is R122,9 million (2011: R146,7 million) and for the group is R170,7 million (2011: R360,4 million).				
14. CASH ABSORBED BY OPERATIONS				
Comprehensive loss before income tax	19 615	(2 363 593)	39 440	(2 941 342)
Adjustments for:				
Depreciation	9	-	9	-
Loss/(gain) on non-current assets held for sale	(22 348)	-	(24 959)	-
Loss from equity accounted investment	-	873 476	-	-
Finance income	(997)	-	(997)	-
Impairment of investment in associate	-	972 126	-	1 234 680
Impairment loss	-	-	-	9 350
Share option costs	-	14 403	-	(3 549)
Net movement in sale of disposal group and assets held for sale	1 516	1 551 124	-	2 405 449
Changes in working capital				
Net movement in inventories relating to disposal group and assets held for sale	-	26 565	-	-
Net movement in trade and other receivables relating to disposal group and assets held for sale	-	71 436	-	1 897
Net movement in trade and other payables relating to disposal group and assets held for sale	-	(118 817)	-	(14 255)
Trade and other receivables	(711)	-	(711)	-
Trade and other payables	(4 444)	4 760	(4 444)	4 760
	(7 360)	1 031 480	8 338	696 990
16. COMMITMENTS				
Operating leases				
Minimum lease payments under non-cancellable operating leases for each of the following periods amount to:				
Not later than 1 year	272	4 500	272	4 500
Later than 1 year and not later than 5 years	142	-	142	-
	414	4 500	414	4 500

These leases pertain to office rentals.

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2012

17. DIRECTORS' EMOLUMENTS

Simmer and Jack Mines, Limited

2012	Board and committee fees	Salary	Bonus	Severance payout	Retirement contributions	Other benefits	Subsistence and travel allowance	Profit on share options exercised	Total
Executive directors									
M Saaiman*	-	-	-	-	-	-	-	-	-
D Watson	5 000	388 000	-	-	-	-	-	-	393 000
Total executives	5 000	388 000	-	-	-	-	-	-	393 000
Non-executive directors									
K Wakeford	20 000	180 000	-	-	-	-	-	-	200 000
G Rees	40 000	-	-	-	-	-	-	-	40 000
M Ndlovu	40 000	-	-	-	-	-	-	-	40 000
V Watson*	-	20 417	-	-	-	-	-	-	20 417
Total non-executives	100 000	200 417	-	-	-	-	-	-	300 417

* Resigned with effect from 14 December 2011.

Simmer and Jack Mines, Limited

2011	Board and committee fees	Salary	Bonus	Severance payout	Retirement contributions	Other benefits	Subsistence and travel allowance	Profit on share options exercised	Total
Executive directors									
GJ Jacobs	-	374 922	153 604	2 877 870	58 043	-	59 524	-	3 523 963
PM Saaiman	-	2 244 445	3 000 000	-	170 370	-	-	1 771 148	7 185 963
N Schoeman	-	1 808 858	382 258	1 749 960	-	118 300	92 160	76 774	4 228 370
Total executives	-	4 428 225	3 535 862	4 627 830	228 413	118 300	151 414	1 847 922	14 938 296
Non-executive directors*									
C Brayshaw	32 930	-	-	-	-	-	-	-	32 930
DH Brown	497 918	-	-	-	-	-	-	-	497 918
R Havenstein	435 245	-	-	-	-	-	-	-	435 245
VP Khanyile	558 029	-	-	-	-	-	-	-	558 029
S Mabaso-Koyana	255 887	-	-	-	-	-	-	-	255 887
NM Magau	223 199	-	-	-	-	-	-	-	223 199
SA Murray	360 417	-	-	-	-	-	-	-	360 417
BJ Njenje	394 722	-	-	-	-	-	-	-	394 722
NS Segal	461 035	-	-	-	-	-	-	-	461 035
P Surgey	178 333	-	-	-	-	-	-	-	178 333
ZB Swanepoel	684 167	-	-	-	-	-	-	-	684 167
K Wakeford	61 667	-	-	-	-	-	-	-	61 667
G Wanblad	-	-	-	-	-	-	-	2 095 845	2 095 845
V Watson	285 927	-	-	-	-	-	-	-	285 927
Total non-executives	4 429 476	-	-	-	-	-	-	2 095 845	6 525 321

* All non-executive directors, excluding Mr V Watson and Mr K Wakeford, resigned on or prior to 1 July 2011.

18. CONTINGENCIES

PAYE

Simmers has a contingent liability to SARS regarding outstanding PAYE payments amounting to R3,0 million, against which Village Main Reef has indemnified Simmers should this contingency materialise. Simmers contends that the contingency arose due to an error on the part of SARS.

	GROUP		COMPANY	
	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000
19. HEADLINE LOSS				
Reconciliation between earnings/(loss) and headline loss:				
Basic earnings/(loss) for the year	19 614	(2 363 593)		
Add back:				
Non-controlling interest	-	-		
Attributable to the owners of the parent	19 614	(2 363 593)		
Impairment of property, plant and equipment	-	6 311		
Disposal of property, plant and equipment - gain/(loss)	-	(1 865)		
Gain/(Loss) on sale of non-current assets held for sale	22 348	-		
Impairment of investment in associate	-	972 126		
(Loss)/gain on disposal of Simmers disposal group	-	407 634		
Part disposal of investment in associate	-	(50 401)		
Reclassification of gains and losses on available for sale financial assets	-	(97 423)		
Post-tax loss recognised on measurement to fair value less cost to sell	-	1 100		
Fair value adjustment - investment property	-	(1 442)		
Headline loss for the year	(5 752)	(1 127 553)		
Basic profit/(loss) per share (cents)*	1,56	(190,88)		
Diluted profit/(loss) per share (cents)*	1,56	(190,88)		
Headline loss per share (cents)*	(0,22)	(91,06)		
Diluted headline loss per share (cents)*	(0,22)	(91,06)		
Net asset value per share (cents)	3,32	1,77		
<i>* Based on weighted average number of shares in issue</i>				
Reconciliation of number of shares issued	'000	'000		
Reported at 1 April	1 260 858	1 221 318		
Shares issued to Simmers Share Trust	-	-		
Shares issued for cash	-	39 540		
Shares issued at 30 June	1 260 858	1 260 858		
Weighted average number of ordinary shares in issue	1 260 858	1 238 239		
Adjusted for:				
- Share options	-	-		
Weighted average number of ordinary shares for diluted earnings per share	1 260 858	1 238 239		

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2012

20. RELATED PARTIES

Relationships

Holding company	Simmer and Jack Mines, Limited
Subsidiaries	Bobsat Investments Proprietary Limited Transvaal Gold Mining Estates Limited Sabie Mines Proprietary Limited Caledonian Mining and Exploration Company Proprietary Limited Vanaxe Share Block Proprietary Limited Simmer and Jack Mines Limited Share Trust
BEE partner	Xelexwa Investments Holdings Proprietary Limited (Formerly Jaganda Holdings Proprietary Limited) Vulisango Holdings Proprietary Limited
Key management	Directors Refer to directors' report

	GROUP		COMPANY	
	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000	12 months ended 30 June 2012 R'000	15 months ended 30 June 2011 R'000
Related-party balances				
Loan accounts - Owning (to)/by related parties				
Subsidiaries				
Bobsat Investments Proprietary Limited			10	10
Transvaal Gold Mining Estates Limited			-	552 813
Sabie Mines Proprietary Limited			-	16 941
Caledonian Mining and Exploration Company Proprietary Limited			8 298	8 298
Vanaxe Share Block Proprietary Limited			-	603
Simmer and Jack Mines Limited Share Trust			29 558	29 558
Refer to note 2 and 3 for details of provisions made against the above.				
Related-party transactions				
Shared services fees received from related parties				
Subsidiaries				
Buffelsfontein Gold Mines Limited			-	(22 284)
Temotuo Rehabilitation Company - NPC			-	(23)
Duff Scott Hospital Proprietary Limited			-	(518)
Vanaxe Share Block Proprietary Limited			-	(44)
Associates				
First Uranium Proprietary Limited			-	(472)
Ezulwini Mining Company Proprietary Limited			-	(1 655)
Chemwes Proprietary Limited			-	(1 738)
Other				
Margaret Water Company - NPC			-	(967)
Interest received from related parties				
First Uranium Proprietary Limited			100	1 846
Rent received from				
Vulisango Holdings Proprietary Limited			50	
Compensation to directors and other key management				
Short-term employee benefits	693	15 639	693	15 639
Termination benefits	-	4 628	-	4 628
Share-based payments	-	3 447	-	3 447
	693	23 714	693	23 714

Share-based payments - refer to directors' report for full disclosure.

Refer to directors' report for disclosure of directors' emoluments.

21. RISK MANAGEMENT

The group's risk management approach requires consistent and systematic risk assessment and reporting procedures across the group's operations. The board, via the audit committee, is ultimately responsible for the overall system of risk management and oversees measures to understand the changing environment within which the group operates and the identification and mitigation of new and existing risks on an ongoing basis.

Interest rate risk

The group does not hedge its exposure to interest rate risk. Deposits and all other investments attract interest 4,75% per annum.

Cash and cash equivalents are primarily invested in short-term investments, therefore the group is only exposed to cash flow interest risk.

The group policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit/(loss).

Credit risk

Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously.

Credit risk consists mainly of cash and cash equivalents and other receivables.

The group limits its counter party exposures from its money market investment operations by dealing only with well-established financial institutions with a credit standing of a high quality.

The group continually monitors its positions and the credit ratings of its counter parties and limits the amount of contracts it enters into with any one party.

22. SEGMENT INFORMATION

At the reporting date, no segmental report has been prepared as the group disposed of all of its reporting segments during the period.

Shareholder analysis

FOR THE 15 MONTHS ENDED 30 JUNE 2012

Register date: 29 June 2012

Issued share capital: 1 260 857 893 shares

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	1 769	23,51	899 215	0,07
1 001 – 10 000 shares	3 278	43,56	14 901 826	1,18
10 001 – 100 000 shares	1 794	23,84	62 559 223	4,96
100 001 – 1 000 000 shares	586	7,79	181 763 942	14,42
1 000 001 shares and over	99	1,32	1 000 733 687	79,37
Total	7 526	100,00	1 260 857 893	100,00

DISTRIBUTION OF SHAREHOLDERS	Number of shareholders	%	Number of shares	%
Banks	41	0,54	28 732 432	2,28
Brokers	21	0,28	8 411 006	0,67
Close corporations	134	1,78	29 531 428	2,34
Control account	1	0,01	308 486	0,02
Empowerment	1	0,01	262 644 316	20,83
Endowment funds	7	0,09	10 048 595	0,80
Individuals	6 859	91,14	612 040 905	48,54
Investment companies	8	0,11	5 210 000	0,41
Mutual funds	2	0,03	123 572	0,01
Nominees and trusts	293	3,89	86 526 435	6,86
Other corporations	74	0,98	3 474 462	0,28
Pension funds	4	0,05	3 200 013	0,25
Private companies	76	1,01	161 435 580	12,80
Public companies	3	0,04	30 767 694	2,44
Share trusts	2	0,03	18 402 969	1,46
Total	7 526	100,00	1 260 857 893	100,00

RESIDENT/NON-RESIDENT SHAREHOLDERS	Number of shareholdings	%	Number of shares	%
Resident	7 380	98,06	1 201 911 060	95,32
Non-resident	146	1,94	58 946 833	4,68
Total	7 526	100,00	1 260 857 893	100,00

PUBLIC/NON-PUBLIC SHAREHOLDERS	Number of shareholdings	%	Number of shares	%
Non-public shareholders	7	0,09	581 671 381	34,12
Directors and associates of the company	2	0,03	14 400 000	0,00
Share trusts	2	0,03	18 402 969	1,47
Empowerment	1	0,01	262 644 316	21,14
Strategic holdings (more than 10% of the ISC)	2	0,03	286 224 096	11,51
Public shareholders	7 519	99,91	679 186 512	65,88
Total	7 526	100,00	1 260 857 893	100,00

BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE	Number of shares	%
Xelexwa Investment Holdings Proprietary Limited	262 644 316	20,83
Vulisango Holdings Proprietary Limited	146 224 096	11,60
Watson, GJ	140 000 000	11,10
Ceejay Trust	57 667 004	4,57
Jeena, FB	55 359 394	4,39

Breakdown of non-public holdings

Directors	Number of shares	% of shares
Wakeford, K	14 400 000	1,14
Wakeford Investment Enterprises CC	12 000 000	0,95
Wakeford, K	2 400 000	0,19
Total	14 400 000	1,14
Share trusts	Number of shares	% of shares
Simmer and Jack Mines, Limited	16 592 969	1,32
Simmer and Jack Mines, Limited	1 810 000	0,14
Total	18 402 969	1,46
Empowerment	Number of shares	% of shares
Xelexwa Investment Holdings Proprietary Limited	262 644 316	20,83
Total	262 644 316	20,83
Strategic holders holding 10% or more	Number of shares	% of shares
Vulisango Holdings Proprietary Limited	146 224 096	11,60
Watson, G	140 000 000	11,10
Total	286 224 096	22,70

Notice of annual general meeting

Simmer and Jack Mines, Limited

Incorporated in the Republic of South Africa
(Registration no 1924/007778/06)
Share code SIM ISIN ZAE000006722
("Simmers" or "the company" or "the group")

Notice is hereby given that the annual general meeting of shareholders of Simmers will be held at the Johannesburg Country Club, corner of Lincoln Road and Woodlands Drive, Woodmead, Sandton, on Friday, 7 December 2012 at 09:00 to conduct the business set out below and to consider and, if deemed fit, adopt, with or without modification, the ordinary and special resolutions set out in this notice.

The following record dates in terms of section 59 of the Companies Act, 71 of 2008, as amended ("Companies Act") have been set by the board of directors of the company for the purpose of determining which shareholders of the company are entitled to:

- receive notice of the annual general meeting – record date 21 September 2012; and
- participate in and vote at the annual general meeting – record date 30 November 2012.

Based on the above, the last day to trade in order to be eligible to attend and vote at the annual general meeting is 23 November 2012. The percentage of voting rights required for all proposed resolutions to be adopted at the annual general meeting is more than 50% (fifty percent) of the voting rights exercised on the resolution, unless otherwise indicated below.

Shareholders are advised that facilities for electronic participation in the annual general meeting will not be made available.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The consolidated audited annual financial statements of the group, incorporating the reports of the auditors, the audit committee and the directors for the year ended 30 June 2012, will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act, 71 of 2008 ("the Act").

ORDINARY RESOLUTION 1: ELECTION OF DIRECTOR

"RESOLVED THAT Margaret Ndlovu, who was appointed after the last annual general meeting of the company, and who is eligible and available for election, be and is hereby elected as a director of the company." (Ms M Ndlovu's *curriculum vitae* appears in the annual report on page 3.)

ORDINARY RESOLUTION 2: ELECTION OF DIRECTOR

"RESOLVED THAT Daniel Watson, who was appointed after the last annual general meeting of the company, and who is eligible and available for election, be and is hereby elected as a director of the company." (Mr D Watson's *curriculum vitae* appears in the annual report on page 3.)

ORDINARY RESOLUTION 3: ELECTION OF DIRECTOR

"RESOLVED THAT Paul Smith, who was appointed after the last annual general meeting of the company, and who is eligible and available for election, be and is hereby elected as a director of the company." (Mr P Smith's *curriculum vitae* appears in the annual report on page 3.)

ORDINARY RESOLUTION 4: RE-ELECTION OF DIRECTOR

"RESOLVED THAT Gareth Rees, who retires by rotation at this annual general meeting in accordance with the company's Memorandum of Incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the company." (Mr G Rees' *curriculum vitae* appears in the annual report on page 3.)

ORDINARY RESOLUTION 5: APPOINTMENT OF AUDIT COMMITTEE MEMBER

"RESOLVED THAT Kevin Wakeford, being an independent non-executive director, be and is hereby appointed as a member of the company's audit committee."

ORDINARY RESOLUTION 6: APPOINTMENT OF AUDIT COMMITTEE MEMBER

"RESOLVED THAT Gareth Rees, being an independent non-executive director, be and is hereby appointed as a member of the company's audit committee."

ORDINARY RESOLUTION 7: APPOINTMENT OF AUDIT COMMITTEE MEMBER

"RESOLVED THAT Margaret Ndlovu, being an independent non-executive director, be and is hereby appointed as a member of the company's audit committee."

ORDINARY RESOLUTION 8: RE-APPOINTMENT OF EXTERNAL AUDITORS

"RESOLVED THAT Grant Thornton be and is hereby re-appointed as independent auditors of the company."

ORDINARY RESOLUTION 9: AUTHORITY TO ISSUE UNISSUED SHARES

"RESOLVED THAT the directors of the company be and are hereby authorised to allot and issue the authorised but unissued ordinary shares in the share capital of the company, at such time or times and to such person or persons or bodies corporate and upon such terms and conditions as the directors may from time to time in their sole discretion determine, subject to the provisions of the Companies Act and the Listings Requirements of the JSE Limited ("JSE Listings Requirements")."

ORDINARY RESOLUTION 10: AUTHORITY TO ISSUE UNISSUED SHARES FOR CASH

“RESOLVED THAT the directors be and are hereby authorised by way of a general authority, to issue all or any of the authorised but unissued shares in the capital of the company for cash, as and when they in their discretion deem fit, subject to the provisions of the Companies Act, the Memorandum of Incorporation of the company and the JSE Listings Requirements, when applicable, and the following limitations, namely that:

- this authority shall only be valid until the next annual general meeting of the company but shall not extend beyond 15 months from the date this authority is given;
- the allotment and issue of the shares must be made to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE and not related parties;
- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
- any such general issues are subject to exchange control regulations and approval at that point in time;
- in respect of securities which are the subject of the general issue of shares for cash:
 - in the aggregate in any one financial year may not exceed 10% (ten per cent) of the Company's relevant number of equity securities in issue of that class (for purposes of determining the securities comprising the 10% (ten per cent) number in any one year, account must be taken of the dilution effect, in the year of issue of options/convertible securities, by including the number of any equity securities which may be issued in future arising out of the issue of such options/convertible securities);
 - of a particular class, will be aggregated with any securities that are compulsorily convertible into securities of that class, and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible;
 - as regards the number of securities which may be issued (the 10% number), shall be based on the number of securities of that class in issue added to those that may be issued in future (arising from the conversion of options/convertible securities), at the date of such application:
 - less any securities of the class issued, or to be issued in future arising from options/convertible securities issued, during the current financial year;
 - plus any securities of that class to be issued pursuant to:
 - a rights issue which has been announced, is irrevocable and is fully underwritten; or
 - acquisition (which has had final terms announced) may be included as though they were securities in issue at the date of application;
- that a paid press announcement giving full details, including the impact of the issue on net asset value, net tangible asset value, earnings and headline earnings per share, be published after any issue representing, on a cumulative basis within one financial year, 5% (five per cent) of the number of shares in issue prior to the issue concerned; and
- that in determining the price at which an issue of shares for cash will be made in terms of this authority, the maximum discount permitted shall be 10% (ten per cent) of the weighted average traded price of the ordinary shares of the company on the JSE, measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities.”

In terms of the JSE Listings Requirements, the passing of Ordinary Resolution Number 10 requires the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at this annual general meeting.

SPECIAL RESOLUTION 1: FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED INDIVIDUALS AND COMPANIES

“RESOLVED, as a special resolution in terms of section 45 of the Companies Act, that the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any 1 (one) or more director or prescribed officer or of the company related or inter-related companies or corporations of the Company and/or to any 1 (one) or more juristic persons who are members of, or are related to, any such related or inter-related company or corporation, provided that:

- (a) the recipient or recipients of such financial assistance and the form, nature and extent of such financial assistance and the terms and conditions under which such financial assistance is provided, are determined by the board of directors of the company from time to time;
- (b) the board of directors of the company may not authorise the company to provide any financial assistance pursuant to this special resolution unless the board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the company to provide such financial assistance; and
- (c) such financial assistance to a recipient thereof is, in the opinion of the board of directors of the company, required for the purpose of meeting all or any of such recipient's operating expenses (including capital expenditure), and/or funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or funding such recipient for any other purpose which in the opinion of the board of directors of the company is directly or indirectly in the interests of the company.”

In terms of the Companies Act, the passing of Special Resolution 1 requires the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at this annual general meeting.

Notice of annual general meeting continued

SPECIAL RESOLUTION 2: APPROVAL OF THE NEW MEMORANDUM OF INCORPORATION

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

“RESOLVED, by way of a special resolution, that the existing Memorandum of Incorporation (formerly the company’s memorandum and articles of association) be and is hereby abrogated in its entirety and replaced with a new Memorandum of Incorporation, a draft of which has been tabled at the annual general meeting at which this resolution was tabled for approval and initialled by the chairman of the said meeting for purposes of identification, with effect from the date of filing thereof at the Companies and Intellectual Property Commission.”

In terms of the Companies Act, the passing of Special Resolution 2 requires the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at this annual general meeting.

SPECIAL RESOLUTION 3: BUY BACK OF SHARES

“RESOLVED, as a special resolution, that the company be and is hereby authorised, in terms of its Memorandum of Incorporation (or one of its wholly-owned subsidiaries) providing authorisation, by way of a general approval, to acquire the company’s own securities, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the provisions of the Act and the Listings Requirements of the JSE, subject to the following:

- this general authority be valid until the company’s next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution (whichever period is shorter);
- the repurchase being implemented through the order book operated by the JSE trading system, without prior understanding or arrangement between the company and the counterparty;
- repurchases may not be made at a price greater than 10% (ten per cent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction was effected;
- any such general repurchases are subject to exchange control regulations and approval at that point in time;
- an announcement being published as soon as the company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three per cent) of the initial number of ordinary shares, and for each 3% (three per cent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;
- the number of shares which may be acquired pursuant to this authority in any one financial year (which commenced 1 April 2010) may not in the aggregate exceed 20% (twenty per cent) of the company’s issued share capital as at the date of passing of this special resolution;
- the number of shares acquired and held by a subsidiary or subsidiaries of the company shall not exceed 10% in aggregate of the number of issued shares in the company at the relevant times;
- a resolution has been passed by the board of directors confirming that the board has authorised the general repurchase, that the company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the group
- the company’s sponsor confirming the adequacy of the company’s working capital for purposes of undertaking the repurchase of ordinary shares in writing to the JSE prior to the company entering the market to proceed with the repurchase;
- the company and/or its subsidiaries not repurchasing securities during a prohibited period as defined in the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement published on SENS prior to the commencement of the prohibited period; and
- at any point in time the company only appointing one agent to effect any repurchases on its behalf.”

The passing of Special Resolution Number 3 requires the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at this annual general meeting.

The directors, having considered the effects of the repurchase of the maximum number of ordinary shares in terms of the foregoing general authority, are of the opinion that for a period of 12 (twelve) months after the date of the repurchase:

- the company and the group will be able, in the ordinary course of business, to pay its debts;
- the working capital of the company and the group will be adequate for ordinary business purposes;
- the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company and the group; and
- the company’s and the group’s ordinary share capital and reserves will be adequate for ordinary business purposes.

ADDITIONAL INFORMATION

The following additional information, some of which may appear elsewhere in the annual report, is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- directors and management – page 3 and 32;
- major shareholders – pages 36;
- directors’ interests in ordinary shares – page 12 and 37; and
- share capital of the company – page 26.

Litigation statement

The directors in office whose names appear on page 3 of the annual report, are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have, or have had, in the recent past, being at least the previous 12 (twelve) months from the date of this annual report, a material effect on the group's financial position.

Directors' responsibility statement

The directors in office, whose names appear on page 3 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by law and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the company's financial year-end and the date of signature of the audit report.

Directors' intention regarding the general authority to repurchase the company's shares

The directors have no specific intention, at present, for the company to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the company and its shareholders.

IDENTIFICATION, PROXIES AND VOTING

Shareholders are reminded that:

- a shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy (or more than one proxy) to attend, participate in and vote at the annual general meeting in the place of the shareholder, and shareholders are referred to the proxy form attached to this notice in this regard;
- a proxy need not also be a shareholder of the company; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a general meeting of shareholders must present reasonably satisfactory identification and the person presiding at the general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified.

All beneficial owners whose shares have been dematerialised through a Central Securities Depository Participant ("CSDP") or broker other than with "own name" registration, must provide the CSDP or broker with their voting instructions in terms of their custody agreement should they wish to vote at the annual general meeting. Alternatively, they may request the CSDP or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the annual general meeting.

Unless you advise your CSDP or broker, in terms of the agreement between you and your CSDP or broker by the cut-off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you at the annual general meeting, your CSDP or broker will assume that you do not wish to attend the annual general meeting or send a proxy.

Forms of proxy (which form may be found enclosed) must be dated and signed by the shareholder appointing a proxy and must be received at the offices of the transfer secretaries, Computershare Investor Services Proprietary Limited (70 Marshall Street, Corner Sauer Street, Johannesburg; PO Box 61051, Marshalltown, 2107) by no later than 09:00 on 5 December 2012.

Before a proxy exercises any rights of a shareholder at the annual general meeting, such form of proxy must be so delivered.

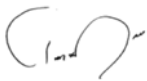
Notice of annual general meeting continued

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out immediately below:

- An ordinary shareholder entitled to attend and vote at the annual general meeting may appoint any individual (or two or more individuals) as a proxy or as proxies to attend, participate in and vote at the annual general meeting in the place of the shareholder. A proxy need not be a shareholder of the company.
- A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the annual general meeting.
- A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
- The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.
- The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the latter of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the company as required in the first sentence of this paragraph.
- If the instrument appointing the proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder, must be delivered by the company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the company to do so in writing; and (ii) paid any reasonable fee charged by the company for doing so.
- The completion of a form of proxy does not preclude any shareholder from attending the annual general meeting.

On a show of hands every shareholder present in person or by proxy, and if a member is a body corporate, its representative, shall have one vote and on a poll every shareholder present in person or by proxy and, if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her.

By order of the Board



Annamarie van der Merwe

For: iThemba Governance and Statutory Solutions Proprietary Limited

Company Secretary

Rivonia

25 September 2012

ANNUAL GENERAL MEETING – EXPLANATORY NOTES

Presentation of annual financial statements

At the annual general meeting, the directors must present the annual financial statements for the year ended 30 June 2012 to shareholders, together with the reports of the directors, the audit committee and the auditors. These are contained within the annual report.

Ordinary Resolutions 1 to 4 – Election and re-election of directors

Newly appointed directors who, in accordance with article 84 of the company's Memorandum of Incorporation, have to retire but may offer themselves for election are:

- Ms M Ndlovu;
- Mr D Watson; and
- Mr P Smith;

In addition to the above, the following director will retire in terms of article 76 of the company's Memorandum of Incorporation, all of whom are eligible for re-election:

- Mr G Rees

An abbreviated *curriculum vitae* in respect of each director offering himself for re-election is contained on page 3 of the annual report of which this notice forms part.

Ordinary Resolutions 5 to 7 – Election of audit committee

In terms of section 94(2) of the Companies Act, a public company must at each annual general meeting elect an audit committee comprising at least three members who are directors and who meet the criteria of section 94(4) of the Companies Act. Regulation 42 to the Companies Act specifies that one third of the members of the audit committee must have appropriate academic qualifications or experience in the areas as listed in the regulation.

The board of directors of the company is satisfied that the proposed members of the audit committee meet all relevant requirements.

Ordinary Resolution 8 – Re-appointment of auditors

Grant Thornton has indicated its willingness to continue in office and ordinary resolution 8 proposes the re-appointment of that firm as the company's auditors with effect from 1 July 2012.

Section 90(3) of the Companies Act requires the designated auditor to meet the criteria as set out in section 90(2) of the Act. The board of directors of the company is satisfied that both Grant Thornton and the designated auditor meets all relevant requirements.

Ordinary Resolutions 9 and 10 – Placement and issue of shares

In terms of the Companies Act, directors are authorised to allot and issue the unissued shares of the company, unless otherwise provided in the company's Memorandum of Incorporation or in instances as listed in section 41 of the Act. The JSE requires that the Memorandum of Incorporation should provide that shareholders in a general meeting may authorise the directors to issue unissued securities and/or grant options to subscribe for unissued securities as the directors in their discretion think fit, provided that such transaction(s) has/have been approved by the JSE Limited and are subject to the JSE Listings Requirements. In the absence of the Memorandum of Incorporation as contemplated in the Companies Act, ordinary resolution 9 has been included to confirm directors' authority to issue shares. Directors confirm that there is no specific intention to issue any shares, other than as part of and in terms of the rules of the company's share incentive schemes, as at the date of this notice.

Also, in terms of the JSE Listings Requirements, the authority to issue shares for cash as set out in ordinary resolution 10 requires the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the annual general meeting for ordinary resolution number 10 to become effective.

Special Resolution 1 – Financial assistance to related and inter-related individuals and companies

Section 45(2) of the Companies Act authorises the board to provide direct or indirect financial assistance to a related or inter-related individual or company, subject to subsections (3) and (4) of section 45 of the Companies Act and unless otherwise provided in the company's Memorandum of Incorporation.

In terms of sections 44(3) and 45(3) of the Companies Act, special resolutions of shareholders are required in these instances. The main purpose of the special resolutions as set out in the notice of the meeting are to approve the granting of financial assistance by way of a loan, guarantee, the provision of security or otherwise for the purposes of acquiring securities issued by the company as well as the granting of inter-company loans, a recognised and well known practice, details of which are also set out in the notes to the annual financial statements.

Notice of annual general meeting continued

Special resolution 2 – Approval of a new Memorandum of Incorporation

The notice of the annual general meeting as contained in this integrated report includes a special resolution for the approval of a new Memorandum of Incorporation for the company by shareholders.

A copy of the complete Memorandum of Incorporation is available for inspection at the company's registered office, at 357 Rivonia Boulevard, Rivonia from 25 September 2012 until 7 December 2012, the date of the annual general meeting.

The Act abolishes the distinction between the memorandum of association and the articles of association and provides that there will only be one constitutional document for a company, namely the memorandum of incorporation ("MOI"). The company proposes to adopt a new MOI, in substitution for its memorandum of association and the articles of association which in the course of law became its MOI, upon the advent of the Companies Act, 71 of 2008, but is required to be brought in harmony with the Act and changes to the JSE Listings Requirements.

The **salient features** of the Memorandum of Incorporation are attached hereto as Annexure A.

Special resolution 3 – Share buy-back

The directors have no specific intention, at present, for the company to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the company and its shareholders.

General

Shareholders and proxies attending the annual general meeting on behalf of shareholders are reminded that section 63(1) of the Companies Act requires that reasonably satisfactory identification be presented in order for such shareholder or proxy to be allowed to attend or participate in the meeting.

Annexure A – Memorandum of Incorporation: Salient features

The notice of the annual general meeting as contained in this annual report includes a special resolution for the approval of a new memorandum of incorporation for the company by shareholders.

A copy of the complete memorandum of incorporation is available for inspection at the company's registered office, Ground Floor, 357 Rivonia Boulevard, Rivonia, Johannesburg, from the date of the notice of the annual general meeting (i.e. 10 September 2012) until 7 December 2012, the date of the annual general meeting.

The **salient features** of the memorandum of incorporation ("MOI") are set out below. Any reference to "the Act" means the Companies Act, 71 of 2008.

UNISSUED SECURITIES

Unissued equity securities shall be offered to existing shareholders, pro rata to their shareholdings, unless such securities are to be issued for an acquisition of assets. However, the shareholders in general meeting may authorise the directors to issue unissued securities, and/or grant options to subscribe for unissued securities, as the directors in their discretion deem fit, provided that such corporate action(s) has/have been approved by the JSE and are subject to the Listings Requirements.

TRANSFERABILITY OF SECURITIES AND TRANSFER OF SECURITIES

- (a) Securities for which listing is sought must be fully paid up and freely transferable, unless otherwise required by statute.
- (b) All authorities to sign transfer deeds granted by holders of securities for the purpose of transferring securities that may be lodged, produced or exhibited with or to the company at any of its transfer offices shall, as between the company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the company's transfer offices at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notices, the company shall be entitled to give effect to any instruments signed under the authority to sign, and certified by any officer of the company, as being in order before the giving and lodging of such notice.

RATIFICATION OF ULTRA VIRES ACTS

The proposal of any resolution to shareholders in terms of sections 20(2) and 20(6) of the Act is prohibited in the event that such a resolution would lead to the ratification of an Act that is contrary to the Listings Requirements; unless otherwise agreed with the JSE.

RULES

The directors' power to make, amend or appeal rules as contemplated in section 15(3) of the Act is prohibited.

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER SHARE TERMS

- (a) Securities in each class for which listing is applied rank *pari passu* in respect of all rights.
- (b) In the event of voting by poll, every holder of an ordinary share has one vote in respect of each share that he holds.
- (c) The holders of securities, other than ordinary shares and any special shares created for the purposes of black economic empowerment in terms of the BEE Act and BEE Codes, are not entitled to vote on any resolution taken by the company, save for as permitted by the JSE Listings Requirements. In instances that such shareholders are permitted to vote at general/annual general meetings, their votes do not carry any special rights or privileges and they are entitled to one vote for each share that they hold, provided that their total voting right at such a general/annual general meeting may not exceed 24,99% of the total voting rights of all shareholders at such meeting.
- (d) Any amendment to the MOI must be approved by a special resolution of ordinary shareholders, save where such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act.
- (e) If any amendment relates to the variation of any preferences, rights, limitations and other terms attaching to any other class of shares already in issue, that amendment will not be implemented without a special resolution, taken by the holders of shares in that class at a separate meeting. In such instances, the holders of such shares will be allowed to vote at the meeting of ordinary shareholders subject to the JSE Listings Requirements. No resolution of shareholders of the company shall be proposed or passed, unless a special resolution, of the holders of the shares in that class, have approved the amendment.
- (f) Preferences, rights, limitations or other terms of any class of shares of a listed company must not be varied and no resolution may be proposed to shareholders for rights to include such variation in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Act.

CAPITALISATION ISSUES

Any capitalisation issue by the company shall at least be subject to the fulfilment of the requirements set out in section 47 of the Act.

SCRIP DIVIDEND AND CASH DIVIDEND ELECTIONS

The grant of the right of election is not prohibited.

PAYMENTS TO SECURITIES HOLDERS

Payments to securities holders are provided for in accordance with the JSE Listings Requirements and capital shall not be repaid upon the basis that it may be called up again.

Annexure A – Memorandum of Incorporation:

Salient features continued

OTHER CORPORATE ACTIONS

The following corporate actions are provided for, in accordance with the JSE Listings Requirements:

- (a) Issue of shares for cash and options and convertible securities granted/issued for cash.
- (b) Repurchase of securities.
- (c) Alteration of share capital, authorised shares and rights attaching to a class/es of shares.

DEBT INSTRUMENTS

The granting of special privileges to holders of debt instruments, such as attending and voting at general meetings and the appointment of directors, are prohibited.

RESOLUTIONS AND MEETINGS

- (a) Notice periods are as provided for in section 62(1) of the Act. The passing of a special resolution is subject to the approval of at least 75% of the votes cast by all equity securities holders present in person, or represented by proxy, at the general meeting/annual general meeting convened to approve such resolution.
- (b) All shareholder meetings convened in terms of the JSE Listings Requirements shall be held “in person” and not by means of a written resolution as is contemplated in section 60 of the Act.
- (c) There is no prohibition or restriction on the company from calling any meeting for the purposes of adhering to the JSE Listings Requirements.
- (d) Notices of general/annual general meetings are to be delivered to each shareholder entitled to vote at such meeting and who has elected to receive such documents.
- (e) Provision is made for delivering notices of meetings to the JSE at the same time as notices are sent to shareholders and must also be announced through SENS.
- (f) The quorum at a general meeting is at least three shareholders entitled to attend and vote thereat. In addition, the quorum requirements provided for in section 64(1) of the Act will be 25% in respect of the meeting. Once a quorum has been established, all the shareholders of the quorum must be present at the meeting to hear any matter that must be considered at the meeting.

LIEN UPON SECURITIES

The company has no power to claim a lien on securities.

COMMISSION

The company may not pay commission exceeding 10% to any person in consideration for their subscribing or agreeing to subscribe, whether absolutely or conditionally, for any securities of the company.

RECORD DATE

The record date for all transactions is as set out in the JSE Listings Requirements.

DIRECTORS

- (a) The minimum number of directors is four.
- (b) The board may appoint directors as an addition to the board or to fill a casual vacancy.
- (c) The appointment of all directors is subject to shareholder approval at any general/annual general meeting. Provision is made for the appointment of alternate directors.
- (d) Should the number of directors fall below the minimum provided in the MOI, the remaining directors must, as soon as possible, and, in any event, not later than three months from the date that the number of directors falls below the minimum, fill the vacancies or call a general meeting for the purpose of filling the vacancies. A failure by the company to have the minimum number of directors during the three-month period does not limit or negate the authority of the board of directors or invalidate anything done by the board of directors or the company. After the expiry of the three-month period, the remaining directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of shareholders.
- (e) A director may be employed in any other capacity in the company or as a director or employee of a company controlled by, or itself a major subsidiary of, the company and, in such event, his appointment and remuneration in respect of such other office shall be determined by a disinterested quorum of directors.
- (f) The directors may be paid all their travelling and other expenses, properly and necessarily incurred by them in and about the business of the company, and in attending meetings of the directors or of committees thereof; and, if any director is required to perform extra services, to reside abroad or be specifically occupied about the company's business, he may be entitled to receive such remuneration as is determined by a disinterested quorum of directors, which may be either in addition to or in substitution for any other remuneration payable.
- (g) At least one third of non-executive directors must retire at the company's annual general meeting (or other general meeting held on an annual basis), provided the meeting is not conducted in terms of section 60 of the Act. These retiring members of the board of directors may be re-elected, provided they are eligible. The board of directors, through the nomination committee, should recommend eligibility, taking into account past performance and contribution made.

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- (h) The notice period to be allowed before the date of a general meeting/annual general meeting convened for the nomination of a new director must be such as to give sufficient time, after the receipt of the notice, for nominations to reach the company's office from any part of the Republic of South Africa. Directors may be elected at a general meeting, provided the meeting is not conducted in terms of section 60 of the Act.
 - (i) The directors shall be entitled to elect a chairman, deputy chairman and/or any vice-chairman and to determine the period for which they, respectively, shall hold office. Where the quorum of directors is two, the chairman shall not be permitted to have a casting vote if only two directors are present at a meeting of directors.
 - (j) A decision that could be voted on at a meeting of the board of directors of a company may, instead, be adopted by written consent of a majority of the directors, given in person or by electronic communication, provided that each director has received notice of the matter to be decided. Such resolution, inserted in the minute book, shall be as valid and effective as if it had been passed at a meeting of directors. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last director who signed it (unless a statement to the contrary is made in that resolution).
 - (k) Life directorships and directorships for an indefinite period are not permissible.
 - (l) The board has the power to exercise all of the powers and perform any of the functions of the company, as set out in section 66(1) of the Act and the powers of the board in this regard are not limited or restricted unless otherwise provided in the MOI.

DIVIDENDS

- (a) The board of directors may declare dividends.
- (b) Dividends are to be payable to shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend, whichever is the later.
- (c) The company must hold all monies due to shareholders in trust indefinitely, but subject to the laws of prescription. Notwithstanding the foregoing, unclaimed dividends may be forfeited for the benefit of the company after a period of three years if so resolved by the board.

ANNUAL FINANCIAL STATEMENTS

A copy of the annual financial statements must be distributed to shareholders at least 15 business days before the date of the annual general meeting at which they will be considered.

Corporate information

DIRECTORS

P Smith (Chairman)	Executive
K Wakeford	Independent, non-executive
G Rees	Independent, non-executive
M Ndlovu	Independent, non-executive
D Watson	Executive, interim chief executive officer and chief financial officer

COMPANY SECRETARY

iThemba Governance and Statutory Solutions Proprietary Limited

Monument Office Park
Suite 5-102
79 Steenbok Avenue
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REGISTERED OFFICE

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2191
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Fax: +27 11 234 2008

TRANSFER SECRETARIES

South Africa

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70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)
Republic of South Africa
Tel: +27 11 370 5000
Fax: +27 11 688 7721/2

United Kingdom

Capita Registrars
The Registry
34 Beckenham Road
Beckenham, Kent
BR3 4TU
United Kingdom
Tel: +44 870 162 3100
Fax: +44 208 639 2342

SPONSOR

Rand Merchant Bank

A Division of First Rand Bank Limited
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton, 2196
Republic of South Africa
(PO Box 786273, Sandton, 2146)
Tel: +27 11 282 8000
Fax: +27 11 282 8008/9

AUDITORS

Grant Thornton

*Registered Accountants and Auditors
Chartered Accountants (SA)
South African member firm of Grant Thornton International*
137 Daisy Street
Sandown, 2196
(Private Bag X28, Benmore, 2010)

BANKERS

Absa Bank Limited

Southdale Branch
63 Alami Road
Southdale
(PO Box 261001, Excom, 2023)

LISTING DETAILS

Simmer and Jack Mines, Limited

Registration no: 1924/007778/06
Share code: SIM
ISIN: ZAE000006722

