



Bisichi Mining PLC

## annual report & accounts 2009



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“As a result of the last two financial years’ profitability, Bisichi’s financial position has never been stronger”

Michael Heller, Chairman

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## financial highlights

Bisichi Mining generated profit before tax of £5million (2008: £2.1million) and a trading profit before tax of £4.7million (2008: £6.0million)

Remaining opencast permissions at Black Wattle Colliery granted in February 2010

New borrowing facilities signed in the UK to expire in December 2012

## chairman’s statement

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**I am very pleased to be able to inform shareholders that Bisichi Mining made a profit before tax in 2009 of £5 million (2008: £2.1 million) and a trading profit before tax of £4.7 million (2008: £6 million).**

**In a year when international coal prices continued to fall, to a significant extent this profit was attributable to the continued success of our opencast mining operations at Black Wattle Colliery in South Africa and the protection from the lower coal price arising from our fixed price export contract, which provided the group with prices above market rates for most of 2009.**

As a result of the last two financial years’ profitability, Bisichi’s financial position has never been stronger with, at the year end, just under £7 million in cash and no net debt.

As I reported at the time of the half year results, the second half of 2009 was a much more challenging environment than the first half. This was principally due to the strengthening of the South African Rand against the US Dollar and the reduction in coal prices in all of the group’s markets.

2010 looks to be another very challenging year, as the Rand continues to be strong against the US Dollar. In order to address this situation and mitigate the consequences, the Bisichi management has taken several steps that are focussed on increasing production, including:

- Increasing the capacity of the washing plant from 130,000 to 170,000 metric tonnes per month as well as increasing the flexibility of the product mix produced by the washing plant so that we can sell our output into different markets;
- Expanding the rail siding by installing a third rail line; and
- Buying-in high quality coal from nearby reserves.

At the same time, I can report that all of Black Wattle’s remaining open cast permissions were granted in February 2010. This is very important news as it gives us the ability to increase further our own opencast production. The benefits of this increased production will come through in the second half of 2010.

In terms of markets, the physical demand for our product remains strong both domestically and internationally.

On the important subject of health and safety, I am very pleased to report that we had our best year ever. A more detailed report on health and safety is included in the Mining Review.

Bisichi’s UK retail property portfolio, managed by London & Associated Properties PLC, continues to perform in line with the market. After the significant downward revaluation in the previous couple of years, I am pleased to report that the external property revaluations at the year end increased marginally and most importantly there has been no reduction in rental income.

In terms of our borrowing facilities in the UK, I am pleased to report that a new term loan and overdraft facility has been signed. These facilities, secured against the group’s UK retail property portfolio, will expire in December 2012.

Finally, your Board has decided to declare a final dividend of 3.5p. This will be paid to shareholders on 9 August 2010 who were on the share register at the close of business on 2 July 2010. This dividend, combined with the interim dividend of 1p, represents an increase of 29% on the prior year and is a indication of the Board’s confidence in the current and future prospects of your business. On behalf of your Board, I would like to thank all of our staff who contributed to these results.

*Michael Heller*

Michael Heller  
Chairman

"The physical demand for our product remains strong both domestically and internationally."

Michael Heller, Chairman

03

1	2	3
4	5	6

- 1 Top soil overburden and shale
- 2 Run of mine coal seam excavated
- 3 Run of mine loaded onto tip trucks in the opencast pit
- 4 Run of mine loaded onto tip trucks in the opencast pit
- 5 Run of mine coal being hauled out of opencast pit
- 6 Run of mine coal being hauled from opencast pit to washing plant



"All of Black Wattle's remaining open cast permissions were granted in February 2010"

Michael Heller, Chairman

- 1 Core drilling from surface at the opencast workings
- 2 Overburden material being worked back into the opencast pit void
- 3 Shale overburden being loaded for depositing back into the opencast pit

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2
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04





## mining review

As noted in the Chairman's statement, 2009 was another very good year for Bisichi. Black Wattle our direct mining subsidiary, continued to mine opencast. This together with our fixed price export contract, contributed strongly to Black Wattle's profitability. Although 2010 has brought its challenges, with the strong South African Rand and lower market prices, we will continue to see the benefit of Black Wattle's opencast and expanded washing plant operation, in our increased cost competitiveness.

### Production

Production at Black Wattle continued strongly in 2009 with total run of mine production of 1.33 million metric tonnes for the year (2008: 1.31 million metric tonnes).

As noted in the Chairman's statement, Black Wattle's remaining open cast permissions were granted in February 2010. This represents an important landmark in the mine's development and, going forward, gives Black Wattle the ability to mine strategically and more flexibly its remaining reserves.

During 2009, Black Wattle started buying in high quality coal from nearby reserves. These buy-in coal opportunities are increasing in number and give Black Wattle the opportunity to blend purchased coal with our own opencast coal thereby increasing overall production and extending the life of mine. Black Wattle will be looking at taking further advantage of these opportunities in 2010.

We are pleased to report that the expansion of the washing plant was completed in 2009. The benefits of this expansion include the following:

- Increased washing plant capacity from 130,000 to 170,000 metric tonnes per month.
- An ability to wash a larger variety of products to the qualities required by the market.
- Improved Yields through washing each product size fraction at its ideal parameters.

### Markets

2009 saw coal prices tumble after one of the most volatile periods in decades in the international coal market. At the peak, in August 2008, the average weekly price of Free on Board (FOB) Coal from Richards Bay Coal Terminal (API4) stood at over US\$180.00 per metric tonne. By the beginning of 2009, the API4 price had fallen to US\$75.00 per metric tonne and reached a low of just below US\$60.00 per metric tonne by the end of the first half of 2009. At the same time, the South African Rand appreciated by over 21% against the US Dollar.

Fortunately, the bulk of our export volumes were protected from this collapse in coal price by our fixed price export contract, which came to an end in the last quarter 2009. In October 2009, we took advantage of the higher forward prices offered on the market and secured a new three year fixed price export contract for 300,000 metric tonnes per annum.

The downturn in international coal prices began to reflect in domestic prices in the second half of 2009 and resulted in a reduction in prices in all our domestic steam coal markets. Our ability to diversify further our product as a result of our expanded washing plant will give us the opportunity to look at new markets for our product. Throughout 2010 we will aim to sell to markets which give the highest return.

In 2009, we completed an upgrade to our siding by installing a third rail line. This additional capacity will be utilised to meet the increased production for both our export and domestic rail markets.

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### Health, Safety & Environment (HSE)

Black Wattle is committed to creating a safe and healthy working environment for its employees and the health and safety of our employees is of the utmost importance. In addition to the required personnel appointments and assignment of direct health and safety responsibilities on the mine, a system of Hazard Identification and Risk Assessments has been designed, implemented and maintained at Black Wattle.

Health and Safety training is conducted on an ongoing basis. Supervisors and about 85 percent of employees to date have received training in hazard identification and risk assessment in their work areas.

A medical surveillance system is also in place which provides management with information used in determining measures to eliminate, control and minimise employee health risks and hazards and all Occupational Health hazards are monitored on an ongoing basis.

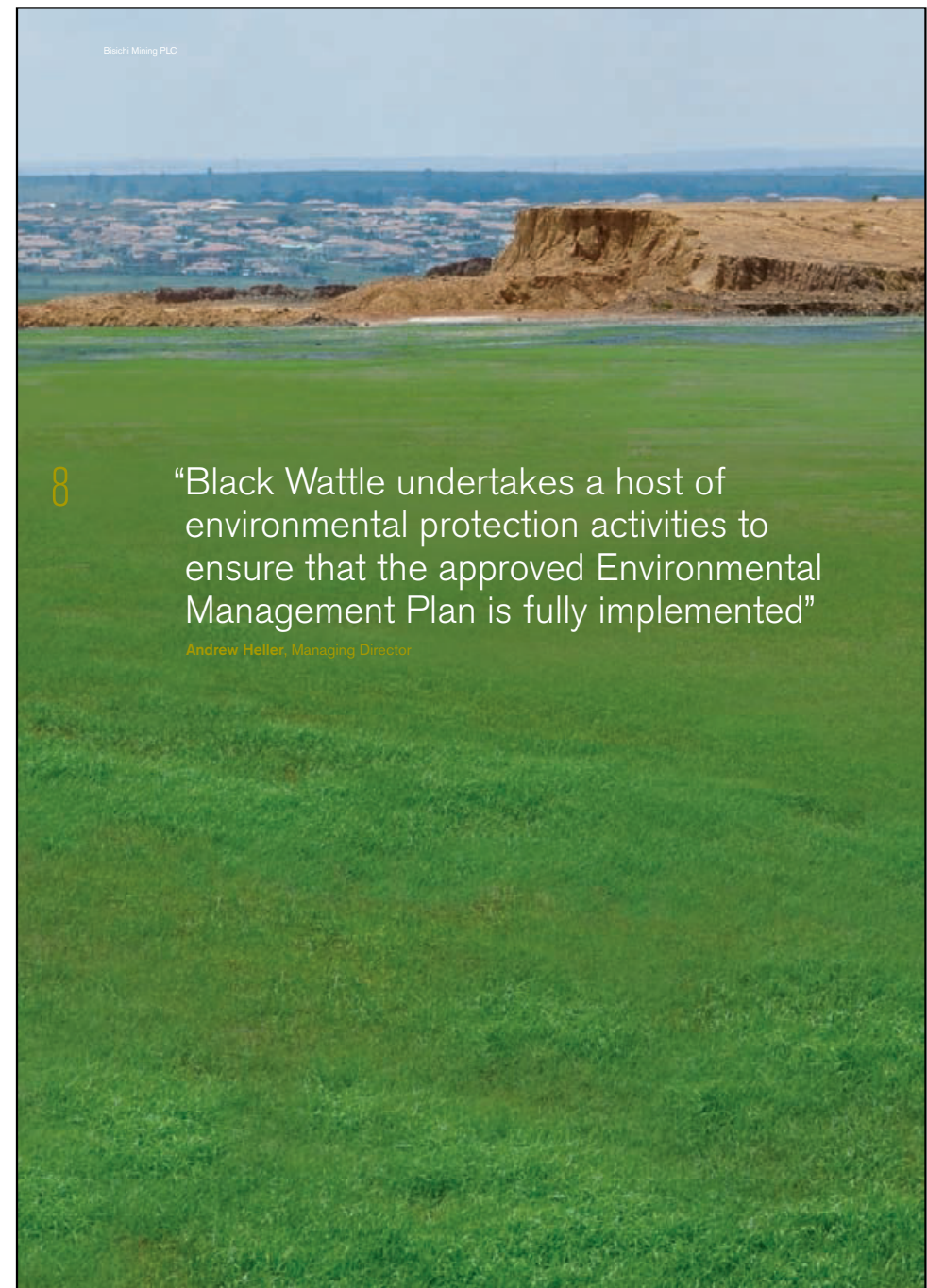
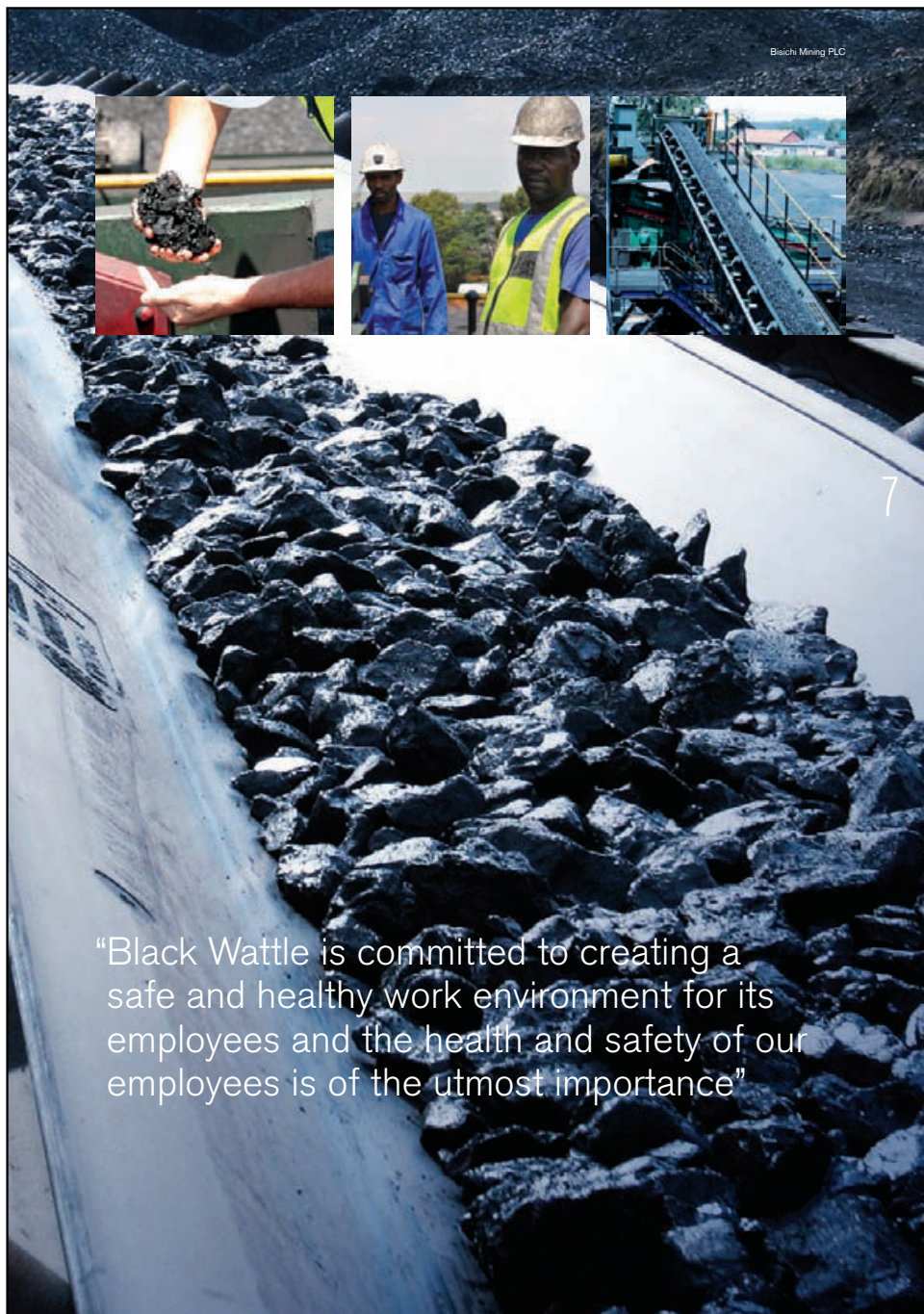
Various systems to enhance the current HSE strategy have been introduced as follows:

- In order to improve hazard identification before the commencing of tasks, mini risk assessment booklets have been distributed to all mine employees and long term contractors on the mine.
- In order to improve the current reporting practice of incidents on the mine, initial reporting of incidents booklets were handed out to all employees and contractors.
- In order to capture and record investigation findings from incidents, an incident recording sheet was introduced to line management and contractors.
- Hazard Identification and Risk Assessment training was given to all levels of employees, line management, Head of Departments, contractor representatives and contractor employees.

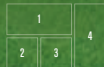
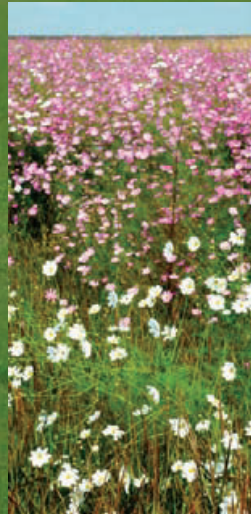
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- 1 Run of mine coal being stockpiled at fully operational opencast pit
- 2 Top soil being spread over a mined area under rehabilitation
- 3 Former opencast pit seeded with vegetation
- 4 Cosmos growing on rehabilitated land

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- 1 Crushed raw coal being fed to the processing plant
- 2 A magnetic separator in the small coal washing section of the plant.
- 3 Washed small coal from the cyclone plant being stockpiled
- 4 Washed sized coal from the drum plant being stockpiled

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- A HSE 'contractor pack' was introduced for all contractors working on Black Wattle.
- A weekly labour return form was introduced for all contractors.
- A Plan, Do, Review system for all Heads of Department was introduced to encourage managers to take ownership of HSE matters.
- In order to control jobs effectively over weekends that require additional risk assessments to safely perform tasks, a weekend work register was introduced on the mine.

HSE performance in 2009:

- Black Wattle had a 70 percent reduction in the Lost Time Injury Frequency Rate compared to 2008.
- No new cases of Occupational Diseases Certified were recorded
- Zero cases for the Compensation for Occupational Diseases were submitted
- Zero machines operating at Black Wattle exceeded the regulatory level of 110dB.

#### Environment Management Programme

Under the terms of the mine's Environmental Management Programme approved by the DMR, Black Wattle undertakes a host of environmental protection activities to ensure that the approved Environmental Management Plan is fully implemented. In addition to these routine activities, Black Wattle regularly carries out environmental monitoring activities on and around the mine, including evaluation of ground water quality, air quality, noise and lighting levels, ground vibrations, air blast monitoring, and assessment of visual impacts.

Black Wattle Colliery has improved its water management tremendously by erecting a new pollution control dam as well as upgrading existing dams in consultation with the Department of Water Affairs and Forestry.

An area of 26 hectares at the opencast was also rehabilitated.





Black Wattle Mining PLC

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“The group’s position to manage Black Wattle’s productivity and markets has never been stronger”

Black Wattle Mining PLC mining review

#### Black Wattle Colliery Social and Labour Plan progress (SLP)

Black Wattle Colliery is committed to true transformation and empowerment within the company as well as poverty eradication within the surrounding and labour providing communities.

Black Wattle is committed to providing opportunities for the sustainable socio-economic development of the company’s stakeholders:

- Employees and their families, through Skills Development, Education Development, Human Resource Development, Empowerment and Progression Programmes.
- Surrounding and Labour sending communities, through Local Economic Development, Rural and Community Development, Housing and Living Condition, Enterprise Development and Procurement programmes.
- Empowerment partners, through Broad-Based Black Economic Empowerment (BBBEE) and Joint Ventures with Historically Disadvantaged South African (HDSA) new mining entrants and enterprises.
- The Company, through ongoing consultation with stakeholders to develop strong company-employee relationships, strong company-community relationships and strong company-HDSA enterprise relationships.

The key focus areas in terms of the detailed SLP programmes were updated as follows:

- New implementation action plans, projects, targets and budgets were established through regular workshops with all stakeholders.
- A comprehensive desktop socio-economic assessment was undertaken on baseline data of the Steve Tshwete Local Municipality (STLM) and Nkangala District Municipality (NDM).
- The current Black Wattle Colliery Local Economic Development (LED) programmes were upgraded, and new LED projects were selected in consultation with the key stakeholders from the STLM.
- An appropriate forum was established on the mine and a process initiated for the consultation, empowerment and participation of the employee representatives in the Black Wattle Colliery SLP process.

#### Procurement

In compliance with the Mining Charter and the Mineral and Petroleum Resource Development Act, Black Wattle has implemented a BEE-focussed procurement policy which strongly encourages our suppliers to establish and maintain BEE credentials. At present, BEE companies provide approximately 68 percent of Black Wattle’s equipment and services. We closely monitor our monthly expenditure and welcome potential BEE suppliers to compete for equipment and service contracts at Black Wattle. Black Wattle also sells much of its coal products to empowered companies as evidenced by our long term sales agreement with a BEE company for the purchase of our discard product which is then sold to the national power utility Eskom.

#### Employment Equity

Black Wattle is committed to achieving the goals of the Employment Equity Act and is pleased to report the following:

- Black Wattle Colliery has exceeded the 10 percent woman in management and core mining target.
- Black Wattle Colliery has achieved 17.4 percent woman in middle to top management.
- Black Wattle Colliery has achieved 17.3 percent woman in core mining.
- 93 percent of the woman at Black Wattle Colliery are HDSA females.
- Black Wattle Colliery has achieved a 43.5 percent participation level of HDSA’s in overall management.

#### Prospects

With the timely expansion of our washing plant, the approval of all remaining opencast permissions and the commencement of buy-in coal, the group’s position to manage Black Wattle’s productivity and markets has never been stronger.

Developing mines can struggle because of lack of finance, rail capacity and markets whereas our profitability over the last two years is a direct result of having a fully operational mine with existing infrastructure and markets in place.

Going forward, I am confident that 2010 should be another successful year for our South African operations.

Andrew Heller  
Managing Director

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“Our profitability over the last two years is a direct result of having a fully operational mine with existing infrastructure and markets in place”



1	2
3	4

- 1 Raw coal being loaded by front end loader for conveying to the coal processing plant.
- 2 Plant spirals for very fine coal washing.
- 3 Road transport being loaded with washed product for domestic and export markets.
- 4 Rail trucks being loaded with coal for export market.



## business review

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### Review of the group's development and performance

The Chairman's Statement and the Mining Review on the preceding pages 2 to 12 give a comprehensive review and assessment of the group's activities during the past year and prospects for the forthcoming year.

#### Risk

**Coal price risk:** The group's mining operations earnings are largely dependent on movements in the coal price. It does have the flexibility in terms of markets where it can sell its coal domestically (to local industrial consumers and the power industry) or to export to various international markets.

**Coal washing:** The group's mining operation's earnings are highly sensitive to coal washing, therefore a stoppage or disruption to the process could significantly impact earnings. However, there is scope to raise earnings substantially if the yield from the washing process is improved even marginally.

**Mining risk:** Attached to mining there are inherent health and safety risks. Any such safety incidents disrupt operations, and can slow or even stop production. The group has a comprehensive Health and Safety programme in place to mitigate this. There is scope to increase production by buying in coal to compensate for disruptions in production.

As with many mining operations, the reserve that is mined has the risk of not having the qualities expected from geological analysis.

**Currency risk:** The group's South African operations are sensitive to currency movements, especially those between the South African Rand, US Dollar and British Pound.

**New reserves and mining permissions:** The acquisition of additional reserves, permissions to mine and new mining opportunities in South Africa generally are contingent on a number of factors outside of the group's control, e.g. approval by the Department of Mineral Resources.

**Regulatory risk:** The group's South African operations are subject to the government Mining Charter and scorecard which primarily seeks to:

- Promote equitable access to South Africa's mineral resources for all people in South Africa;
- Expand opportunities for historically disadvantaged South Africans (HDSA's), including women, to enter the mining and minerals industry and benefit from the extraction and processing of the country's resources;
- Utilise the existing skills base for the empowerment of HDSA's;
- Expand the skills base of HDSA's in order to serve the community;
- Promote employment and the social and economic welfare of mining communities and areas supplying mining labour; and
- Promote beneficiation of South Africa's mineral commodities beyond mining and processing, including the production of consumer goods.

The group continues to make good progress towards meeting the Charter requirements. However any regulatory changes to these, or failure to meet existing targets, could adversely affect the mine's ability to retain its mining rights in South Africa.

**Transport risk:** At present the government owned Transnet Freight Rail (TFR) is the sole rail freight provider for coal in South Africa. The group's South African operations are therefore reliant on TFR for delivery of its export quality coal directly or indirectly via the Southern African ports to its end customers.

**Power supply risk:** The current utility provider for power supply in South Africa is the government run Eskom. Eskom has recently undergone capacity problems resulting in power cuts and lack of provision of power supply to new projects. The group's mining operations have to date not been affected by power cuts.

**Flooding risk:** The group's mining operations are susceptible to seasonal flooding which could disrupt production. Management monitors water levels on an ongoing basis and various projects have been completed, including the construction of additional dams, to mitigate this risk.

**Environmental risk:** The group's South African mining operations are required to adhere to local environmental regulations. Details of the groups Environment Management Programme is disclosed in the Mining review on page 10.

**Health & Safety risk:** The group's South African mining operations are required to adhere to local Health and Safety regulations. Details of the groups Health and Safety Programme is disclosed in the Mining review on page 6.

**Labour risk:** The group's underground mining operations and coal washing plant facility are labour intensive and unionised. Any labour disputes, strikes or wage negotiations may disrupt production and impact earnings.



We seek to balance the high risk of our mining operations with a dependable cash flow from our UK property investment operations. Fluctuations in property values, which are reflected in the Income Statement and Balance Sheet, are dependent on an annual valuation of commercial properties. A fall in UK commercial property in recent years has had a marked effect in profitability and the net asset value of the group. However, due to the long term nature of the leases, the effect on cash flows from property investment activities will remain stable as long as tenants remain in operation.

#### Future development

The group seeks to expand its operations in South Africa through the acquisition of additional coal reserves.

#### Environment and employment

The group's UK activities are principally property investment whereby we provide premises which are rented to retail businesses. We seek to provide those tenants with good quality premises from which they can operate in an efficient and environmentally sound manner.

Our South African mining operations are regulated by and are operated in compliance with all relevant prevailing national and local legislation. Employment terms and conditions provided to mining staff meet or exceed the national average.

#### Financial position

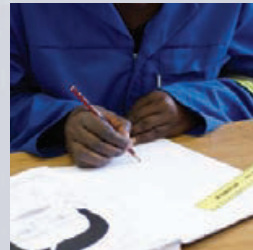
The group continues to strengthen its asset base with strong cash generation from its South African mining operations backed by UK retail property.

The group is pleased to report it has signed new borrowing facilities in both its UK and South African operations.

In the UK, a term loan facility of £5million and an overdraft facility of £2million were signed in February 2010 with Royal Bank of Scotland. This facility will expire in December 2012 and is secured against the groups UK retail property portfolio. The property portfolio was externally valued at 31 December 2009 and the value of UK investment properties attributable to the group at year end was £11.9million (2008: £11.8million).

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1	2
3	4



- 1 Young learners in class at a school supported by Black Wattle
- 2 Employees on an Adult Basic Educational Training course
- 3 Employees receiving training in the Black Wattle training department
- 4 Women in mining: New recruits being addressed at an induction training session

In South Africa, a structured trade finance facility of R60million (South African Rand) was signed in March 2010 with Absa Bank Limited, a South African subsidiary of Barclays Bank PLC. This facility comprises of a R40million revolving loan to cover the working capital requirements of the group's South African operations, and a R20million loan facility to cover Guarantee requirements related to the group's South African mining operations. The R60million facility is renewed annually and is secured against inventory, debtors and cash that are held in the group's South African operations.

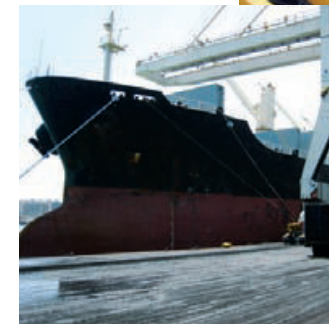
The group's cash and cash equivalents (excluding bank overdrafts) increased by £3.2million during the year and at year end were £6.6million (2008: £3.4million). The net assets of the group increased by £3.7million during the year and as at year end were £19.3million (2008: £15.6million).

Further details on the group's financial position are stated in the Consolidated Balance Sheet on page 32.

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- 1 Coal being loaded at Black Wattle rail siding for dispatch to the ports of Richards Bay, Durban or Maputo
- 2 Ship at Durban coal terminal



#### Cashflow

The group's cashflow position strengthened significantly during the year with cash and cash equivalents (including bank overdrafts) increasing by £5.1million to £5.0million at 31 December 2009. This can mainly be attributable to strong cash generation from the group's South African mining operations.

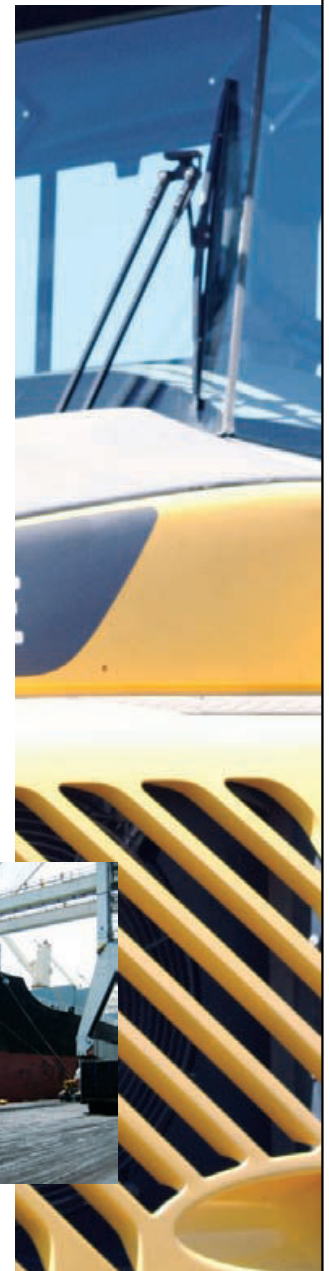
Further details on the group's cashflow position are stated in the Consolidated Cashflow Statement on page 34. Cash and cash equivalents as per the Cashflow Statement comprise Cash and cash equivalents as presented in the balance sheet and bank overdrafts (secured).

#### Performance indicators

The Key Performance Indicator for our South African mining activities are:

- Profit before Tax (PBT);
- Earnings before Interest, Tax, Depreciation, and Amortisation (EBITDA) and
- Cashflows from operating, investing and financing activities

The Key Performance Indicator for our UK property investment operations is the Net Property Valuation as shown in note 10.





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"In 2009, we completed an upgrade to our siding by installing a third rail line. This additional capacity will be utilised to meet the increased production for both our export and domestic rail markets"

Bisichi Mining PLC

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Bisichi Mining PLC

## management team



## directors and advisors

\* Michael A Heller  
MA, FCA (Chairman)

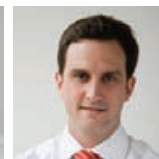
Andrew R Heller  
MA, ACA (Managing Director)

Robert Grobler  
Pr Cert Eng (Director of mining)

† Christopher A Joll  
MA (Non-executive)  
Christopher Joll was appointed a Director on 1 February 2001.  
He holds a number of non-executive directorships of un-quoted companies. He is chairman of BLJ Financial Limited, a financial public relations consultancy.

† John A Sibbald  
BL (Non-executive)  
John Sibbald has been a Director since 1988. After qualifying as a Chartered Accountant he spent over 20 years in stockbroking, specialising in mining and international investment.

\* Member of the nomination committee  
† Senior independent director  
† Member of audit, remuneration and nomination committees



1 Michael Heller  
Chairman  
Bisichi Mining PLC

3 Robert Corry  
Chairman  
Black Wattle Colliery

5 Christopher Joll  
Senior Independent Director  
Chairman Audit & Remuneration Committees

7 Luis Pined  
General Manager  
Black Wattle Colliery

2 Andrew Heller  
Managing Director  
Bisichi Mining PLC

4 Robert Grobler  
Director of Mining  
Bisichi Mining PLC  
Director Black Wattle Colliery

6 David Wusi  
Director  
Black Wattle Colliery

8 Garrett Casey  
Director  
Black Wattle Colliery

1	2
3	4
5	6
7	8

**Secretary & Registered office**  
Michael C Stevens FCA  
30-35 Pall Mall  
London SW1Y 5LP

**Black Wattle Colliery Directors**  
Robert Corry (Chairman)  
Andrew Heller (Managing Director)  
Robert Grobler  
David Nkosi

**Director of Property**  
Mike J Dignan FRICS

**Auditors**  
PKF (UK) LLP

**Principal bankers**  
*United Kingdom*  
Barclays Bank PLC  
National Westminster Bank PLC

*South Africa*  
ABSA Bank (SA)  
First National Bank (SA)  
Standard Bank (SA)

**Corporate solicitors**  
*United Kingdom*  
Olswang LLP, London

*South Africa*  
Webber Wentzel, Johannesburg  
Routledge Modise in association with Eversheds, Johannesburg  
Tugendhaft Wapnick Banchetti and Partners, Johannesburg

**Stockbrokers**  
Numis Securities

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www.capitaregistrars.com  
Email: ssd@capitaregistrars.com

**Company registration**  
No. 112155  
(Incorporated in England and Wales)

**Website**  
www.bisichi.co.uk

**E-mail**  
admin@bisichi.co.uk



## five year summary

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
<b>Consolidated profit and loss account</b>					
Revenue	29,016	25,979	16,693	13,239	13,485
Operating profit/(loss)	4,892	2,616	(191)	2,362	4,664
Profit/(Loss) before tax	5,003	2,117	(459)	2,172	4,206
Trading profit/(loss) before tax	4,698	6,031	2,302	273	1,114
Revaluation profit/(loss) before tax	305	(3,914)	(2,761)	1,899	3092
<b>Consolidated balance sheet</b>					
Investment properties	11,865	11,773	14,725	17,270	15,625
Fixed asset investments	3,755	3,406	2,991	3,028	2,943
	15,620	15,179	17,716	20,298	18,568
Current asset investments	510	627	770	700	629
	16,130	15,806	18,486	20,998	19,197
Other assets less liabilities	3,170	(160)	(3,127)	(5,668)	(4,578)
<b>Consolidated shareholders funds per balance sheet</b>	<b>19,300</b>	<b>15,646</b>	<b>15,359</b>	<b>15,330</b>	<b>14,619</b>
Adjustment of current asset investments to market value	-	-	-	-	-
<b>Consolidated shareholders funds*</b>	<b>19,300</b>	<b>15,646</b>	<b>15,359</b>	<b>15,330</b>	<b>14,619</b>
<b>Net assets per ordinary share*</b>	<b>184.7p</b>	<b>149.7p</b>	<b>147.0p</b>	<b>146.7p</b>	<b>139.9p</b>
<b>Dividend per share</b>	<b>4.50p</b>	<b>3.50p</b>	<b>3.0p</b>	<b>2.50p</b>	<b>2.25p</b>

\* Based on net assets including the investment portfolio at market value.

## financial calendar

8 June 2010	Annual General Meeting
19 May 2010	First interim management statement
9 August 2010	Payment of final dividend for 2009 (if approved)
Late August 2010	Announcement of half-year results to 30 June 2010
19 November 2010	Second interim management report
Late April 2011	Announcement of results for the year ending 31 December 2010

## director's report

**The directors submit their report together with the audited financial statements for the year ended 31 December 2009.**

### Activities and review of business

The company continues its mining activities. Income for the year was derived from sales of coal from its South African operations. The company also has a property investment portfolio for which it receives rental income.

The results for the year and state of affairs of the group and the company at 31 December 2009 are shown on pages 29 to 50 and in the Mining Review and Business Review on pages 6 to 15. Future developments and prospects are also covered in the Mining Review. Over 99 per cent of staff are employed in the South African coal mining industry - employment matters and health and safety are dealt with in the Mining and Business reviews.

### Corporate responsibility

#### Environment

The environmental issues of the group's South African coal mining operations are covered in the Mining Report and Business Review on pages 6 to 15.

The group's UK activities are principally property investment whereby premises are provided for rent to retail businesses.

The group seeks to provide those tenants with good quality premises from which they can operate in an efficient and environmentally friendly manner. Wherever possible, improvements, repairs and replacements are made in an environmentally efficient manner and waste re-cycling arrangements are in place at all the company's locations.

#### Employment

The group's policy is to attract staff and motivate employees by offering competitive terms of employment. The group provides equal opportunities to all employees and prospective employees including those who are disabled. The Mining Review gives details of the group's activities and policies concerning the employment, training, health and safety and community support and social development concerning the group's employees in South Africa.

#### Dividend

An interim dividend for 2009 of 1p was paid on 15 January 2010 (No interim dividends were paid in previous years). The directors recommend the payment of a final dividend of 3.5p per share (2008: 3.5p) on the ordinary share capital for 2009. The dividend will be payable on Monday 9 August 2010 to shareholders registered at the close of business on 2 July 2010.

### Investment properties

The investment property portfolio is stated at its open market value of £11,865,000, at 31 December 2009 (2008: £11,773,000) as valued by professional external valuers.

### Financial instruments

Note 21 to the financial statements sets out the risks in respect of financial instruments. The Board reviews and agrees overall treasury policies, delegating appropriate authority to the managing director. Financial instruments are used to manage the financial risks facing the group - speculative transactions are not permitted. Treasury operations are reported at each Board meeting and are subject to weekly internal reporting.

### Directors

The directors of the company for the whole year were M A Heller, A R Heller, C A Joll, R J Grobler, (a South African citizen), and J A Sibbald. T M Kearney was a director from 1 January until he resigned on 31 July 2009. The directors retiring by rotation are M A Heller, C A Joll and J A Sibbald who offer themselves for re-election. Brief details of the directors standing for re-election are:

Michael Heller has been an executive director since 1972 and chairman since 1981. He is a chartered accountant and has a contract of employment determinable at six months notice.

Christopher Joll has been a director since 2001 and has a contract of service determinable at three months notice. He holds a number of non-executive directorships of unquoted companies. He is chairman of BLJ Financial Limited, a financial public relations company, which provides services to the group.

### Directors' shareholdings

The interests of the directors in the shares of the company, including family and trustee holdings where appropriate, were as follows:

	Beneficial 31.12.2009	1.1.2009	Non-Beneficial 31.12.2009	1.1.2009
<b>M A Heller</b>	<b>146,666</b>	146,666	<b>181,334</b>	181,334
<b>A R Heller</b>	<b>772,000</b>	772,000	-	-
<b>C A Joll</b>	<b>1,000</b>	5,000	-	-
<b>T M Kearney</b> (todate of resignation - 31 July 2009)	<b>57,500</b>	57,500	-	-
<b>J A Sibbald</b>	-	-	-	-
<b>R J Grobler</b>	-	-	-	-

Changes in the above shareholdings since 31 December 2009 are a sale by C A Joll of 1,000 shares.

Details of the options to subscribe for new ordinary shares of the company granted to the directors are contained under "Share option schemes" in the remuneration report on page 24.

John Sibbald has been a non-executive director since 1988. He is a retired chartered accountant. For most of his career he was employed in stockbroking in the City of London where he specialised in mining and international investment. He has a contract of service determinable at three months notice.

The board recommends each of them for re-appointment. No director had any material interest in any contract or arrangement with the company during the year other than as shown in this report.

### Substantial interests

The following have advised that they have an interest in 3 per cent or more of the issued share capital of the company as at 16 April 2010:

London & Associated Properties PLC - 4,355,752 shares representing 41.68 per cent of the issued capital.

M A Heller is a director and shareholder of London & Associated Properties PLC.

M A Heller - 328,000 shares representing 3.14 per cent of the issued capital.

A R Heller - 772,000 share representing 7.39 per cent of the issued capital.

Neil Kirtan - 382,000 shares representing 3.65 per cent of the issued capital.



# **Disclosure of information to auditors**

The directors in office at 31 December 2009 have confirmed that they are aware that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

## **Corporate governance**

The company has adopted the Guidance for Smaller Quoted Companies (SQC) published by the Quoted Companies Alliance (QCA). The QCA provides guidance to companies outside the FTSE 350 index, referred to generally as SQCs. The QCA's guidance covers the implementation of the Combined Code on Corporate Governance for SQCs and the paragraphs below set out how the company has applied this guidance during the year. The company has complied with the QCA's guidance throughout the year, except insofar that non-executive directors are not appointed for fixed terms (section A.7.2).

## **Principals of corporate governance**

The group's Board appreciates the value of good corporate governance not only in the areas of accountability and risk management, but also as a positive contribution to business prosperity. The Board endeavours to apply corporate governance principles in a sensible and pragmatic fashion having regard to the circumstances of the group's business. The key objective is to enhance and protect shareholder value.

## **Board structure**

During the year the Board comprised the executive chairman, the managing director, two other executive directors, and two non-executive directors (one of the executive directors resigned on 31 July 2009). Their details appear on page 24. The Board is responsible to shareholders for the proper management of the group. A statement of directors' responsibilities in respect of the accounts is set out on page 29. The non-executive directors have a particular responsibility to ensure that the strategies proposed by the executive directors are fully considered. To enable the Board to discharge its duties, all directors have full and timely access to all relevant information and there is a procedure for all directors, in furtherance of their duties, to take independent professional advice, if necessary, at the expense of the group. The Board has a formal schedule of matters reserved to it and meets bi-monthly.

It is responsible for overall group strategy, approval of major capital expenditure projects and consideration of significant financing matters.

The following committees, which have written terms of reference, deal with specific aspects of the group's affairs:

- **The nomination committee** is chaired by Christopher Joll and comprises the non-executive directors and the executive chairman. The committee is responsible for proposing candidates for appointment to the Board, having regard to the balance and structure of the Board. In appropriate cases recruitment consultants are used to assist the process. All Directors are subject to re-election at least every three years.

- **The remuneration committee** is responsible for making recommendations to the Board on the company's framework of executive remuneration and its cost. The committee determines the contract terms, remuneration and other benefits for each of the executive directors, including performance related bonus schemes, pension rights and compensation payments. The Board itself determines the remuneration of the non-executive directors. The committee comprises the non-executive directors. It is chaired by Christopher Joll. The executive chairman is normally invited to attend meetings. The report on directors' remuneration is set out on pages 26 and 27.

- **The audit committee** comprises the two non-executive directors and is chaired by Christopher Joll. Its prime tasks are to review the scope of external audit, to receive regular reports from the Company's auditors, PKF (UK) LLP, and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and areas of management judgment and estimation. The committee is responsible for monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. The committee acts as a forum for discussion of internal control issues and contributes to the Board's review of the effectiveness of the group's internal control and risk management systems and processes. The committee also considers the need for an internal audit function. It advises the board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature and scope of the audit with the external auditors. The committee, which meets formally at least twice a year, provides a forum for reporting by the group's external auditors. Meetings are also attended, by invitation, by the managing director and director of finance.

The audit committee also undertakes a formal assessment of the auditors' independence each year which includes:

- a review of non-audit services provided to the group and related fees;

- discussion with the auditors of a written report detailing all relationships with the company and any other parties that could affect independence or the perception of independence;
- a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and
- obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

The audit committee report is set out on page 28.

An analysis of the fees payable to the external audit firm in respect of both audit and non-audit services during the year is set out in note 4 to the financial statements.

## **Performance evaluation – board, board committees and directors**

The performance of the board as a whole and of its committees and the non-executive directors is assessed by the chairman and the managing director and is discussed with the senior independent director. Their recommendations are discussed at the nomination committee prior to proposals for re-election being recommended to the board. The performance of executive directors is discussed and assessed by the remuneration committee. The senior independent director meets regularly with the chairman and both the executive and non-executive directors individually outside of formal meetings. The directors will take outside advice in reviewing performance but have not found this necessary to date.

## **Independent Directors**

The senior independent non-executive director is Christopher Joll. The other independent non-executive director is John Sibbald.

Christopher Joll is a minority shareholder and director of BLJ Financial Limited, a company which provides financial public relations services to the company on an ad hoc basis in relation to specific transactions. As a consequence he does not meet the criteria for independence set out in the Combined Code for Corporate Governance.

John Sibbald has been a non-executive director of Bisichi for over twenty years - the maximum set out in the Combined Code criteria for independence is nine years. For this reason he does not meet the criteria for independence.

The Board considers that the independence of both Christopher Joll and John Sibbald is not impaired by their failure to meet the Combined Code criteria set out above.

The independent directors regularly meet prior to Board meetings to discuss corporate governance issues.

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# **Board and board committee meetings**

The number of meetings during 2009 and attendance at regular board meetings and board committees was as follows:

		Meetings held	Meetings attended
M A Heller	Board	6	6
	Nomination committee	1	1
A R Heller	Board	6	6
	Audit committee	2	2
R J Grobler	Board (appointed 22 April 2008)	6	3
C A Joll	Board	6	6
	Audit committee	2	2
	Nomination committee	1	1
	Remuneration committee	2	2
T M Kearney	Board (resigned 31 July 2009)	4	3
	Audit committee	2	1
J A Sibbald	Board	6	6
	Audit committee	2	2
	Nomination committee	1	1
	Remuneration committee	2	2

The audit committee had two meetings in 2009 with the external auditors present, prior to release of the 2008 annual results. Members of the committee discussed the 30 June 2009 half year results prior to their approval by the full Board. The nomination committee held one meeting during the year.

## **Internal control**

The directors are responsible for the group's system of internal control and review of its effectiveness at least annually. The Board has designed the group's system of internal control in order to provide the directors with reasonable assurance that its assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected within a timely period. However, no system of internal control can eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss.

The key elements of the control system in operation are:

- The Board meets regularly with a formal schedule of matters reserved to it for decision and has put in place an organisational structure with clear lines of responsibility defined and with appropriate delegation of authority;
- There are established procedures for planning, approval and monitoring of capital expenditure and information systems for monitoring the group's financial performance against approved budgets and forecasts;
- UK property and financial operations are closely monitored by members of the Board and senior managers to enable them to assess risk and address the adequacy of measures in place for its monitoring and control. The South African operations are closely supervised by the UK based executives through daily, weekly and monthly reports from the directors and senior officers in South Africa. This is supplemented by monthly

visits by the UK based finance manager to the South African operations which include checking the integrity of information supplied to the UK. The directors are guided by "Internal Control Guidance for Directors on the Combined Code" as issued by the Institute of Chartered Accountants in England and Wales.

During the period, the audit committee has reviewed the effectiveness of internal control as described above. The Board receives periodic reports from all its committees.

There are no significant issues disclosed in the report and financial statements for the year ended 31 December 2009 or up to the date of approval of the report and financial statements that require the Board to deal with any related material internal control issues. The directors confirm that the Board has reviewed the effectiveness of the system of internal control as described during the period.

## **Communication with shareholders**

Communication with shareholders is given a high degree of priority. Extensive information about the group and its activities is given in the Annual Report and Accounts, which are made available to shareholders. Further information is available on the company's website, [www.bisichi.co.uk](http://www.bisichi.co.uk). There is a regular dialogue with institutional investors. Enquiries from individuals on matters relating to their shareholdings and the business of the group are dealt with informatively and promptly.

## **Payment of suppliers**

The company agrees terms of contracts when orders are placed. It is company policy that payments to suppliers are made in accordance with those terms, provided that suppliers also comply with all relevant terms and conditions. Trade creditors outstanding at the year end represented 12.4 days trade purchases (2008 – 2.9 days).

## **Takeover Directive**

The company has one class of share capital, ordinary shares. Each ordinary share carries one vote. All the ordinary shares rank pari passu. There are no securities issued in the company which carry special rights with regard to control of the company. The identity of all significant direct or indirect holders of securities in the company and the size and nature of their holdings is shown in the "Substantial interests" section of this report.

A relationship agreement dated 15 September 2005 (the "Relationship Agreement") was entered into between the company and London & Associated properties PLC ("LAP") in regard to the arrangements between them while LAP is a controlling shareholder of the company. The Relationship Agreement includes a provision under which LAP has agreed to exercise the voting rights attached to the ordinary shares in the company owned by LAP to ensure the independence of the Board of directors of the company.

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Other than the restrictions contained in the Relationship Agreement, there are no restrictions on voting rights or on the transfer of ordinary shares in the company. The rules governing the appointment and replacement of directors, alteration of the articles of association of the company and the powers of the company's directors accord with usual English company law provisions. Each director is re-elected every three years or more frequently. The company has requested authority from its shareholders to buy back its own ordinary shares (Resolution 12 at the AGM).

The company is not party to any significant agreements that take effect, alter or terminate upon a change of control of the company following a takeover bid. The company is not aware of any agreements between holders of its ordinary shares that may result in restrictions on the transfer of its ordinary shares or on voting rights.

There are no agreements between the company and its directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

#### Annual General Meeting

The annual general meeting will be held at the Company's offices at 30-35 Pall Mall, London SW1Y 5LP on 8 June 2010 at 11.00 a.m. Resolutions 1 to 8 will be proposed as ordinary resolutions. More than 50 per cent of shareholders' votes must be in favour for these resolutions to be passed. Resolutions 9 – 12 will be proposed as a special resolutions. At least 75 per cent of shareholders' votes must be in favour for these resolutions to be passed.

The directors consider that all of the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. The board recommends that shareholders vote in favour of all of the resolutions.

#### Disapplication of pre-emption rights

A special resolution will be proposed at the Annual General Meeting in respect of this disapplication of pre-emption rights.

Shares allotted for cash must normally first be offered to shareholders in proportion to their existing shareholdings. The directors will, at the forthcoming Annual General Meeting of the company (Resolution 9), seek power to allot shares as if the pre-emption rights contained in Section 561 of the Companies Act 2006 did not apply up to a maximum of 10% of the company's issued share capital. The authority will expire at the earlier of the conclusion of the company's next annual general meeting and 15 months from the passing of Resolution 9.

#### New Articles of Association (Resolution 10)

We are also asking shareholders to approve a number of amendments to our articles of association primarily to reflect the implementation of the remaining provisions of the Companies Act 2006 in October 2009. An explanation of the main changes between the proposed and the existing articles of association is set out in on page 58 of this document.

#### Notice of General Meetings (Resolution 11)

The Shareholder Rights Directive was implemented in the UK in August 2009. One of the requirements of the Directive is that all general meetings must be held on 21 clear days' notice unless shareholders agree to a shorter notice period. We are proposing a resolution at the AGM so that we can be able to call general meetings (other than annual general meetings) on 14 clear days' notice.

#### Purchase of own Ordinary Shares (Resolution 12)

The effect of Resolution 12 would be to renew the directors' current authority to make limited market purchases of the company's ordinary shares of 10 pence each. The power is limited to a maximum aggregate number of 1,045,150 ordinary shares (representing approximately 10 per cent of the company's issued share capital as at 16 April 2010 (being the latest practicable date prior to publication of this Directors' Report)). The minimum price (exclusive of expenses) which the company would be authorised to pay for each ordinary share would be 10 pence (the nominal value of each ordinary share). The maximum price (again exclusive of expenses) which the company would be authorised to pay for an ordinary share is an amount equal to the higher of (i) 105% of the average market price for an ordinary share for the five business days preceding any such purchase and (ii) the higher of the last independent trade for an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out. The authority conferred by Resolution 12 will expire at the conclusion of the company's next Annual General Meeting to be held in 2011 or 15 months from the passing of the resolution, whichever is the earlier. Any purchases of ordinary shares would be made by means of market purchase through the London Stock Exchange.

If granted, the authority would only be exercised if, in the opinion of the directors, to do so would result in an increase in earnings per share or asset values per share and would be in the best interests of shareholders generally. In exercising the authority to purchase ordinary shares, the directors may treat the shares that have been bought back as either cancelled or held as treasury shares (shares held by the company itself). No dividends may be paid on shares which are held as treasury shares and no voting rights are attached to them.

As at 16 April 2010 (being the latest practicable date prior to the publication of this Directors' Report) the total number of options to subscribe for new ordinary shares in the company as at 31 December 2009 was 718,000 shares representing 6.9% of the company's issued share capital as at 31 December 2009. Such number of options to subscribe for new ordinary shares would represent approximately 6.25% of the reduced issued share capital of the company assuming full use of the authority to make market purchases sought under Resolution 12.

#### Donations

No political or charitable donations were made during the year (2008:Nil).

#### Going concern

The group's business activities, together with the factors likely to affect its future development are set out in the Chairman's Statement on the preceding pages 2 & 3, Mining Review on pages 6 to 11. In addition Note 21 to the financial statements includes the group's treasury policy, interest rate risk, liquidity risk and hedging profile.

The group has considerable financial resources together with long term leases with the majority of the tenants of its property portfolio. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Other matters

PKF (UK) LLP has expressed its willingness to continue in office as auditors. A proposal will be made at the annual general meeting for its re-appointment, and for its remuneration to be determined by the directors.

By order of the board

**M C Stevens,**  
Secretary

30-35 Pall Mall  
London SW1Y 5LP  
16 April 2010

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## remuneration report

#### The remuneration committee is pleased to present its report for the year ended 31 December 2009.

The remuneration committee is a formally constituted committee and is comprised exclusively of non-executive directors. The members of the committee are Christopher Joll (chairman) and John Sibbald.

#### Remuneration policy for executive directors and non-executive directors

The principal function of the remuneration committee is to determine, on behalf of the board, the remuneration and other benefits of the executive directors and senior executives, including pensions, share options and service contracts. The company's policy is to ensure that the executive directors are rewarded competitively in relation to other companies in order to retain and motivate them. The emoluments of each executive director comprises basic salary, a bonus at the discretion of the remuneration committee, provision of a car, premiums paid in respect of individual defined contribution pension arrangements, health insurance premium and share options.

The remuneration of non-executive directors is determined by the board, and takes into account additional remuneration for services outside the scope of the ordinary duties of non-executive directors. No pension costs are incurred on behalf of non-executive directors and they do not participate in the share option schemes.

#### Service and employment contracts

All executive directors have full time contracts of employment with the company. Non-executive directors have contracts of service.

No director has a contract of employment or contract of service with the company, its joint venture or associated companies with a fixed term which exceeds six months. All directors' contracts, as amended from time to time, have run from the date of appointment. Details of the directors standing for re-election are given under 'Directors' in the directors' report. The policy of the committee is not to grant employment contracts or contracts of service in excess of six months and there are no provisions for termination payments.

A summary of terms of service and employment is as follows:

	Start date of contract	Unexpired term	Notice period
<b>Executive directors</b>			
M A Heller	November 1972	Continuous	6 months
A R Heller	January 1994	Continuous	3 months
R J Grobler	April 2008	Continuous	3 months
<b>Non-executive directors</b>			
C A Joll	February 2001	Continuous	3 months
J A Sibbald	October 1988	Continuous	3 months

The following information has been audited:

#### Directors' remuneration

	Salaries and fees £'000	Bonus £'000	Benefits £'000	Total before pensions £'000	Pension contributions £'000	Total 2009 £'000	Total 2008 £'000
<b>Executive directors</b>							
M A Heller	75	75	-	150	-	150	175
A R Heller	300	450	37	787	30	817	961
T M Kearney†	108	-	15	123	11	134	346
R Grobler	149	83	41	273	8	281	203
	632	608	93	1,333	49	1,382	1,685
<b>Non-executive directors</b>							
C A Joll	20	-	-	20	-	20	20
J A Sibbald	2	-	3	5	-	5	5
	22	-	3	25	-	25	25
<b>Total</b>	<b>654</b>	<b>608</b>	<b>96</b>	<b>1,358</b>	<b>49</b>	<b>1,407</b>	<b>1,710</b>

T M Kearney resigned 31 July 2009.



**Pension schemes and incentives**

Three (2008: three) directors have benefits under money purchase pension schemes. Contributions in 2009 were £49,000 (2008: £46,000), see table above. Directors are not entitled to benefits under any bonus or incentive schemes apart from the share option schemes details of which are set out below. Bonuses are awarded by the remuneration committee when merited.

Performance bonuses were awarded by the remuneration committee to three executive directors during 2009 (2008: 4).

**Share option schemes**

The company has three "Unapproved" Share Option Schemes which are not subject to HM Revenue and Customs (HMRC) approval. The "First Scheme" was approved by shareholders on 15 June 1999. The "Second Scheme" was approved by shareholders on 23 June 2005, options having been provisionally granted under it on 23 September 2004, and the "2006 Scheme" was approved by shareholders on 29 June 2006. All available options under the three schemes have been granted.

	Option price*	1 January 2009	Number of share options Options lapsed in 2009	31 December 2009	Exercisable from	Exercisable to
<b>First Scheme</b>						
A R Heller	34p	233,000	-	233,000	30/9/2005	29/9/2012
Employee	34p	80,000	-	80,000	30/9/2005	29/9/2012
<b>Second Scheme</b>						
A R Heller	149p	80,000	-	80,000	23/9/2007	22/9/2014
T M Kearney†	149p	120,000	(120,000)	-	23/9/2007	31/07/2009
<b>The 2006 Scheme</b>						
A R Heller	237.5p	275,000	-	275,000	4/10/2009	3/10/2016
T M Kearney†	237.5p	275,000	(275,000)	-	4/10/2009	31/07/2009
Employee	237.5p	50,000	-	50,000	4/10/2009	3/10/2016

† T M Kearney resigned 31 July 2009.

\* Middle market price at date of grant.

The exercise of options under the Unapproved Share Option Schemes is subject to the satisfaction of objective performance conditions specified by the remuneration committee, which will conform to institutional shareholder guidelines and best practice provisions in force from time to time. The remuneration committee has not yet set these guidelines for the first scheme and the 2006 scheme. The performance conditions for the second scheme, agreed by members on 23 June 2005, requires growth in net assets over a three year period to exceed the growth of the retail prices index by a scale of percentages.

The middle market price of Bisichi Mining PLC ordinary shares at 31 December 2009 was 140p (2008-140p). During the year the share price ranged between 197.5p and 100p.

*The following information is unaudited:*

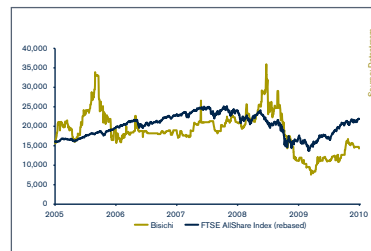
The board's policy is to grant options to executive directors, managers and staff at appropriate times to provide them with an interest in the longer term development of the group.

The following graph illustrates the company's performance compared with a broad equity market index over a five year period. Performance is measured by total shareholder return. The directors have chosen the FTSE All Share - Total Return Index as a suitable index for this comparison as it gives an indication of performance against a large spread of quoted companies.

**C A Joll**

Chairman - remuneration committee

30-35 Pall Mall  
London SW1Y 5LP  
16 April 2010



Total Shareholder Return (2005-2009)

## audit committee report

The committee's terms of reference have been approved by the board and follow published guidelines, which are available from the company secretary. The audit committee comprises the two non-executive directors, Christopher Joll (chairman), an experienced financial PR executive and John Sibbald, a retired chartered accountant.

*The Audit Committee's prime tasks are to :*

Review the scope of external audit, to receive regular reports from PKF (UK) LLP and to review the half-yearly and annual accounts before they are presented to the board, focusing in particular on accounting policies and areas of management judgment and estimation;

Monitor the controls which are in force to ensure the integrity of the information reported to the shareholders; Act as a forum for discussion of internal control issues and contribute to the board's review of the effectiveness of the group's internal control and risk management systems and processes;

Consider each year the need for an internal audit function;

Advise the board on the appointment of external auditors and rotation of the audit partner every five years, and on their remuneration for both audit and non-audit work, and discuss the nature and scope of their audit work;

Undertake a formal assessment of the auditors' independence each year which includes:

- a review of non-audit services provided to the group and related fees;
- discussion with the auditors of a written report detailing all relationships with the company and any other parties that could affect independence or the perception of independence;
- a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and
- obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

**Meetings**

The committee meets prior to the annual audit with the external auditors to discuss the audit plan and again prior to the publication of the annual results. These meetings are attended by the external audit partner, managing director, director of finance and company secretary. Prior to bi-monthly board meetings the members of the committee meet on an informal basis to discuss any relevant matters which may have arisen. Additional formal meetings are held as necessary.

During the past year the committee:

Met with the external auditors, and discussed their report to the Audit Committee;

Approved the publication of annual and half-year financial results;

Considered and approved the annual review of internal controls;

Decided that due to the size and nature of operations there was not a current need for an internal audit function;

Agreed the independence of the auditors and approved their fees for both audit and non-audit services as set out in note 5 to the financial statements.

**External Auditors**

PKF (UK) LLP held office throughout the year. In the United Kingdom the company is provided with extensive administration and accounting services by London & Associated Properties PLC which has its own audit committee and employs a separate firm of external auditors, Baker Tilly UK Audit LLP. In South Africa PKF (Jhb) Inc. is the external auditor to the South African companies, and the work of that firm is reviewed by PKF (UK) LLP.

**C A Joll**

Chairman - audit committee

30-35 Pall Mall  
London SW1Y 5LP  
16 April 2010



## valuers' certificates

### To the directors of Bisichi Mining PLC

In accordance with your instructions we have carried out a valuation of the freehold property interests held as at 31 December 2009 by the company as detailed in our Valuation Report dated 24 February 2010.

Having regard to the foregoing, we are of the opinion that the open market value as at 31 December 2009 of the interests owned by the Company was £8,865,000 being made up as follows:

	£000
Freehold	8,673
	<b>8,865</b>
Leeds	<b>BNP Paribas Real Estate</b>
24 February 2009	

### To the directors of Bisichi Mining PLC

In accordance with your instructions we have carried out a valuation of the leasehold property interests held as at 31 December 2009 by the company as detailed in our Valuation Report dated 1 March 2010.

Having regard to the foregoing, we are of the opinion that the open market value as at 31 December 2009 of the interests owned by the Company was £3,000,000 being made up as follows:

	£000
Leasehold	3,000
	<b>3,000</b>
Leeds	<b>Carter Towler</b>
1 March 2010	Chartered Surveyors

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## statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the annual report includes information required by the Listing Rules of the Financial Services Authority.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state in the parent company financial statements whether applicable accounting standards have been followed;
- subject to any material departures disclosed and explained in the parent company financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

The directors confirm, to the best of their knowledge:

- (a) that the financial statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and of the group taken as a whole; and
- (b) the management report included within the Directors' Report includes a fair review of the development and performance of the business and the position of the company and the group taken as a whole, together with a description of the principal risks and uncertainties that they face.

## independent auditors' report

TO THE MEMBERS OF BISICHI MINING PLC

We have audited the financial statements of Bisichi Mining PLC for the year ended 31 December 2009 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and parent company balance sheets the consolidated statement of changes in shareholders' equity, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial accounting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)..

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion;

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 29, in relation to going concern; and
- the part of the corporate governance statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

### Stuart Barnsdall (Senior statutory auditor)

for and on behalf of PKF (UK) LLP,

Statutory auditors  
London, UK  
April 2009

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## consolidated income statement

for the year ended 31 December 2009

	Notes	2009 Trading £'000	Revaluations £'000	2008 Total £'000	£'000
<b>Group Revenue</b>	1	<b>29,016</b>	-	<b>29,016</b>	25,979
Operating costs	2	(24,616)	-	(24,616)	(19,754)
<b>Operating profit before fair value adjustments</b>	1	<b>4,400</b>	-	<b>4,400</b>	6,225
Increase/(decrease) in value of investment properties	3	-	67	67	(3075)
Gains/(losses) on held for trading investments		288	137	425	(534)
<b>Operating profit before fair value adjustments</b>	1	<b>4,688</b>	<b>204</b>	<b>4892</b>	2,616
Share of profit/(loss) in joint ventures	13	-	101	101	(305)
<b>Profit before interest and taxation</b>		<b>4,688</b>	<b>305</b>	<b>4,993</b>	2,311
Interest receivable		226	-	226	345
Interest payable	6	(216)	-	(216)	(539)
<b>Profit before tax</b>	4	<b>4,698</b>	<b>305</b>	<b>5,003</b>	2,117
Taxation	7	(1,427)	97	(1,330)	(1,811)
<b>Profit for the year</b>		<b>3,271</b>	<b>402</b>	<b>3,673</b>	306
Attributable to:					
Equity holders of the company		3,271	402	3,673	302
Minority interest		-	-	-	4
<b>Profit for the year</b>		<b>3,271</b>	<b>402</b>	<b>3,673</b>	306
Earnings per share – basic	9	28.54p	6.60p	35.14p	2.89p
Earnings per share – diluted	9	27.90p	6.45p	34.35p	2.83p

Trading income reflects all the trading activity on mining and property operations. Revaluation income reflects the revaluation of investment properties and other assets within the group and any proportion of these amounts within Joint Ventures. The total column represents the consolidated income statement presented in accordance with IAS 1.

## consolidated statement of comprehensive income

at 31 December 2009

	2009 £'000	2008 £'000
<b>Profit for the year</b>	<b>3,673</b>	306
<b>Other comprehensive income:</b>		
Exchange differences on translation of foreign operations	530	61
Taxation	-	-
<b>Other comprehensive income for the year net of tax</b>	<b>4,203</b>	367
<b>Total comprehensive income for the year net of tax</b>	<b>4,203</b>	367
<b>Attributable to:</b>		
Equity shareholders	4,203	363
Minority interest	-	4
	<b>4,203</b>	367

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## consolidated balance sheet

at 31 December 2009

	Notes	2009 £'000	2008 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Value of investment properties	10	11,865	11,773
Fair value of head lease		246	234
		<b>12,111</b>	12,007
Mining reserves, plant and equipment	11	8,057	7,554
Investments in joint ventures	12	3,259	3,072
Other Investments	12	496	334
<b>Total non-current assets</b>		<b>23,923</b>	22,967
<b>Current assets</b>			
Inventories	15	1,139	1,397
Trade and other receivables	16	2,060	5,524
Corporation tax recoverable		19	15
Held for trading investments	17	510	627
Cash and cash equivalents		6,609	3,414
<b>Total current assets</b>		<b>10,337</b>	10,977
<b>Total assets</b>		<b>34,260</b>	33,944
<b>Liabilities</b>			
<b>Current liabilities</b>			
Borrowings	19	(4,593)	(6,877)
Trade and other payables	18	(5,571)	(5,805)
Current tax liabilities		(260)	(1,645)
<b>Total current liabilities</b>		<b>(10,424)</b>	(14,327)
<b>Non current liabilities</b>			
Borrowings	19	(533)	(541)
Provision for rehabilitation	20	(772)	(571)
Finance lease liabilities	29	(246)	(234)
Deferred tax liabilities	22	(2,985)	(2,625)
<b>Total non current liabilities</b>		<b>(4,536)</b>	(3,971)
<b>Total liabilities</b>		<b>(14,960)</b>	(18,298)
<b>Net assets</b>		<b>19,300</b>	15,646
<b>Equity</b>			
Share capital	23	1,045	1,045
Translation reserve		(685)	(1,215)
Other reserves	24	480	663
Retained earnings		18,460	15,153
<b>Total equity attributable to equity shareholders</b>		<b>19,300</b>	15,646

These financial statements were approved and authorised for issue by the board of directors on 17 April 2010 and signed on its behalf by:

**M A Heller**  
Director

**A R Heller**  
Director



## consolidated statement of changes in shareholders' equity

for the year ended 31 December 2009

	Share capital £'000	Translation reserves £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2008	1,045	(1,276)	426	15,164	15,359
Revaluation of investment properties	-	-	-	(3,075)	(3,075)
Movement on fair value of derivatives	-	-	-	16	16
Other income statement movements	-	-	-	3,361	3,361
Profit for the year	-	-	-	302	302
Exchange adjustment	-	61	-	-	61
Total comprehensive income for the year	-	61	-	302	363
Dividend	-	-	-	(313)	(313)
Equity share options	-	-	237	-	237
<b>Balance at 1 January 2009</b>	<b>1,045</b>	<b>(1,215)</b>	<b>663</b>	<b>15,153</b>	<b>15,646</b>
Revaluation of investment properties	-	-	-	67	67
Other income statement movements	-	-	-	3,606	3,606
Profit for the year	-	-	-	3,673	3,673
Exchange adjustment	-	530	-	-	530
Total comprehensive income for the year	-	530	-	3,673	4,203
Dividend	-	-	-	(366)	(366)
Equity share options	-	-	(183)	-	(183)
<b>Balance at 31 December 2009</b>	<b>1,045</b>	<b>(685)</b>	<b>480</b>	<b>18,460</b>	<b>19,300</b>

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## consolidated cash flow statement

for the year ended 31 December 2009

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
<b>Cash flows from operating activities</b>		
Operating profit	4,892	2,616
Adjustments for:		
Depreciation	2,541	2,072
Share based payment expense	(183)	237
(Gain) / loss on investment held for trading	(425)	534
Unrealised (gain) / loss on investment properties	(67)	3,075
<b>Cash flow before working capital</b>	<b>6,758</b>	<b>8,534</b>
Change in inventories	258	(1,271)
Change in trade and other receivables	4,042	(4,134)
Change in trade and other payables	(1,478)	636
Change in provisions	201	571
Acquisitions of held for trading investments	(75)	(334)
Proceeds from held for trading investments	617	12
<b>Cash generated from operations</b>	<b>10,323</b>	<b>4,014</b>
Interest received	226	345
Interest paid	(216)	(539)
Income tax paid	(2,359)	(866)
<b>Cash flow from operating activities</b>	<b>7,974</b>	<b>2,954</b>
<b>Cash flows from investing activities</b>		
Acquisition of reserves, plant and equipment	(2,087)	(3,941)
Proceeds from sale of investment properties, reserves, plant and equipment	-	58
Acquisitions of investments	(136)	(420)
<b>Cash flow from investing activities</b>	<b>(2,223)</b>	<b>(4,303)</b>
<b>Cash flows from financing activities</b>		
Borrowings drawn	406	847
Borrowings repaid	(700)	(546)
Equity dividends paid	(366)	(313)
<b>Cash flow from financing activities</b>	<b>(660)</b>	<b>(12)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>5,091</b>	<b>(1,361)</b>
Cash and cash equivalents at 1 January	(116)	1,244
Exchange adjustment	102	1
<b>Cash and cash equivalents at 31 December</b>	<b>5,077</b>	<b>(116)</b>
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents as presented in the balance sheet	6,609	3,414
Bank overdrafts (secured)	(1,532)	(3,530)
	<b>5,077</b>	<b>(116)</b>

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# group accounting policies

for the year ended 31 December 2009

## Basis of accounting

The results for the year ended 31 December 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The principal accounting policies are described below:

The group financial statements are presented in £ sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise stated.

## International Accounting Standards (IAS/IFRS)

The financial statements are prepared in accordance with International Financial Reporting Standards and Interpretations in force at the reporting date.

During 2009 the following accounting standards and guidance were adopted by the group:

- IAS 1 (Revised) Presentation of Financial Statements. The revised standard has changed the way the group's primary financial statements have been presented. The revision required information to be aggregated on the basis of shared characteristics and introduced a "statement of comprehensive income" to enable readers to analyse changes in an entity's equity resulting from transactions with owners separately from "non-owner" changes. Comparative information has been re-presented so that it also is in conformity with the revised standard.
- IFRS 7 (Amendment) Financial Instruments: Disclosures. The amendment introduced a three-level hierarchy for fair value measurement disclosures and required entities to provide additional disclosures about the relative reliability of those fair valued instruments. In addition the amendment clarified and enhanced liquidity risk disclosure requirements to enable users to better evaluate the nature and extent of liquidity risk arising from financial instruments and how the entity managed risk. The group has provided these additional disclosures in the notes to the financial statements.
- IFRS 8 Operating Segments. IFRS 8 replaced IAS 14 and requires operating segments to be identified on the basis of internal reports about components that are regularly reviewed by the board. The new standard has not significantly impacted the way management reports segmental information as this is the basis on which the group is organised and managed.

During 2009 the following standards and interpretations were adopted by the group and were mandatory for the accounting period, but either had no material impact on the group's financial statements or were not relevant to the operations of the group:

- IFRS 1 (Amendment) First time adoption of IFRS
- IFRS 2 (Amendment) Share-based payment
- IAS 23 (Amendment) Borrowing Costs.
- IAS 27 (Amendment) Consolidated and Separate Financial Statements
- IAS 32 (Amendment) Financial Instruments Presentation
- IAS 39 and IFRS 7 (Amendment) Financial Instruments Recognition and Measurement
- IAS 40 (Amendment) Investment Property
- IFRIC 9 (amendment) Financial instruments: Recognition and measurement, and Reassessment of embedded derivatives
- IFRIC 13 Customer loyalty programmes
- IFRIC 15 Agreements for the construction of real estate
- IFRIC 16 Hedges of a net investment in a foreign operation

The group has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that adoption of standards or interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements.

Of these standards:

- IAS 27 (Amendment) Consolidated and separate financial statements would impact only on the presentation of these financial statements.
- IFRS 3 (Revised) "Business combinations" would only have an impact on future business combinations.

## Key Judgements and Estimates

The directors consider their judgements and estimates surrounding the life of the mine and its reserves to have the most significant effect on the amounts recognised in the financial statements and to be the area where the financial statements are at most risk of a material adjustment due to estimation uncertainty.

In addition the directors note that other areas, in particular the valuation of the investment properties, are considered to be less judgemental due to the nature of the underlying properties and the use of external valuers.

## Basis of consolidation

The group accounts incorporate the accounts of Bisichi Mining Plc and all of its subsidiary undertakings, together with the group's share of the results of its joint ventures and associates.

## Revenue

Revenue comprises sales of coal and property rental income. Revenue is recognised when delivery of the product or service has been made and when the customer has a legally binding obligation to settle under the terms of the contract and has assumed all significant risks and rewards of ownership.

Revenue is only recognised on individual sales when all of the significant risks and rewards of ownership have been transferred to a third party. In most instances revenue is recognised when the product is delivered to the location specified by the customer, which is typically when loaded into transport, where the customer pays the transportation costs.

Rental income is recognised in the group income statement on a straight-line basis over the term of the lease. This includes the effect of lease incentives.

## Investment Properties

Investment properties comprise freehold and long leasehold land and buildings. Investment properties are carried at fair value in accordance with IAS 40 'Investment Properties'. Properties are recognised as investment properties when held for long-term rental yields, and after consideration has been given to a number of factors including length of lease, quality of tenant and covenant, value of lease, management intention for future use of property, planning consents and percentage of property leased. Investment properties are revalued annually by professional external surveyors and included in the balance sheet at their fair value. Gains or losses arising from changes in the fair values of assets are recognised in the consolidated income statement in the period to which they relate. In accordance with IAS 40, investment properties are not depreciated. Properties held for use in the business or in the course of restoration, renovation or held for development or sale, are not recognised as investment properties and are held at depreciated historical cost.

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The fair value of the head leases is the net present value of the current head rent payable on leasehold properties until the expiry of the lease.

## Mining reserves, plant and equipment

The cost of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in accordance with agreed specifications. Freehold land is not depreciated. Other property, plant and equipment is stated at historical cost less accumulated depreciation.

The life of mine remaining as at year end is currently estimated at 5 years. A provision for rehabilitation of the mine is carried at fair value and is provided for over the life of mine. The provision includes the restoration of the underground, opencast and surface operations and is estimated to be utilised at the end of the life of mine of the group.

## Mine reserves and development cost

The purpose of mine development is to establish secure working conditions and infrastructure to allow the safe and efficient extraction of recoverable reserves. Depreciation on mine development is not charged until production commences or the assets are put to use. On commencement of full production, depreciation is charged over the life of the mine on a straight-line basis.

## Surface mine development

Expenditure incurred prior to the commencement of working surface mine sites, net of any residual value and taking into account the likelihood of the site being mined, is capitalised within property, plant and equipment and charged to the income statement over the life of the recoverable reserves of the scheme.

## Other assets

The cost, less estimated residual value, of other property, plant and equipment is written off on a straight-line basis over the asset's expected useful life. Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Changes to the estimated residual values or useful lives are accounted for prospectively. Heavy surface mining and other plant and equipment is depreciated at varying rates depending upon its expected usage.

The depreciation rates generally applied are:

Mining equipment	The shorter of its useful life or the life of the mine
Mining reserves	Over the expected life of the reserves
Motor vehicles	25-33 per cent per annum
Office equipment	10-33 per cent per annum

## Employee Benefits

### Share based remuneration

The company operates a share option scheme. The fair value of the share option scheme is determined at the date of grant. This fair value is then expensed on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. The fair value of options granted is calculated using a binomial model. Details of the share options in issue are disclosed in the Directors Remuneration Report.

### Pensions

The group operates a defined contribution pension scheme. The contributions payable to the scheme are expensed in the period to which they relate.

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## Foreign Currencies

Monetary assets and liabilities are translated at year end exchange rates and the resulting exchange rate differences are included in the consolidated income statement within the results of operating activities if arising from trading activities and within finance cost/income if arising from financing.

For consolidation purposes, income and expense items are included in the consolidated income statement at average rates, and assets and liabilities are translated at year end exchange rates. Translation differences arising on consolidation are taken directly to reserves. Where foreign operations are disposed of, the cumulative exchange differences of that foreign operation are recognised in the consolidated income statement when the gain or loss on disposal is recognised.

Transactions in foreign currencies are translated at the exchange rate ruling on transaction date.

## Financial Instruments

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.

### Bank loans and overdrafts

Bank loans and overdrafts are included as financial liabilities on the group balance sheet at the amounts drawn on the particular facilities net of the unamortised cost of financing. Interest payable on those facilities is expensed as finance cost in the period to which it relates.

### Finance lease liabilities

Finance lease liabilities arise for those investment properties held under a leasehold interest and accounted for as investment property. The liability is initially calculated as the present value of the minimum lease payments, reducing in subsequent reporting periods by the apportionment of payments to the lessor.

### Interest rate derivatives

The group uses derivative financial instruments to manage the interest rate risk associated with the financing of the group's business. No trading in such financial instruments is undertaken. At each reporting date, these interest rate derivatives are recognised at fair value, being the estimated amount that the group would receive or pay to terminate the agreement at the balance sheet date, taking into account current interest rates and the current credit rating of the counterparties. The gain or loss at each fair value re-measurement is recognised immediately in the income statement.

### Held for trading investments

Financial assets/liabilities held for trading or short-term gain are measured at fair value and movements in fair value are charged/credited to the income statement in the period.

### Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated recoverable amounts as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

### Trade payables

Trade payables are not interest bearing and are stated at their nominal value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.



**Other Financial assets and liabilities**

The groups other financial assets and liabilities not disclosed above are fair valued as shown below.

**Financial assets:**

- Cash and cash equivalents are measured at cash value.
- Other receivables at amount owed
- Other loans receivable at amount owed

**Finance liabilities:**

- Other payables at amount owing

**Joint Ventures**

Investments in joint ventures, being those entities over whose activities the group has joint control, as established by contractual agreement, are included at cost together with the group's share of post acquisition reserves, on an equity basis.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and overheads relevant to the stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

**Other Investments**

Other investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised at cost less any provision for impairment.

**Impairment**

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less cost to sell and value in use) if that is less than the asset's carrying amount.

**Deferred Tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the tax computations, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. In respect of the deferred tax on the revaluation surplus, this is calculated on the basis of the chargeable gains that would crystallise on the sale of the investment portfolio as at the reporting date. The calculation takes account of indexation on the historical cost of the properties and any available capital losses.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the group income statement, except when it relates to items charged or credited directly to equity, in which case it is also dealt with in equity.

**Dividends**

Dividends payable on the ordinary share capital are recognised as a liability in the period in which they are approved.

**Cash and Cash Equivalents**

Cash comprises cash in hand and on-demand deposits. Cash and cash equivalents comprises short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and original maturities of three months or less. The cash and cash equivalents shown in the cashflow statement are stated net of bank overdrafts.

**Segmental Reporting**

For management reporting purposes, the group is organised into business segments distinguishable by economic activity. The group's only business segments are mining activities and investment properties. These business segments are subject to risks and returns that are different from those of other business segments and are the primary basis on which the group reports its segment information. This is consistent with the way the group is managed and with the format of the group's internal financial reporting. Significant revenue from transactions with an individual customer, which makes up 10 percent or more of the total revenue of the group, is separately disclosed within each segment.

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# notes to the financial statements

for the year ended 31 December 2009

**1. Segmental reporting**

	2009			
	Mining £'000	Property £'000	Other £'000	Total £'000
<b>Business analysis</b>				
Significant revenue customer A	10,524	-	-	10,524
Significant revenue customer B	6,991	-	-	6,991
Significant revenue customer C	3,747	-	-	3,747
Other Revenue	6,544	1,005	205	7,754
<b>Segment revenue</b>	<b>27,806</b>	<b>1,005</b>	<b>205</b>	<b>29,016</b>
Operating profit before adjustments	3,873	621	(94)	4,400
Revaluation of investments	-	67	425	492
<b>Operating profit and segment result</b>	<b>3,873</b>	<b>688</b>	<b>331</b>	<b>4,892</b>
<b>Segment assets</b>	<b>11,587</b>	<b>12,236</b>	<b>509</b>	<b>24,332</b>
<b>Unallocated assets</b>				
- Fixed assets				60
- Cash & cash equivalents				6,609
<b>Total assets</b>				<b>31,001</b>
Segment liabilities	(5,568)	(2,736)	(117)	(8,421)
Borrowings	(894)	(2,700)	-	(3,594)
	(6,462)	(5,436)	(117)	(12,015)
Unallocated liabilities				(2,945)
<b>Total liabilities</b>				<b>(14,960)</b>
<b>Net assets</b>				<b>16,041</b>
Investment in joint ventures non segmental				3,259
<b>Net assets as per balance sheet</b>				<b>19,300</b>

	United Kingdom £'000	South Africa £'000	Other £'000	Unallocated £'000	Total £'000
<b>Geographic analysis</b>					
Revenue	1,210	27,806	-	-	29,016
Operating profit and segment result	1,019	3,873	-	-	4,892
Segment non-current assets excluding investments	12,111	7,999	-	60	20,170
Total net assets	7,151	5,112	55	3,723	16,041
Capital expenditure	25	2,062	-	-	2,087

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## 1. Segmental reporting continued

	Mining £'000	Property £'000	Other £'000	Total £'000
<b>Business analysis</b>				
Significant revenue customer A	6,095	-	-	6,095
Significant revenue customer B	6,035	-	-	6,035
Significant revenue customer C	4,680	-	-	4,680
Other Revenue	8,101	1,032	36	9,169
<b>Segment revenue</b>	<b>24,911</b>	<b>1,032</b>	<b>36</b>	<b>25,979</b>
Operating profit before adjustments	5,573	599	53	6,225
Revaluation of investments	-	(3,075)	(534)	(3,609)
<b>Operating profit and segment result</b>	<b>5,573</b>	<b>(2,476)</b>	<b>(481)</b>	<b>2,616</b>
<b>Segment assets</b>	<b>15,199</b>	<b>11,408</b>	<b>752</b>	<b>27,359</b>
<b>Unallocated assets</b>				
- Fixed assets				99
- Cash & cash equivalents				3,414
<b>Total assets</b>				<b>30,872</b>
Segment liabilities	(4,461)	(3,230)	(2)	(7,693)
Borrowings	(889)	(3,000)	-	(3,889)
	(5,350)	(6,230)	(2)	(11,582)
<b>Unallocated liabilities</b>				<b>(6,716)</b>
<b>Total liabilities</b>				<b>(18,298)</b>
<b>Net assets</b>				<b>12,574</b>
Investment in joint ventures non segmental				3,072
<b>Net assets as per balance sheet</b>				<b>15,646</b>

	United Kingdom £'000	South Africa £'000	Other £'000	Unallocated £'000	Total £'000
<b>Geographic analysis</b>					
Segment revenue	1,068	24,911	-	-	25,979
Operating (loss)/profit and segment result	(2,957)	5,573	-	-	2,616
Segment non-current assets excluding investments	12,007	7,455	-	99	19,561
Total net assets	6,661	9,162	(46)	(3,203)	12,574
Capital expenditure	153	3,788	-	-	3,941

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## 2. Operating costs

	2009 £'000	2008 £'000
Mining	16,462	12,457
Property	81	70
Share dealing	-	7
Cost of sales	16,543	12,534
Administration	8,073	7,220
<b>Operating costs</b>	<b>24,616</b>	<b>19,754</b>
The direct property costs are:		
Ground rent	15	15
Direct property expense	63	50
Bad debts	3	5
	81	70

## 3. Gain / (loss) on revaluation and sale of investment properties

The reconciliation of the investment surplus to the gain on revaluation of investment properties in the income statement is set out below:

	2009 £'000	2008 £'000
Investment surplus	55	(3,042)
Loss/(gain) on valuation movement in respect of head lease payments	12	(33)
<b>Gain/(loss) on revaluation of investment properties</b>	<b>67</b>	<b>(3,075)</b>

## 4. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	2009 £'000	2008 £'000
Staff costs (see note 27)	6,661	7,616
Depreciation	2,541	2,072
Exchange (gain) / loss	(237)	144
Fees payable to the company's auditor for the audit of the company's annual accounts	45	43
Fees payable to the company's auditor and its associates for other services:		
The audit of the company's subsidiaries, pursuant to legislation	28	19
Other services	1	1

The directors consider the auditors were best placed to provide the above non-audit services.  
The audit committee reviews the nature and extent of non-audit services to ensure that independence is maintained.

## 5. Director's emoluments

Director's emoluments are shown in the Director's remuneration report on page 26 under the heading Director's remuneration which is within the audited part of this report.

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## 6. Interest payable

	2009 £'000	2008 £'000
On bank overdrafts and bank loans	94	176
Other interest payable	122	347
Hedging	-	16
<b>Interest payable</b>	<b>216</b>	<b>539</b>

## 7. Taxation

	2009 £'000	2008 £'000
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(a) Based on the results for the year:

Corporation tax at 28% (2008: 28.5%)	1,203	2,075
Adjustment in respect of prior years – UK	-	142
Current tax	1,203	2,217
Deferred tax – current year	127	(406)
<b>Total tax in income statement</b>	<b>1,330</b>	<b>1,811</b>

(b) Factors affecting tax charge for the year:

The corporation tax assessed for the year is different from that at the standard rate of corporation tax in the United Kingdom of 28% (2008: 28.5%)

The differences are explained below:

Profit on ordinary activities before taxation	5,003	2,117
Tax on profit on ordinary activities at 28% (2008: 28.5%)	1,401	603
Effects of:		
Expenses not deductible for tax purposes	67	298
Capital gains in excess of profit on disposal	-	283
Other differences	(119)	63
Deferred tax assets not recognised	-	328
Adjustment to smaller companies rates	(19)	(31)
Adjustment in respect of prior years	-	267
<b>Total tax</b>	<b>1,330</b>	<b>1,811</b>

(c) Analysis of United Kingdom and Overseas tax

United Kingdom tax included in above:

Adjustment in respect of prior years	-	142
Current tax	-	142
Deferred tax	242	(1,150)
	<b>242</b>	<b>(1,008)</b>

Overseas tax included in above:

Corporation tax	1,203	2,075
Adjustment in respect of prior years	-	-
Current tax	1,203	2,075
Deferred tax	(115)	744
	<b>1,088</b>	<b>2819</b>

Factors that may affect future tax charges:

Based on current capital expenditure plans, the group expects to continue to be able to claim capital allowances in excess of depreciation in future years.

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## 8. Dividends paid

	2009 Per share	2009 £'000	2008 Per share	2008 £'000
Dividends paid during the year relating to the prior period	3.50p	366	3.00p	313
Dividends to be paid:				
Interim dividend for 2009 paid on the 5 February 2010	1.00 p	105	-	-
Proposed final dividend for 2009	3.50 p	366	3.50p	366
	<b>4.50 p</b>	<b>471</b>	<b>3.50p</b>	<b>366</b>

The dividends to be paid are not accounted for until they have been approved at the Annual General Meeting. The amount will be accounted for as an appropriation of retained earnings in the year ending 31 December 2010.

## 9. Earnings and diluted earnings per share

Both the basic and diluted earnings per share calculations are based on a profit of £3,673,000 (2008: profit £302,000). The basic earnings per share have been calculated on 10,451,506 (2008: 10,451,506) ordinary shares being in issue during the period. The diluted earnings per share have been calculated on the number of shares in issue of 10,451,506 (2008: 10,451,506) plus the dilutive potential ordinary shares arising from share options of 241,313 (2008: 236,986) totalling 10,692,819 (2008: 10,688,492).

## 10. Investment properties

	Freehold £'000	Long Leasehold £'000	Total £'000
Valuation at 1 January 2009	8,673	3,100	11,773
Additions	25	-	25
Revaluation	167	(100)	67
<b>Valuation at 31 December 2009</b>	<b>8,865</b>	<b>3,000</b>	<b>11,865</b>
Valuation at 1 January 2008	11,075	3,650	14,725
Additions	123	-	123
Revaluation	(2,525)	(550)	(3,075)
<b>Valuation at 31 December 2008</b>	<b>8,673</b>	<b>3,100</b>	<b>11,773</b>

Historical cost

<b>At 31 December 2009</b>	<b>4,801</b>	<b>728</b>	<b>5,529</b>
At 31 December 2008	4,776	728	5,504

Long leasehold properties are those for which the unexpired term at the balance sheet date is not less than 50 years. All investment properties are held for use in operating leases and all properties generated rental income during the period.

Freehold and Long Leasehold properties were externally professionally valued at 31 December 2009 on an open market basis by:

	£'000
BNP Paribas Real Estate	8,865
Carter Towler LLP, Chartered Surveyors	3,000
	<b>11,865</b>

The valuations were carried out in accordance with the Statements of Asset Valuation and Guidance Notes published by The Royal Institution of Chartered Surveyors.

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### 11. Mining reserves, plant and equipment

	Mining Reserves £'000	Mining equipment £'000	Motor Vehicles £'000	Office equipment £'000	Total £'000
Cost at 1 January 2009	1,705	11,360	346	103	13,514
Exchange adjustment	225	1,500	23	7	1,755
Additions	-	2,000	50	12	2,062
Disposals	(19)	(2,279)	(32)	(3)	(2,333)
<b>Cost at 31 December 2009</b>	<b>1,911</b>	<b>12,581</b>	<b>387</b>	<b>119</b>	<b>14,998</b>
Accumulated depreciation at 1 January 2009	1,151	4,523	232	54	5,960
Exchange adjustment	156	593	21	3	773
Charge for the year	119	2,358	50	14	2,541
Disposals in year	(19)	(2,279)	(32)	(3)	(2,333)
<b>Accumulated depreciation at 31 December 2009</b>	<b>1,407</b>	<b>5,195</b>	<b>271</b>	<b>68</b>	<b>6,941</b>
<b>Net book value at 31 December 2009</b>	<b>504</b>	<b>7,386</b>	<b>116</b>	<b>51</b>	<b>8,057</b>
<b>Cost at 1 January 2008</b>	<b>1,703</b>	<b>7,577</b>	<b>579</b>	<b>80</b>	<b>9,939</b>
Exchange adjustment	2	9	-	-	11
Additions	-	3,774	21	23	3,818
Disposals	-	-	(254)	-	(254)
<b>Cost at 31 December 2008</b>	<b>1,705</b>	<b>11,360</b>	<b>346</b>	<b>103</b>	<b>13,514</b>
Accumulated depreciation at 1 January 2008	869	2,812	359	40	4,080
Exchange adjustment	1	3	-	-	4
Charge for the year	281	1,708	69	14	2,072
Disposals in year	-	-	(196)	-	(196)
<b>Accumulated depreciation at 31 December 2008</b>	<b>1,151</b>	<b>4,523</b>	<b>232</b>	<b>54</b>	<b>5,960</b>
<b>Net book value at 31 December 2008</b>	<b>554</b>	<b>6,837</b>	<b>114</b>	<b>49</b>	<b>7,554</b>

### 12. Investments held as non-current assets

	Joint Ventures Assets £'000	£'000	Ventures Assets £'000	£'000
At 1 January	2,363	617	1,921	684
Additions	-	-	-	-
Transfer	(121)	137	747	(67)
Exchange adjustment	-	25	-	-
Share of gain/(loss) in joint ventures	101	-	(305)	-
<b>Net assets at 31 December</b>	<b>2,343</b>	<b>779</b>	<b>2,363</b>	<b>617</b>
Loan to joint venture:				
At 1 January	709	-	599	-
Additions	207	-	110	-
<b>At 31 December</b>	<b>916</b>	<b>-</b>	<b>709</b>	<b>-</b>
<b>At 31 December</b>	<b>3,259</b>	<b>779</b>	<b>3,072</b>	<b>617</b>
Provision for diminution in value:				
At 1 January	-	(283)	-	(213)
Write down of investment	-	-	-	(70)
<b>At 31 December</b>	<b>-</b>	<b>(283)</b>	<b>-</b>	<b>(283)</b>
<b>Net book value at 31 December</b>	<b>3,259</b>	<b>496</b>	<b>3,072</b>	<b>334</b>
Included in other investments are:		2009		2008
		£'000		£'000
Net book value of unquoted investments		133		133
Rehabilitation fund		348		186
Net book value of investments listed on overseas Stock Exchanges		15		15
		496		334
Market value of the overseas listed investments		15		35

### 13. Joint ventures

The company owns 50% of the issued share capital of Dragon Retail Properties Limited, an unlisted property investment company. The remaining 50% is held by London & Associated Properties PLC. Dragon Retail Properties Limited is incorporated in England and Wales. It has issued share capital of 500,000 (2008: 500,000) ordinary shares of £1 each.

The company owns 49% of the issued share capital of Ezimbokodweni Mining (pty) Limited, an unlisted prospective coal production company. The company is incorporated in South Africa. It has issued share capital of 100 (2008: 100) ordinary shares of ZAR1 each.

	Ezimbokodweni 49% £'000	Dragon 50% £'000	2009 £'000	2008 £'000
Turnover	-	101	101	101
Profit and loss	-	101	101	(304)
Loss before tax	-	-	-	(1)
Taxation	-	-	-	(1)
<b>Profit/(Loss) after taxation</b>	<b>-</b>	<b>101</b>	<b>101</b>	<b>(305)</b>
Balance sheet				
Non-current assets	916	1,515	2,431	2,095
Current assets	-	1,311	1,311	1,624
Current liabilities	(916)	(1,036)	(1,952)	(1,938)
Non-current liabilities	-	(130)	(130)	(101)
<b>Share of net assets at 31 December</b>	<b>-</b>	<b>1,660</b>	<b>1,660</b>	<b>1,680</b>

### 14. Subsidiary companies

The company owns the following ordinary share capital of the principal subsidiaries which are included within the consolidated financial statements:

	Activity	Percentage of share capital	Country of incorporation
Mineral Products Limited	Share dealing	100%	England and Wales
Black Wattle Colliery (pty) Limited	Coal mining	100%	South Africa
Bisichi Coal Mining (pty) Limited	Coal mining	100%	South Africa
Bisichi Mining (Exploration) Limited	Holding company	100%	England and Wales
Ninghi Marketing Limited	Dormant	90.1%	England and Wales

### 15. Inventories

	2009 £'000	2008 £'000
Coal		
Washed	1,048	1,284
Run of mine	57	83
Other	34	30
	1,139	1,397

### 16. Trade and other receivables

	2009 £'000	2008 £'000
Amounts falling due within one year:		
Trade receivables	1,875	5,392
Other receivables	98	76
Prepayments and accrued income	87	56
	2,060	5,524



## 17. Held for trading investments

	2009 £'000	2008 £'000
<b>Market value of Listed Investments:</b>		
Listed in Great Britain	448	582
Listed outside Great Britain	62	45
	510	627
Original cost of Listed Investments	452	814
Unrealised surplus/(deficit) of market value over/(under) cost	58	(187)

## 18. Trade and other payables

	2009 £'000	2008 £'000
Trade payables	1,004	852
Amounts owed to Joint ventures	1,165	1,551
Other payables	569	528
Accruals and deferred income	2,833	2,874
	5,571	5,805

## 19. Financial liabilities - borrowings

	Current		Non-current	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Bank overdraft (secured)	1,532	3,530	-	-
Bank loan (secured)	3,061	3,347	533	541
	4,593	6,877	533	541
	2009 £'000	2008 £'000		
Bank overdraft and loan instalments by reference to the balance sheet date:				
Within one year	4,593	6,877		
From one to two years	533	334		
From two to five years	-	207		
	5,126	7,418		
Bank overdraft and loan analysis by origin:				
United Kingdom	2,700	6,042		
Southern Africa	2,426	1,376		
	5,126	7,418		

The United Kingdom bank loans and overdraft are secured by way of a first charge over the investment properties in the UK which are included in the financial statements at a value of £11,865,000. The South African bank loans are secured by way of a first charge over specific pieces of mining equipment and the debtors of the relevant company which holds the loan which are included in the financial statements at a value of £3,455,000.

Consistently with others in the mining and property industry, the group monitors its capital by its gearing levels. This is calculated as the net debt (loans less cash and cash equivalents) as a percentage of the equity. During 2009 this decreased to nil (2008: 25.6%) which was calculated as follows:

	2009 £'000	2008 £'000
Total debt	5,126	7,418
Less cash and cash equivalents	(6,609)	(3,414)
<b>Net debt</b>	<b>(1,483)</b>	<b>4,004</b>
<b>Total equity</b>	<b>19,300</b>	<b>15,636</b>
<b>Gearing</b>	<b>-</b>	<b>25.6%</b>

## 20. Provision for rehabilitation

	2009 £'000	2008 £'000
As at 1 January	571	-
Transfer	-	99
Additions	201	472
As at 31 December	772	571

## 21. Financial instruments

### Treasury policy

The group enters into derivative transactions such as interest rate swaps and forward exchange contracts in order to help manage the financial risks arising from the group's activities. The main risks arising from the group's financing structure are interest rate risk, liquidity risk, market risk, credit risk, currency risk and commodity price risk. The policies for managing each of these risks and the principal effects of these policies on the results are summarised below.

### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cashflows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the Group uses. Treasury activities take place under procedures and policies approved and monitored by the Board to minimise the financial risk faced by the Group. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets and loans to joint ventures. Interest bearing borrowings comprise bank loans, bank overdrafts and variable rate finance lease obligations. The rates of interest vary based on LIBOR in the UK and PRIME in South Africa.

As at 31 December 2009, with other variables unchanged, a 1% increase or decrease in interest rates, on investments and borrowings whose interest rates are not fixed, would respectively decrease or increase the profit for the year by £14,000 (2008: £51,000). The effect on equity of this change would be an equivalent decrease or increase for the year of £14,000 (2008: £51,000).

### Liquidity risk

The group's policy is to minimise refinancing risk. Efficient treasury management and strict credit control minimise the costs and risks associated with this policy which ensures that funds are available to meet commitments as they fall due. As at year end the group held temporary borrowing facilities in the UK in Bisichi Mining Plc. The company held adequate funds at year end to cover borrowings drawn on the temporary facility. The company was within its bank borrowing facilities and had not breached any of its covenants. New borrowings in the UK, to replace temporary borrowing facilities, were signed in February 2010. Further details are provided in borrowing facilities information later in this note. Trade and other payables are all due within one year.

The table below shows the currency profiles of cash and cash equivalents:

	2009 £'000	2008 £'000
Sterling	2,904	203
South African Rand	3,705	3,211
	6,609	3,414

Cash and cash equivalents earn interest at rates based on LIBOR in Sterling and Prime in Rand.

### Market risk

The group is exposed to market price risk through interest rate and currency fluctuations and commodity price risk.

### Credit risk

The group is exposed to credit risk on its financial assets as per the balance sheet. At the balance sheet date there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet which at year end amounted to £8,582,000 (2008: £8,882,000).

Trade debtor's credit ratings are reviewed regularly. The group only deposits surplus cash with well-established financial institutions of high quality credit standing. As at year end the amount of material receivables held past due date was £nil (2008: £nil).

### Financial assets maturity

On 31 December 2009, cash at bank and in hand amounted to £6,609,000 (2008: £3,414,000) which is invested in short term bank deposits maturing within one year bearing interest at the bank's variable rates. Cash and cash equivalents all have a maturity of less than 3 months.

### Total financial assets and liabilities

The Group's financial assets and liabilities are as follows, representing both the fair value and the carrying value:

	Loans and receivables £'000	Financial Liabilities measured at amortised cost £'000	Assets at fair value through profit and loss £'000	2009 £'000	2008 £'000
Cash and cash equivalents	6,609	-	-	6,609	3,414
Investments held for trading	-	-	510	510	627
Other Investments	-	-	496	496	334
Trade and other receivables	1,973	-	-	1,973	5,468
Bank Borrowings	-	(5,126)	-	(5,126)	(7,418)
Finance leases	-	(246)	-	(246)	(234)
Other Liabilities	-	(5,403)	-	(5,403)	(5,638)
	8,582	(10,775)	496	(1,187)	(3,447)

Investments held for trading and other investments fair valued fall under level 1 of the fair value hierarchy into which fair value measurements are recognised in accordance with the levels set out in IFRS 7.

#### Borrowing facilities

The group has signed new borrowing facilities in both its UK and South African operations.

In the UK, a term loan facility of £5million and an overdraft facility of £2million were signed by Bisichi Mining Plc in February 2010 with Royal Bank of Scotland. This facility will expire in December 2012 and is secured against the group's UK retail property portfolio.

In South Africa, a structured trade finance facility of R60million (South African Rand) was signed by Black Wattle Colliery (pty) Limited in March 2010 with Absa Bank Limited, a South African subsidiary of Barclays Bank PLC. The facility is renewed annually and is secured against inventory, debtors and cash that are held by Black Wattle Colliery (pty) Limited. This facility comprises of a R40million revolving loan to cover the working capital requirements of the group's South African operations, and a R20million loan facility to cover Guarantee requirements related to the group's South African mining operations.

At 31 December 2009 the Group was within its bank borrowing facilities and had not breached any of its covenants. Term loan repayments are as set out in Note 19. Details of other financial liabilities are shown in notes 18 and 19.

#### Commodity price risk

Commodity price risk is the risk that the Group's future earnings will be adversely impacted by changes in the market of commodities. The group is exposed to commodity price risk as its future revenues will be derived based on a contract with a physical off-take partner at prices that will be determined by reference to market prices of coal at the delivery date.

From time to time the Group may manage its exposure to commodity price risk by entering into forward sales contracts with the goal of preserving future revenue streams.

#### Foreign exchange risk

All trading is undertaken in the local currencies. Funding is also in local currencies other than inter-company investments and loans and it is not the Group's policy to obtain forward contracts to mitigate foreign exchange risk on these amounts.

As a result of the group mining assets being held in South Africa and having a functional currency different than the presentation currency, the Group balance sheet can be affected significantly by movements in the pounds sterling to the South African Rand. During 2008 and 2009 the group did not hedge its exposure of foreign investments held in foreign currencies. There is no significant impact on profit and loss from foreign currency movements associated with these South African subsidiary assets and liabilities as the effect of foreign currency gains or losses arising are recorded through the translation reserve.

The effect of a movement in foreign currencies on the income statement and equity of the group is shown in the sensitivity analysis below:

	Profit and loss 2009 £'000	2008 £'000	Equity 2009 £'000	Equity 2008 £'000
If there were a 10% weakening of the South African Rand against <b>Sterling with all other variables held constant - (decrease)</b>	<b>(185)</b>	<b>(391)</b>	<b>(598)</b>	<b>(776)</b>
If there were a 10% strengthening of the South African Rand against <b>Sterling with all other variables held constant - increase</b>	<b>211</b>	<b>433</b>	<b>731</b>	<b>949</b>

#### 22. Deferred taxation

	2009 £'000	2008 £'000
Balance at 1 January	2,625	3,030
Recognised in income	127	(406)
Exchange adjustment	233	1
	<b>2,985</b>	<b>2,625</b>

The deferred tax balance comprises the following:

	2009 £'000	2008 £'000
Revaluation of properties	1,216	1,313
Capital allowances	1,969	1,827
Short-term timing differences	(200)	(515)
	<b>2,985</b>	<b>2,625</b>

#### 23. Share capital

	2009 £'000	2008 £'000
Authorised: 13,000,000 ordinary shares of 10p each	1,300	1,300
Allotted and fully paid: 10,451,506 ordinary shares	1,045	1,045

#### 24. Other reserves

	2009 £'000	2008 £'000
Equity share options	394	577
Net premium on share capital in joint venture	86	86
	<b>480</b>	<b>663</b>

#### 25. Share based payments

Details of the share option scheme are shown in the Directors remuneration report on page 26 under the heading Share option schemes which is within the audited part of this report. Further details of the share option schemes are set out below.

The Bisichi Mining PLC Unapproved Option Schemes:

Year of grant	Subscription price per share	Period within which options exercisable	Number of share for which options outstanding at 31 December 2008	Number of share options issued/ (cancelled) during year	Number of share for which options outstanding at 31 December 2009
2002	34.0p	Sep 2005 - Sep 2012	313,000	-	313,000
2004	149.0p	Sep 2007 - Sep 2014	200,000	(120,000)	80,000
2006	237.5p	Oct 2009 - Oct 2016	600,000	(275,000)	325,000

The exercise of options under the Unapproved Share Option Schemes is subject to the satisfaction of objective performance conditions specified by the remuneration committee, which will conform to institutional shareholder guidelines and best practice provisions in force from time to time. The remuneration committee has not yet set these guidelines for the first scheme and the 2006 scheme. The performance conditions for the second scheme, agreed by members on 23 June 2005, requires growth in net assets over a three year period to exceed the growth of the retail prices index by a scale of percentages.

Options were valued using the Binomial method with the following assumptions:

Expected volatility	45.46 - 47.33%
Expected life	3.00 - 5.00 Years
Risk free rate	4.81 - 4.93%
Expected dividends	0.08%

Expected volatility was determined by reference to the historical volatility of the share price over a period commensurate with the option's expected life. The expected life used in the model is based on the risk-averse balance likely to be required by the option holders.

	2009 Number	2009 Weighted average Exercise price	2008 Number	2008 Weighted average Exercise price
Outstanding at 1 January	1,113,000	164.4p	1,113,000	164.4p
Granted / (cancelled) during year	(395,000)	210.6p	-	-
Outstanding at 31 December	718,000	138.9p	1,113,000	164.4p
<b>Exercisable at 31 December</b>	<b>718,000</b>	<b>138.9p</b>	<b>513,000</b>	<b>78.8p</b>

#### 26. Related Party Transactions

	At 31 December Amounts owed to related party £000	At 31 December Amounts owed by related party £000	During the year Costs recharged (to) / by related party £000	Cash paid (to) / by related party £000
<b>Related party:</b>				
London & Associated Properties PLC (note (a))	143	-	300	(304)
Dragon Retail Properties Limited (note (b))	1,205	-	(40)	(265)
Ezimbokodweni Mining (pty) Limited (note (c))	-	(916)	(208)	-
<b>As at 31 December 2009</b>	<b>1,348</b>	<b>(916)</b>	<b>52</b>	<b>(569)</b>
London & Associated Properties PLC (note (a))	147	-	287	(568)
Dragon Retail Properties Limited (note (b))	1,510	-	-	(73)
Ezimbokodweni Mining (pty) Limited (note (c))	-	(708)	(109)	-
<b>As at 31 December 2008</b>	<b>1,657</b>	<b>(708)</b>	<b>178</b>	<b>(641)</b>

London & Associated Properties PLC is a substantial shareholder. Dragon Retail Properties Limited is a joint venture and is treated as a non-current asset investment. Ezimbokodweni Mining (pty) Limited is a joint venture and is treated as a non-current asset investment.

##### (a) London & Associated Properties PLC

Property management, office premises, general management, accounting and administration services are provided for Bisichi Mining PLC and its UK subsidiaries.

##### (b) Dragon Retail Properties Limited

Dragon Retail Properties Limited is owned equally by the company and London & Associated Properties PLC.

##### (c) Ezimbokodweni Mining (pty) Limited

Ezimbokodweni Mining is a prospective coal production company based in South Africa.



Details of key management personnel compensation and interest in share options are shown in the Directors Remuneration Report on page 26 under the headings Directors remuneration, Pension schemes and incentives and Share option schemes which is within the audited part of this report.

## 27. Employees

	2009 £'000	2008 £'000
The average weekly numbers of employees of the group during the year were as follows:		
Production	325	453
Administration	18	18
	343	471
	£'000	£'000

Staff costs during the year were as follows:

Salaries	6,462	6,901
Social security costs	129	244
Pension costs	253	234
Share based payments	(183)	237
	6,661	7,616

## 28. Capital commitments

	2009 £'000	2008 £'000
Commitments for capital expenditure approved but not contracted for at the year end	604	158
Commitments for capital expenditure approved and contracted for at the year end	-	390
Share of commitment of capital expenditure in joint venture	2,101	1,856

## 29. Head lease commitments and future property lease rentals

Present value of head leases on properties

	Minimum lease payments		Present value of Minimum	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Within one year	15	15	15	15
Second to fifth year	59	61	55	56
After five years	1,978	2,054	176	163
	2,052	2,130	246	234
Discounting adjustment	(1,806)	(1,896)	-	-
<b>Present value</b>	<b>246</b>	<b>234</b>	<b>246</b>	<b>234</b>

Finance lease liabilities are in respect of leased investment property. Many of the leases provide for contingent rents in addition to the rents above which are a proportion of rental income. Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in event of default.

The group leases out its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating lease are as follows:

	2009 £'000	2008 £'000
Within one year	727	658
Second to fifth year	2,384	2,219
After five years	9,910	9,977
	13,021	12,854

## 30. Contingent liabilities

Bank guarantees have been issued by the bankers of Black Wattle Colliery (pty) Limited on behalf of the company to third parties. The guarantees are secured against the assets of the company and have been issued in respect of the following:

Construction of dams	-	213
Rehabilitation of mining land	1,734	244
Water & electricity	78	68

# company balance sheet

at 31 December 2009

	Notes	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible assets	32	11,925	11,872
Investment in joint ventures	33	846	847
Other investments	33	1,030	1,026
		13,801	13,745
<b>Current assets</b>			
Debtors	34	654	5,978
Bank balances		3,960	2,373
		4,614	8,351
Creditors - amounts falling due within one year	35	(5,139)	(9,276)
<b>Net current liabilities</b>		<b>(525)</b>	<b>(925)</b>
<b>Total assets less current liabilities</b>		<b>13,276</b>	<b>12,820</b>
<b>Capital and reserves</b>			
Called up share capital	37	1,045	1,045
Revaluation reserve	37	5,938	5,871
Other reserves	37	395	578
Retained earnings	37	5,898	5,326
Shareholders' funds		13,276	12,820

The company financial statements were approved and authorised for issue by the board of directors on 17 April 2009 and signed on its behalf by:

**M A Heller**  
Director

**A R Heller**  
Director

# company accounting policies

for the year ended 31 December 2009

The following are the main accounting policies of the company:

## Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and in accordance with applicable UK Generally Accepted Accounting Practice.

## Dividends received

Dividends are credited to the profit and loss account when received.

## Depreciation

Provision for depreciation on tangible fixed assets is made in equal annual instalments to write each item off over its useful life. The rates generally used are:

Motor vehicles	25 - 33 per cent
Office equipment	10 - 33 per cent

## Foreign currencies

Monetary assets and liabilities expressed in foreign currencies have been translated at the rates of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

## Investment properties

The investment property portfolio is included in the financial statements at open market valuation. An external professional valuation is carried out annually by professional external surveyors. Surpluses and deficits arising on valuations are taken direct to the revaluation reserve. No depreciation or amortisation is provided in respect of freehold and leasehold investment properties. The directors consider that this accounting policy, which is not in accordance with the Companies Act 2006, results in the accounts giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

## Investments

Investments of the company are stated in the balance sheet as fixed assets at cost less provisions for impairment.

## Financial Instruments

### Bank loans and overdrafts

Bank loans and overdrafts are included in creditors on the company balance sheet net of the unamortised cost of financing. Interest payable on those facilities is expensed as a finance cost in the period to which it relates.

### Interest rate derivatives

The company uses derivative financial instruments to manage the interest rate risk associated with the financing of the group's business. No trading in such financial instruments is undertaken.

### Debtors

Debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated recoverable amounts.

### Creditors

Creditors are not interest bearing and are stated at their nominal value.

### Joint Ventures

Investments in joint ventures, being those entities over whose activities the group has joint control as established by contractual agreement, are included at cost, less impairment.

## Deferred taxation

As required by FRS 19 "Deferred Tax", full provision is made for deferred tax arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

## Leased Assets and Obligations

All leases are "Operating Leases" and the annual rentals are charged to the profit & loss account on a straight line basis over the lease term. Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term.

## Pensions

The company makes contributions to a money purchase scheme and the costs are charged to the profit and loss account in the period to which they relate.

## Share based remuneration

The company operates a share option scheme. The fair value of the share option scheme is determined at the date of grant. This fair value is then expensed on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. The fair value of options granted is calculated using a binomial model. Details of the share options in issue are disclosed in the audited section of the Directors Remuneration Report on page 26.

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## 31. Dividends

The aggregate amount of dividends comprises:

	2009 £'000	2008 £'000
Final dividends in respect of prior year but not recognised as liabilities in that year:	366	313

The aggregate amount of dividends to be paid and not recognised as liabilities as at year end is £471,000 (2008: £366,000).

## 32. Tangible fixed assets

	Freehold £'000	Investment properties Long leasehold £'000	Motor vehicles £'000	Office Equipment £'000	Total £'000
Cost or valuation at 1 January 2009	8,673	3,100	169	47	11,989
Additions	25	-	-	2	27
Disposals	-	-	(32)	-	(32)
Revaluation	167	(100)	-	-	67
<b>Cost or valuation at 31 December 2009</b>	<b>8,865</b>	<b>3,000</b>	<b>137</b>	<b>49</b>	<b>12,051</b>
At valuation	8,865	3,000	-	-	11,865
At cost	-	-	137	49	186
	<b>8,865</b>	<b>3,000</b>	<b>137</b>	<b>49</b>	<b>12,051</b>

### Accumulated depreciation

at 1 January 2009	-	-	84	33	117
Charge for the year	-	-	35	5	40
Disposals in year	-	-	(31)	-	(31)
<b>Accumulated depreciation at 31 December 2009</b>	<b>-</b>	<b>-</b>	<b>88</b>	<b>38</b>	<b>126</b>
<b>Net book value at 31 December 2009</b>	<b>8,865</b>	<b>3,000</b>	<b>49</b>	<b>11</b>	<b>11,925</b>
Net book value at 31 December 2008	8,673	3,100	85	14	11,872

Details of historical cost of investment properties are shown in note 10.

## 33. Investments

	Joint ventures Shares £'000	Subsidiaries Shares £'000	Loans £'000	Other investments £'000	Total £'000
Cost at 1 January 2009	847	1,024	663	300	1,987
Drawn in year	-	-	4	-	3
Transfer	(1)	(913)	913	-	-
<b>Cost at 31 December 2009</b>	<b>846</b>	<b>111</b>	<b>1,580</b>	<b>300</b>	<b>1,991</b>
Provision for impairment	-	(678)	-	(283)	(961)
As at 1 January	-	-	-	-	-
Impaired during the year	-	-	-	-	-
Transfer	-	678	(678)	-	-
<b>As at 31 December 2009</b>	<b>-</b>	<b>-</b>	<b>(678)</b>	<b>(283)</b>	<b>(961)</b>
<b>Net book value at 31 December 2009</b>	<b>846</b>	<b>111</b>	<b>902</b>	<b>17</b>	<b>1,030</b>
Net book value at 31 December 2008	847	346	663	17	1,026

Other investments comprise £17,000 (2007: £17,000) shares and £nil (2008: £nil) loans.

Investments in subsidiaries are detailed in note 14. In the opinion of the directors the aggregate value of the investment in subsidiaries is not less than the amount shown in these financial statements.

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### 34. Debtors

	2009 £'000	2008 £'000
<b>Amounts falling due within one year:</b>		
Amounts due from subsidiary undertakings	527	5,869
Other debtors	96	73
Prepayments and accrued income	31	36
	<b>654</b>	<b>5,978</b>

### 35. Creditors

	2009 £'000	2008 £'000
<b>Amounts falling due within one year:</b>		
Bank overdraft (secured)	-	3,042
Bank loan (secured)	2,700	3,000
Joint venture	1,165	1,551
Other taxation and social security	60	69
Other creditors	276	271
Accruals and deferred income	938	1,343
	<b>5,139</b>	<b>9,276</b>

The bank overdraft of the Company is secured by a charge over freehold and long leasehold property.

Bank and other loan instalments by reference to the balance sheet date:

	2009 £'000	2008 £'000
Within one year	2,700	3,000
From one to two years	-	-
From two to five years	-	-
	<b>2,700</b>	<b>3,000</b>

The bank loan of the company is secured by a charge over freehold and long leasehold properties.

### 36. Provisions for liabilities and charges

No provision has been made for the approximate taxation liability at 28% (2008: 28%) of £1,216,000 (2: £1,313,000) which would arise if the investment properties were sold at the stated valuation.

	Revaluation reserve £'000	Other reserve £'000	Retained earnings £'000
Balance at 1 January 2008	5,871	578	5,326
Dividend paid	-	-	(366)
Revaluation of investment property	67	-	-
Share options	-	(183)	-
Retained profit for the year	-	-	938
<b>Balance at 31 December 2008</b>	<b>5,938</b>	<b>395</b>	<b>5,898</b>

A profit and loss account for Bisichi Mining PLC has not been presented as permitted by Section 408(2) of the Companies Act 2006. The profit for the financial year, before dividends, was £938,000 (2008: £3,311,000).

Details of share capital are set out in note 23 and details of the share options are shown in the Director's Remuneration Report and note 25.

### 37. Share Capital & Reserves

	Share Capital £'000	Revaluation reserve £'000	Other reserve £'000	Retained earnings £'000	Shareholders funds £'000
Balance at 1 January 2009	1,045	5,871	578	5,326	12,820
Dividend paid	-	-	-	(366)	(366)
Revaluation of investment property	-	67	-	-	67
Share options	-	-	(183)	-	(183)
Retained profit for the year	-	-	-	938	938
<b>Balance at 31 December 2009</b>	<b>1,045</b>	<b>5,938</b>	<b>395</b>	<b>5,898</b>	<b>13,276</b>

A profit and loss account for Bisichi Mining PLC has not been presented as permitted by Section 408(2) of the Companies Act 2006. The profit for the financial year, before dividends, was £938,000 (2008: £3,311,000).

Details of share capital are set out in note 23 and details of the share options are shown in the Director's Remuneration Report and note 25.

### 38. Related party transactions

Under Financial Reporting Standard 8 Related Party Disclosures, the Company has taken advantage of the exemption from disclosing transactions with other Group companies.

Details of other related party transactions are given in note 27 of the Group financial statements.

### 39. Employees

The average number of employees (excluding directors), in administration, during the year was 2 (2008: 2).

	2009 £'000	2008 £'000
Staff costs were as follows:		
Salaries	204	219
Social Security costs	26	28
	<b>230</b>	<b>247</b>

# notice of annual general meeting

for the year ended 31 December 2009

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all your ordinary shares in Bisichi Mining PLC please forward this document with the accompanying Form of Proxy, at once to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

**NOTICE is hereby given that the ninety-eighth Annual General Meeting of Bisichi Mining PLC (the "Company") will be held at 30-35 Pall Mall, London SW1Y 5LP on Tuesday 8 June 2010 at 11.00 a.m. for the transaction of the following business:**

## Ordinary business

To consider and, if thought fit, pass resolutions 1 to 8 as ordinary resolutions:

- 1 To receive and adopt the Company's annual accounts for the year ended 31 December 2009 together with the directors' report and the auditors' report on those accounts.
- 2 To approve the remuneration report for the year ended 31 December 2009
- 3 To declare and approve a final dividend of 3.5p per share.
- 4 To re-elect as a director Mr M A Heller.
- 5 To re-elect as a director Mr C A Joll.
- 6 To re-elect as a director Mr J A Sibbald.
- 7 To re-appoint PKF (UK) LLP as auditors, to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting.
- 8 To authorise the directors to determine the remuneration of the auditors.

(Resolution 1)

(Resolution 2)

(Resolution 3)

(Resolution 4)

(Resolution 5)

(Resolution 6)

(Resolution 7)

(Resolution 8)

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## Special business

To consider and, if thought fit, pass resolutions 9 to 12 as special resolutions:

That:

- 9.1 the directors shall have power under section 570 of the Companies Act 2006 (the "2006 Act") to allot equity securities (within the meaning of section 560 of the 2006 Act) for cash under the authority conferred upon them for the purposes of section 80 of the Companies Act 1985 (the "1985 Act") by a resolution passed on 29 June 2006 as if section 561 of the 2006 Act did not apply to any such allotment;
- 9.2 this power shall be limited:
  - (a) to the allotment of equity securities in connection with an offer or issue of such securities (whether by way of rights issue, open offer or otherwise) to holders of ordinary shares of 10 pence each in the Company ("Ordinary Shares") on the register on a date fixed by the directors in proportion (or as nearly as may be) to the respective number of Ordinary Shares held by them on that date or in accordance with the rights attached to them provided that the directors may make such arrangements and exclusions to deal with fractional entitlements or any legal or practical problems arising under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory as they consider appropriate;
  - (b) to the allotment (otherwise than pursuant to paragraph 9.2 (a) of this resolution) of equity securities a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert relevant shares having a nominal amount, not exceeding in aggregate £104,515 (representing approximately 10 per cent of the issued share capital of the Company);
- 9.3 (unless previously renewed, revoked or varied) this power shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date which is 15 months from the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired; and
- 9.4 this power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2)(b) of the 2006 Act as if in paragraph 9.1 the words "under the authority conferred upon them for the purposes of section 80 of the 1985 Act by a resolution passed on 29 June 2006" were omitted. (Resolution 9)
10. That:
  - 10.1 the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
  - 10.2 the Articles of Association produced to the meeting and initialed by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association. (Resolution 10)

for the year ended 31 December 2009

11. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice. (Resolution 11)
12. That, the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the "2006 Act") to make market purchases (within the meaning section 693 of the 2006 Act) of ordinary shares of 10 pence each ("Ordinary Shares") in the capital of the Company provided that:
  - 12.1 the maximum number of Ordinary Shares which may be purchased is 1,045,150 (representing 10 per cent of the Company's existing issued ordinary share capital as at the date of the passing of this Resolution);
  - 12.2 the minimum price which may be paid for each Ordinary Share is 10 pence (exclusive of expenses) being the nominal value of each Ordinary Share;
  - 12.3 the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is an amount equal to 5 per cent above the average of the middle market quotation of an Ordinary Share of the Company for the 5 business days immediately preceding the day on which the Ordinary Share is contracted to be purchased;
  - 12.4 this authority shall expire at the conclusion of the next annual general meeting of the Company after passing this Resolution or 15 months whichever is the earlier (unless previously renewed, varied or revoked by the Company in general meeting; and
  - 12.5 the Company may, before such expiry, enter into one or more contracts to purchase Ordinary Shares under which such purchases may be completed or executed wholly or partly after the expiry of this authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts. (Resolution 12)

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30-35 Pall Mall  
London SW1Y 5LP  
16 April 2010  
Bisichi Mining PLC  
Registered in England and Wales -  
Number 112155

By order of the board  
**Michael Stevens**  
Secretary

## NOTES

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company.
2. The return of a completed proxy form, other such instrument or any CREST proxy instruction (as described in paragraph 14 below) does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
5. To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To be valid any proxy form or other instrument appointing a proxy must be:
  - completed and signed;
  - sent or delivered to Capita Registrars, PXS, The Registry, 34 Beckenham, Kent, BR3 4TU; and
  - received by Capita Registrars no later than 11.00 a.m. on 6 June 2010.
7. In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the Company or an attorney for the Company.
8. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
9. As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at [www.capitashareportal.com](http://www.capitashareportal.com). For an electronic proxy appointment to be valid, your appointment must be received by no later than 11.00 a.m. on 6 June 2010.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. You may not use any electronic address provided in your proxy form to communicate with the Company for any purposes other than those expressly stated.



for the year ended 31 December 2009

12. Nominated persons (a) Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. (b) The statement of the rights of shareholders in relation to the appointment of proxies in paragraph (1) above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.
13. Total Voting Rights as at 16th April 2010 the issued share capital of the Company consists of 10,451,506 Ordinary Shares of 10 pence each, carrying one vote each. Therefore, the total number of voting rights of the Company as at 16th April 2010 is 10,451,506.
14. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held at 11.00am on 8 June 2010 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
15. Only those members entered on the register of members of the Company at 6.00 p.m. on 5 June 2010 or, in the event that this meeting is adjourned, in the register of members as at 6.00 p.m. on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members by the close of business on 5 June 2010 or, in the event that this meeting is adjourned, in the register of members before the close of business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
16. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
17. Any member attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the meeting which relate to the business being dealt with at the meeting unless:
- to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the company or the good order of the meeting to answer the question.
18. A copy, or a memorandum of the terms, of every service contract between the Company or any of its subsidiaries and any director of the Company, the register of members, the details of proxies, the current Articles of Association, a register in which are recorded all transactions of each director and of their family interests in the share capital of the Company and the new Articles of Association proposed to be adopted pursuant to resolution 10 are available for inspection at the Company's registered office during normal business hours (Saturdays, Sundays and Bank Holidays excepted) and will also be available for inspection at the annual general meeting from 10.45 a.m. on 8 June 2010 until the conclusion of the Meeting.
19. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at [www.bisichi.co.uk](http://www.bisichi.co.uk).

#### The Annual General Meeting will be held at the offices of

Bisichi Mining PLC 30-35 Pall Mall London SW1Y 5LP

The nearest London Underground stations are Piccadilly Circus and Green Park.



for the year ended 31 December 2009

#### Explanatory notes to the notice of Annual General Meeting

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 8 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 9 to 12 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

##### Resolution 1

The Directors will present their report and the audited accounts for the year ended 31 December 2009 together with the auditors' report thereon.

##### Resolution 2

In accordance with the Directors' Remuneration Report Regulations 2002 (the "Regulations"), the Company is required to submit the directors' remuneration report for the year ended 31 December 2009 to a vote of the shareholders. In accordance with the Regulations, approval of the directors' remuneration report is proposed as an ordinary resolution.

##### Resolution 3

Final dividends are approved by the shareholders of the Company but cannot be more than the amount recommended by the directors. The Directors are recommending a final dividend for the year ended 31 December 2009 of 3.5 pence per ordinary share due and payable on 9 August 2010 to the Shareholders on the register at close of business on 2 July 2010. This resolution seeks shareholders' approval of the proposed dividend.

##### Resolutions 4-6

The Articles of Association of the Company require a proportion of the directors to retire at each annual general meeting of the Company. In addition, the Combined Code on Corporate Governance recommends that directors should submit themselves for re-election at least once every three years. This year three of the current directors, M A Heller, C A Joll and J A Sibbald, will retire and each offer themselves for re-election. Biographical details relating to each director can be found on page 10 of the Company's annual report and accounts for the year ended 31 December 2009 (the "Annual Report").

##### Resolution 7

The Company is required to appoint auditors at each general meeting at which accounts are laid before shareholders, to hold office until the next such meeting. The resolution proposes that PKF (UK) LLP be re-appointed as auditors for the current year.

##### Resolution 8

This resolution proposes that the directors be authorised to set the remuneration of the auditors.

##### Resolution 9

If the directors wish to allot any of the unissued shares of the Company for cash in accordance with the authority granted on 29 June 2006 by the Shareholders, the new shares must generally be offered first to shareholders in proportion to their existing shareholdings.

In certain circumstances, it may be in the interests of the Company for the directors to be able to allot some shares for cash without having to offer them first to existing shareholders. In line with normal practice, this resolution, which will be proposed as a special resolution, seeks approval to renew the current authority to exclude the statutory pre-emption rights for issues of shares having a maximum aggregate nominal value of up to £104,515, representing 10 per cent of the Company's issued share capital as at the date of this Notice.

In addition, there are legal, regulatory and practical reasons why it may not always be possible to issue new shares under a rights issue to some shareholders, particularly those resident overseas. To cater for this, the resolution also permits the directors to make appropriate exclusions or arrangements to deal with such difficulties.

This authority would be effective until the earlier of the conclusion of the next annual general meeting of the Company and a date which is 15 months from the date of passing of this resolution. The directors believe that obtaining this authority is in the best interests of shareholders as a whole and recommend that shareholders vote in favour of this resolution.

##### Resolution 10

It is proposed in resolution 10 to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Current Articles") primarily to take account of the implementation on 1 October 2009 of the last parts of the Companies Act 2006.

The principal changes introduced in the New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 or conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills have not been noted [below]. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 4 of this document.

##### Resolution 11

This resolution is required to reflect the implementation in August 2009 of the Shareholders' Rights Directive. The regulation implementing this Directive increased the notice period for general meetings of the Company to 21 days. In order to be able to call meetings (other than annual general meetings) on 14 clear days' notice, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 11 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice.

for the year ended 31 December 2009

## Resolution 12

In certain circumstances, as permitted by the Companies Act 2006, it may be advantageous for the Company to purchase its own ordinary shares and this resolution seeks authority from shareholders to empower the Directors to make limited on-market purchases. The resolution limits the authority to a maximum number of ordinary shares that may be acquired to 1,045,150 being 10 per cent of the Company's issued ordinary share capital as at the date of this Circular and sets the minimum and maximum prices that can be paid (exclusive of expenses). The authority conferred by this resolution will expire at the conclusion of the next annual general meeting of the Company or 15 months from the date of the passing of this resolution, whichever is the earlier.

The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review. Further, the Directors will only exercise this authority after taking into account the effects on earning per share and the benefit to shareholders generally.

Any shares purchases under this authority may either be cancelled or held as treasury shares (treasury shares may subsequently be cancelled, sold for cash [or used to satisfy options issued to employees pursuant to the Company's share scheme]. The authority sought by this resolution is intended to apply equally to ordinary shares which are to be held by the Company as treasury shares.

## Explanatory notes of principal changes to the Company's Articles of Association

### 1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's Memorandum and Articles of association. The Company's Memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are currently contained in a company's memorandum, for companies existing at 1 October 2009, are deemed to be contained in a company's Articles of Association but the company can remove these provisions by special resolution.

Further, the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's Articles of Association as of 1 October 2009. Resolution 10.1 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's Memorandum of Association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the shareholders.

### 2. Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main removed from the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution.

### 3. Change of name

Currently, a company can only change its name by special resolution. Under the Companies Act 2006 a company is able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

### 4. Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

### 5. Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead, provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

### 6. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006 a company only requires shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

### 7. Provision for employees on cessation of business

The Companies Act 2006 provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the directors may exercise this power.

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for the year ended 31 December 2009

## 8. Use of seals

Under the Companies Act 1985, a company required authority in its articles to have an official seal for use abroad. Since 1 October 2009 such authority is no longer required. Accordingly the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

## 9. Suspension of registration of share transfers

The Current Articles permit the directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

## 10. Vacation of office by directors

The Current Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

## 11. Borrowing powers

The Current Articles permit the Board to exercise all the powers of the Company to borrow and raise money. This is subject to a restriction on the amount of borrowing which currently must not exceed an amount equal to the aggregate of the nominal amount of the issued and paid up share capital of the Company unless otherwise authorised by the Company in general meeting. The New Articles have removed this restriction on borrowing. The Board believes that it is in the interests of the Company for the Board to have flexibility in relation to borrowing powers.

## 12. Participation in meetings at different places and by electronic means

Amendments made to the Companies Act 2006 by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings. The New Articles include amendments to provide greater scope for members to participate in meetings of the Company even if they are not present in person at the principal place where the meeting is being held. The amendments allow for members to participate not only by attendance at satellite meeting locations, but also by any other electronic means of participation.

## 13. Chairman's casting vote

The New Articles remove the provision giving the chairman a casting vote in the event of an equality of votes as this is no longer permitted under the Companies Act 2006.

## 14. Voting rights

The Shareholders' Rights Regulations clarify the various powers of proxies and representatives of corporate members in respect of resolutions taken on a show of hands. Where a proxy has been duly appointed by one member, he has one vote on a show of hands unless he has been appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been appointed by more than one member to vote for the resolution and by more than one member to vote against the resolution. Where a corporate member appoints representatives to attend meetings on its behalf, each representative duly appointed by a corporate member has one vote on a show of hands. The New Articles contain provisions which clarify these rights and also clarify how the provisions giving a proxy a second vote on a show of hands should apply to discretionary powers.

## 15. Amendments to special and ordinary resolutions

The New Articles contain provisions regarding the proposed amendment of resolutions. Generally, special resolutions can only be amended to correct an error. An ordinary resolution may only be amended where the change has been submitted 48 hours before the meeting and is within the scope of the original resolution, or otherwise with the consent of the chairman of the meeting.

## 16. General

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.

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# Bisichi Mining PLC form of proxy

for the year ended 31 December 2009

**I/We the undersigned, being the holder(s) of ordinary shares of the company, hereby appoint the chairman of the meeting as my/our proxy or:**

in respect of my/our voting entitlement\* to attend and vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Tuesday 8 June 2010 at 11.00 am at 30-35 Pall Mall, London SW1Y 5LP and at any adjournment thereof. I/We direct that my/our vote(s) be cast on the resolutions as indicated by an X in the appropriate spaces below.

Please tick here if this proxy appointment is one of multiple appointments being made\*  
\*For the appointment of more than one proxy, please refer to Explanatory Note 2 below.

## Resolutions

Ordinary Resolutions	For	Against	Vote withheld
1 To receive and adopt the company's annual accounts for the year ended 31 December 2009 together with the directors' report and the auditors' report on those accounts.			
2 To approve the remuneration report for the year ended 31 December 2009.			
3 To declare and approve a final dividend of 3.5p per share.			
4 To re-elect as a director Mr M A Heller.			
5 To re-elect as a director Mr C A Joll.			
6 To re-elect as a director Mr J A Sibbald.			
7 To re-appoint PKF(UK) LLP as auditors.			
8 To authorise the directors to determine the remuneration of the auditors.			
Special Resolutions			
9 To empower the directors to disapply statutory pre-emption rights.			
10 To adopt new Articles of Association.			
11 To authorise the calling of general meetings of the Company on 14 clear days' notice.			
12 To authorise the Company to make market purchases of its ordinary shares.			

Full Name (BLOCK CAPITALS PLEASE)

Address

Postcode

Signed this      day of      2010 (Signature)

## Notes:

- Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder as their proxy to exercise all or any of their rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the chairman, please insert the name of your chosen proxy holder in the space provided (see above). If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name (see above) the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
- To appoint more than one proxy, (an) additional proxy form(s) may be obtained by contacting Capita Registrars' helpline on 0871 664 0321 from within the UK or +44 208 639 3399 from outside the UK. Calls to the 0871 number cost 10 pence per minute plus your service provider's network extras, lines are open Monday to Friday 8.30 a.m. to 5.30 p.m. Or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see above) the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at [www.capitashareportal.com](http://www.capitashareportal.com). For an electronic proxy appointment to be valid, your appointment must be received by no later than 11.00 a.m. on 6 June 2010.
- Please indicate with an X how you wish your votes to be cast. Any alterations made to this form should be initialled.
- The "vote withheld" option is provided to enable you to abstain on any particular resolution. However it should be noted that a "vote withheld" is not a vote in law and will not be counted in any calculation of the proportion of the votes "for" and "against" a resolution.
- Unless otherwise instructed the proxy will abstain or vote as he/she thinks fit. On any motion to amend any resolution, to propose a new resolution, to adjourn the meeting or any other motion put to the meeting the proxy will act at his/her discretion.
- If the appointor is a corporation this proxy should be executed under the common seal of such corporation or signed on its behalf by an attorney or officer duly authorised. In the case of an individual this proxy should be signed by the appointor or his attorney.
- To be valid, this form of proxy, together with the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) must be deposited at: PXS, 34 Beckenham Road, Beckenham, Kent, United Kingdom BR3 4TU not later than 48 hours before the time fixed for the meeting, or if the meeting is adjourned not later than 48 hours before the time fixed for the adjourned meeting.  
Proxies may be delivered to PXS by hand at the above address during normal business hours.  
Postage by Shareholders outside the UK: Shareholders with addresses outside the UK should post the Form of Proxy in a stamped envelope to: PXS, 34 Beckenham Road, Beckenham, Kent, United Kingdom BR3 4TU.
- In the case of joint registered holders the signature of any holder is sufficient but the vote of the senior holder who tenders a vote shall be accepted to the exclusion of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members.
- To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number RA10) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(3)(a) of the Uncertificated Securities Regulations 2001.
- The completion of this form will not preclude a member from attending the meeting and voting in person.
- In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders entered in the register of members of the Company as at 6.00 p.m. on 6 June 2009, or if the meeting is adjourned in the register of members at 6.00 p.m. on the second day prior to the day of any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 6.00 p.m. on 6 June 2009 or, if the meeting is adjourned, in the register of members after 6.00 p.m. on the second day prior to the day of the adjourned meeting shall be disregarded in determining the rights of any person to attend, speak or vote at the meeting or at any such adjournment.

Second Fold

BUSINESS REPLY SERVICE  
Licence No RSBH-UXKS-LRBC

1

**PXS**  
**34 Beckenham Road,**  
**Beckenham,**  
**Kent BR3 4TU**

Third Fold

Tuck inside facing flap

2 Cut along dotted line

First Fold



[www.bisichi.co.uk](http://www.bisichi.co.uk)

**Bisichi Mining**  
30-35 Pall Mall  
London SW1Y 5LP

email: [admin@bisichi.co.uk](mailto:admin@bisichi.co.uk)

web: [www.bisichi.co.uk](http://www.bisichi.co.uk)