ANNUAL REPORT 2008

THABEX LIMITED

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THABEX LIMITED

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OUR FOCUS

- Alluvial and kimberlitic deposits;
- Diamonds of exceptional quality and size; and
- Near surface diamondiferous deposits amenable to low cost mining

OUR MISSION

Explore, search and turn to account mineral projects in South and Southern Africa, using professional teams, to benefi t shareholders, employees and the peoples of the region.

Young Lions Exploring Africa

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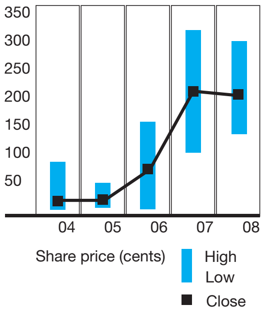
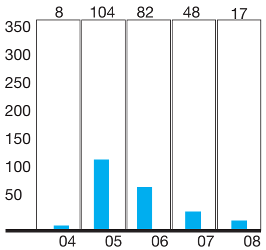
SALIENT FEATURES

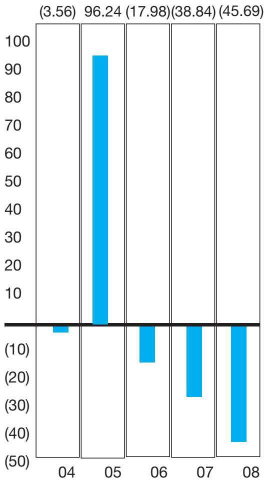
	Company		Group	
	2008	**2007**	**2008**	**2007**
Number of shares at year-end	21 006 887	17 006 887	21 006 887	17 006 887
Net asset value per share (cents)	**17.35**	46.96	**73.86**	90.83
Net tangible asset value per share (cents)	**17.35**	46.96	**17.36**	47.99
Basic loss per share (cents)	**(63.41)**	(37.14)	**(40.49)**	(38.84)
Diluted loss per share (cents)	**(63.41)**	(37.14)	**(40.49)**	(38.84)
Headline loss per share (cents)	**(19.84)**	(13.20)	**(45.69)**	(38.84)
Diluted headline loss per share (cents)	**(19.84)**	(13.20)	**(45.69)**	(38.84)
Dividend per share (cents)	-	-	-	-



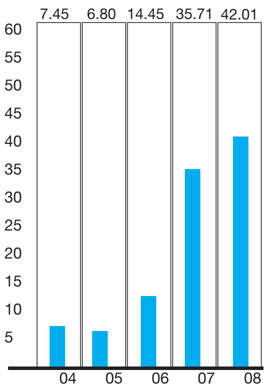
Share price (cents)



Net tangible asset value per share (cents)



Headline earnings/(loss) per share (cents)



Market capitalisation (Rm*)

* Figures for the respective year-ends as published in the JSE Ltd's Monthly Bulletin

CHAIRMAN'S REVIEW

DEAR SHAREHOLDER

Your Company's eleventh year as a listed company on the JSE Ltd ("JSE") proved to be more difficult than anticipated due to the transition from a Junior Exploration Company into a Junior Mining and Exploration Company. These difficulties included unforeseen technical constraints imposed by the Company's mechanical resources, as well as various socio-political issues. This was further complicated by the continual, albeit gradual, decline in worldwide commodity prices, which has added an unexpected constraint on the development of the Company's Salt River Poly-metallic Project. In spite of these difficulties, your Company has made tremendous advances at the Kolo Kimberlite and Salt River Poly-metallic deposits.

Thabex's long-term development criteria:
- to create real wealth for its shareholders bearing in mind the social and environmental responsibilities of the Company;
- to develop small to medium sized deposits into going concerns; and
- as far as possible to seek joint venture partners to develop the Company's larger projects.

Since late January 2008 Through Thabex's subsidiary, Angel Diamonds (Pty) Ltd ("Angel"), approximately 5 228 tons of stockpiled kimberlitic material has been processed with roughly 388 carats of diamonds produced. To date, the largest stone recovered by Angel was an excellent 7.99 ct gem quality diamond.

On 1 March 2008, through its wholly-owned subsidiary, Tradepost 121 (Pty) Ltd., Thabex announced completion and final acquisition of a 94,34% interest in Monastery Mine (Pty) Ltd ("Monastery"), which holds a converted New Order Prospecting Right near the Monastery kimberlite pipe near the town of Marquad in the Free State Province. The Monastery mine is a well-known historic producer of diamonds, which includes large stones, and has reportedly produced in excess of 14 000 carats at an estimated grade of 25 carats per 100 ton.

As announced on 15 February 2008, through Thabex subsidiary, Minnex Exploration Namibia (Pty) Ltd's ("Minnex Namibia") joint venture partner Namdeb Corporation (Pty) Ltd ("Namdeb"), seven geophysical anomalies have been selected for drilling on Minnex Namibia's two exclusive prospecting licenses (EPL) in northeastern Namibia. Starting in 2007, Namdeb identified 15 aeromagnetic targets that were followed up by various ground-based geophysical surveys with drilling of the seven most promising targets commencing in late 2007. Namdeb reported at the end of July that three anomalies remains unresolved and follow-up reverse circulation percussion drilling will commence during October 2008

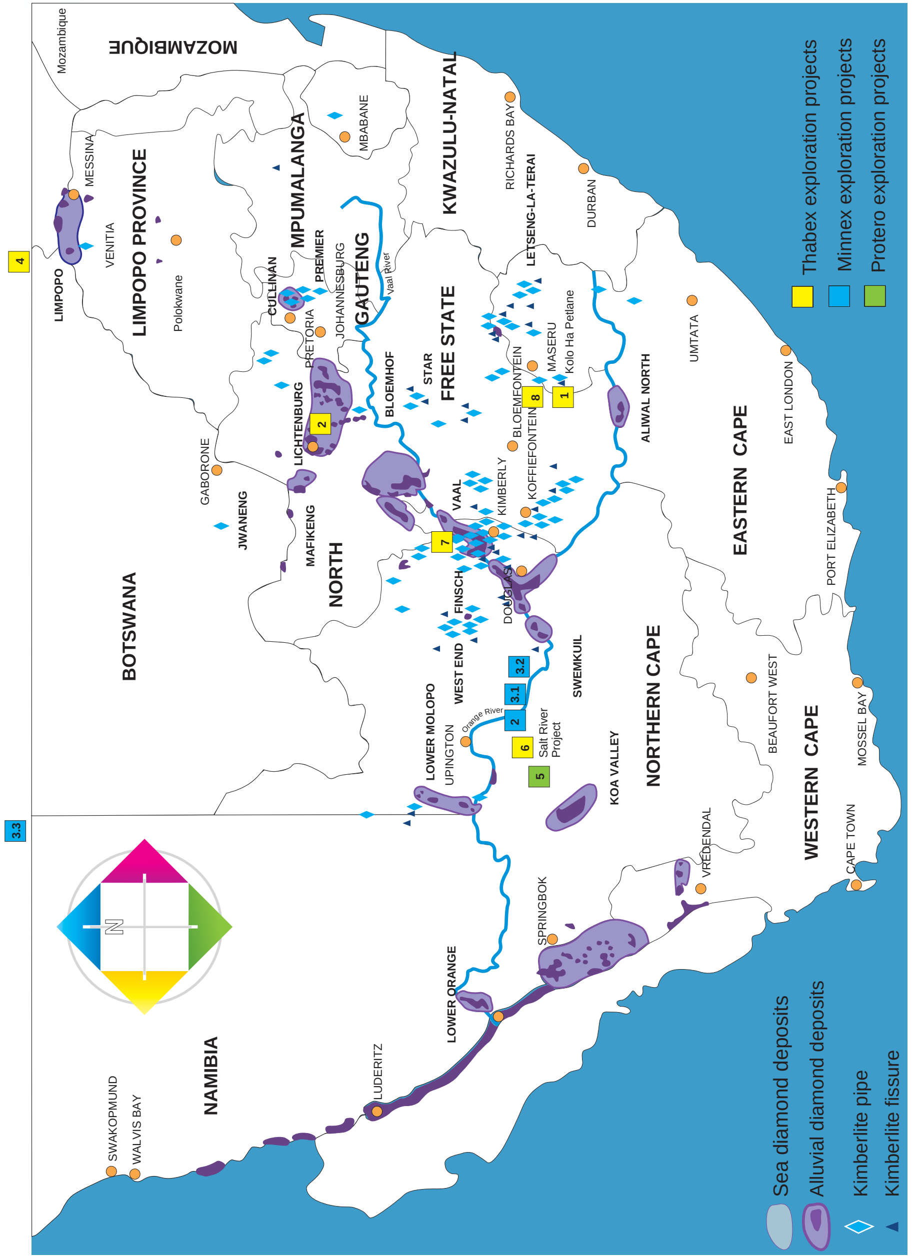
As announced on various occasions throughout the past year, through Thabex's wholly-owned subsidiary Salt River Resources Ltd ("SRR") and through a new geologic model of the Salt River deposit, an additional 20 million tones of resource, in the Inferred category, has been added to the total Mineral Resource of the Salt River Poly-metallic Project. This resource includes the definition of an approximately 12 million tonne high-grade zone as reported on 26 June 2008.

SRR's non-executive Chaiman, Dr JA Cruise, has certainly brought new enthusiasm to your Company and SRR. We also welcome him as a significant shareholder in Thabex.

Thabex, and its subsidiary SRR, were sad to bid farewell to Dave Cowie, Executive Director of Thabex and SRR, in January 2008, who has moved to Australia and Dr Craig McClung, Senior Exploration Geologist of Thabex and Executive Director of SRR, who is moving to Namibia in September 2008. We wish them all the best luck in their future endeavors.

In particular my sincere gratitude is extended to Thabex's dedicated employees and loyal shareholders during the transition period. However, I am confident that in the future the unlocked value of your Company will be realised.

2 October 2008
JR Rapoo
Chairman



REVIEW OF EXPLORATION PROJECTS

The following projects are being explored, investigated and evaluated in terms of Thabex's long-term development criteria:

1. Angel Diamonds (Pty) Ltd ("Angel")

1.1. Geologic Background

The Kolo Diamondiferous Kimberlite Project is located in the Lesotho lowlands roughly 38 km southwest of the capital, Maseru, where it represents one of the larger pipes in the area. Geologically, the lowlands of Lesotho are underlain by sandstones and shales of the early Mesozoic Karoo Supergroup that was intruded by early Jurassic dolerite dykes and sills associated with extrusion of the Drakensberg basalts. The Kolo pipe, and associated kimberlitic rocks, were subsequently emplaced into the Karoo Supergroup and Drakensberg basalts during the late Cretaceous.

The Kolo pipe represents an irregularly-shaped, northwest-southeast trending body, covering an estimated area of 1.1 ha, emplaced along the contact between the sedimentary rocks and a doleritic sill. Three distinctly different types of kimberlitic rock, "A", "B" and "C", which form discrete bodies within the pipe have been identified. Type "A" kimberlite is typically bluish-green in color, contains few xenoliths or inclusions, are relatively hard and spatially restricted to the central western portion of the pipe. Type "B" kimberlite displays a more tuffaceous nature, xenolith- or inclusion-rich and easily weathers to a soft friable yellowish-green, yellow or pale brown material. Spatially, Type B kimberlite is restricted to the northwestern and eastern portions of the Kolo pipe. Finally, Type "C" kimberlite is characterised by a highly friable, yellow or greenish-brown in color, contains numerous sheared or tectonically-rounded clasts and is spatially restricted to a cross-cutting fault that separates type "A" and "B" kimberlite in the northwestern portion of the pipe. On average, type "A" kimberlite contains better grades and quality diamonds than the type B kimberlite, while no data is available for type C kimberlite.

1.2. Results of Bulk Sampling

The primary aim of the current bulk sampling programme is to recover a minimum parcel of about 5 000 carats of diamonds to assess the economic viability of the Kolo kimberlite pipe and whether Angel should apply for a Mining Lease over the area. Since the beginning of 2008, Angel has processed a total of 5 227 tonnes (Table 1) of mainly "A" type kimberlite, which has resulted in the production of 388 carats at an indicated grade ranging between 4.49cpht and 13.21cpht through a 20tph DMS plant with a bottom cut-off screen size of 2mm. Up to 30% of the diamonds recovered are of gem quality. These results compare very favorably with the results previously reported by the United Nations Development Programme ("UNDP"): Exploration for Diamonds project, during 1981.

The largest diamond recovered by Angel to date was 7.99ct in size, gem quality and irregularly shaped. Previous sales brokers' notes indicate that the Kolo pipe produced large diamonds during the period 1993 to 1997: 38ct, 52ct and 138ct at values of up to US$7600 per carat. An excellent quality 10.3ct diamond was also recovered during prospect pitting by the UNDP in 1976.

The diamonds recovered to have been independently valued. However, a parcel of 332cts have been exported to South Aifrca, in accordance with the Kimerley Process, and will be placed on tender. Angel is expecting the results of the tender during October 2008.

Quarter 2008	Tons processed (t)	Carats recovered (ct)	Mean grade (ct/100t)
Q1	769.60	89.27	11.60
Q2	3 577.90	209.58	5.86
Q3	880.40	89.38	10.20
Total	**5 227.90**	**388.23**	**7.43**

1.3. Mineral Resource

An Inferred Diamond Resource of 2.2 million tonnes at an average grade of 14.1cpht or 310 000 carats, was estimated from surface to 50m below the level of the regional drainage.

1.4. Other Prospects

The Kolo pipe forms part of the much larger Sekameng-Kolo kimberlite Group, which consists of eight (8) dykes, one (1) blow, and four (4) pipes, excluding the Kolo pipe. Of particular interest is the Sekameng kimberlite pipe, which is located approximately 5 km northwest of the Kolo pipe, measures approximately 3.5 ha in size and is known to be diamondiferous. Contrary to the Kolo pipe, the Sekameng pipe comprises a deeply weathered and decomposed tuffaceous kimberlite, similar to type "B" kimberlite in the Kolo pipe, with a yellow or greenish-brown color. Angel is planning to evaluate the economic potential of the Sekameng pipe through diamond drilling during the first half of 2009.

1.5. Future Endeavors

Until the end of 2008, Angel plans to conduct a pre-feasibility study to establish the viability of 20 000 tonnes per month or 2 500 carats per month mining operation

SUMMARY OF MINERAL RESERVES AND MINERAL RESOURCES

												Mineral Resources						
Project	Attributable to				Area of Interest	Mineral type	Permit No.	Area		Boreholes		Inferred		Indicated		Measured		Valuation
	Thabex	Pilansberg	Minnex	Taung				Ha		Percussion	Diamond	Tons Mt	Grade	Tons Mt	Grade	Tons Mt	Grade	NPV Rm
Minnex Exploration Namibia Limited			36%		Namibia	Kimberlite Diamonds	ELP's 3082 & 3083	160 000		15	-	-	-	-	-	-	-	-
Middelwater Portion 1			2.5% fee on turnover		Lower Orange River	Alluvial Diamonds	Registered Prospecting Right	4 300		18	-	-	-	-	-	-	-	11.40
Middelwater Remaining Ext			83.33%		Lower Orange River	Alluvial Diamonds	Registered Prospecting Right	-		-	-	-	-	-	-	-	-	-
Monastery Mine (Pty) Ltd	96.4%					Kimberlite Diamonds	Registered Prospecting Right	521		-	6	-	-	6	25 cpht	-	-	150.00
Angel Diamonds Pty) Ltd	70%				Lowlands Lesotho	Kimberlite Diamonds	Granted Prospecting Licence	5 360		-	-	2.2	14.1 cpht	-	-	-	-	68.00
Cinprop 0002 (Pty) Ltd				10%	Harts River	Alluvial Diamonds	Registered Prospecting Right	1 700		-	-	-	-	-	-	-	-	-
Diamex JV (Pty) Ltd	100%				Vaal River	Alluvial Diamonds	-	-		-	-	-	-	-	-	-	-	-
Pilansberg Gold Holdings (Pty) Ltd		49%			Uganda	Joint Venture Mafuga Forest	EPL 103	37 800		-	-	-	-	-	-	-	-	-
Protero Investment Holdings (Pty) Ltd	11.68%				Pofadder Northern Cape Province	Zinc, Copper, Lead	Granted Prospecting Rights	19 000		-	-	-	-	-	-	-	-	-
Salt River Base Mineral Project	100%				Kenhardt Northern Cape Province	Zinc, Copper, Lead, Silver, Gold	Registered Prospecting Right	12 035		27	58	20.15	2.46% Zn 0.44% Cu 0.49% Pb 18.44g/t Ag 0.37g/t Au	14.13	1.78% Zn 0.66% Cu 0.35% Pb 18.9g/t Ag 0.69g/t Au	9.87	1.83% Zn 0.46% Cu 0.55% Pb 21.4g/t Ag 0.45g/t Au	2 641.00
Salt River Central	100%				Kenhardt Northern Cape Province	Zinc, Copper, Lead, Silver, Gold	Registered Prospecting Right	8 000		3	9							
Salt River West	100%				Kenhardt Northern Cape Province	Zinc, Copper, Lead, Silver, Gold	Registered Prospecting Right	26 008		-	-	-	-	-	-	-	-	-
TOTAL																		**2 870.40**

ABRIDGED CV'S OF THABEX DIRECTORS

Jeffrey Rapoo (11 years on the board of Thabex) (Non-executive Chairman)
(Chairman of Audit and Remuneration Commitees)
He has several years experience in financial management and was a past Executive - Finance at North West Transport Investments (Pty) Ltd and formerly acting managing director at the Mpumalanga Development Corporation of the Mpumalanga Province and is also a director of Saminco Limited. Mr. Rapoo has considerable experience in the field of project development and financial administration.

Marius Welthagen (15 years on the board of Thabex) (Chief Executive)
He has 25 years of mining experience. Mr. Welthagen is a qualified mining engineer and specialised in mineral economics (MEng (Mining), MPhil Mineral Economics, BCom Hons (Economics)). He was employed at Kloof Gold Mine, Greenside Coal Mine in the Gold Fields Group as Mining Engineer, at the Minerals Bureau of South Africa as mineral economist and as a gold and platinum analyst for a leading stockbroker on the JSE. He is also chairman of Saminco Limited, a mining investment company. He was a founder member of SA Chrome and Alloys Ltd (formerly SouthWits Ltd) and Samroc Ltd (Formerly MangaChem Ltd).

Leopold Bosch (8 years on the board of Thabex) (Non-executive Director)
He studied at the Potchefstroom University where he obtained his MSc Geology (cum laude) during 1963 with a thesis on kimberlite occurrences in the Barkly West district of the Northern Cape province. After spending some years as field geologist and mineralogist, he was appointed as geologist with the Industrial Development Corporation of South Africa Limited in 1968, and was involved in numerous geological investigations and projects. He has consulted to Thabex since October 1997 and joined the Board in March 1999. On 1 October 2003 he was appointed Executive Manager of the Geological Society of South Africa.

Jan Kruger (new appointment) (Independent Non-executive Director)
(Member of Audit Committee)
Dr Kruger is a senior lecturer in Corporate Finance at the UNISA SBL. He has a PhD in Computer Science. He has been a professional investor and equity analyst for many years. He has extensive experience as consultant and as lecturer in Mathematics, Operations Research, Finance, Computer Science, Management and Statistics in industry and at Universities. He presented 19 conference papers and published 10 research publications on Machine Learning, Data mining and Reliability Theory. He is co-editor of two first year mathematics text books. Jan did his PhD "Finding the causal structure from the correlation matrix" in Computer Science at Wits and is currently studying for a DBL.

David Reid (9 years on the board of Thabex) (Non-executive Director)
Prof Reid has been with the University of Cape Town since 1972 and is currently an Associate Professor in the Department of Geological Sciences. He has been a member of the Geological Society of South Africa since 1973 and has twice been awarded their Jubilee Medal in recognition of published research in South African geology and geochemistry. David Reid has published, lectured and consulted widely on topics related to economic geology and geochemistry, with particular emphasis on mineralisation in Namaqualand, Bushmanland, Namibia and the Bushveld Complex.

Anton Roux (11 years on board the of Thabex) (Non-executive Director)
He is a deciduous fruit producer on the family farm, La Colline, in the Franschhoek Valley in the Western Cape Province and is a director of Saminco Limited. He has been associated with the group since 1981 as director of SA Mineral Investments (Pty) Ltd. He is a graduate of the University of Stellenbosch holding a B Agric degree.

THABEX LIMITED

ANGEL DIAMONDS (PTY) LTD	70%
DIAMEX JV (PTY) LTD	100%
PILANESBERG GOLD HOLDINGS (PTY) LTD	100%
MINNEX EXPLORATION LTD	100%
Minnex Exploration Namibia (PTY) LTD - 80%	
Alliance Afric Mining (PTY) LTD - 83.33%	
Makgabana Mine (PTY) LTD - 75%	
TAUNG DIAMOND MINES LTD	50%
SALT RIVER RESOURCES LTD	100%
TRADEPOST 121 (PTY) LTD	100%

EXPLORATION PORTFOLIO

DIAMONDS	ANGEL DIAMONDS (PTY) LTD Kimberlite Projects (Lesotho)
	MINNEX EXPLORATION LTD - Kimberlite (Namibia)
	ALLIANCE AFRIC MINING (PTY) LTD - Prieska Alluvial Diamonds
	TAUNG DIAMOND MINES LTD- Alluvial Diamond Projects (North West)
	TRADEPOST 121 (PTY) LTD - Monastery Mine - Kimberlite (Free State)
GOLD	PILANESBERG - Gold Project (Uganda) Kigezi Gold (Pty) Ltd JV
PLATINUM	UGANDA - Platinum Projects (Abandoned)
BASE MINERALS	SALT RIVER RESOURCES LTD (Northern Cape)

before applying for a Mining Lease in early 2009. As part of the company's pre-feasibility study, the company plans to conduct diamond drilling of the Kolo kimberlite pipe to improve the geological certainty of its depth extent, as well as increase the confidence level of the mineral resource estimate.

2. Diamex JV (Pty) Ltd ("Diamex")
Diamex in conjunction with Minnex Exploration Ltd tested approximately 7 000 tonnes of stockpiled material on Portion 1 of the farm Middelwater No 18 in the Northern Cape Province and recovered 5.12ct of diamonds. The results of the test indicate that the sample was not representative and the capital cost was deemed too large for the company. The company chose not to exercise their right to acquire the rights to the property. The project has since been ceded to Steyn Diamante CC for a management fee of 2.5% on turnover.

All of the company's heavy equipment continues to reside on the property; however, the company is preparing to move all of the equipment to the farm Monastery No 237 in the Free State Province.

3. Minnex Exploration Ltd ("Minnex")
The incorporation of Minnex, and its subsidiary companies, into Thabex was successfully completed during the earlier part of the year.

3.1. Alliance Afric Mining (Pty) Ltd ("Alliance Afric")
Alliance Afric was successful in being granted the conversion from an Old Order Prospecting Right to a New Order Prospecting Right over the Remainder of the farm Middelwater No 18 in the Northern Cape Province.

The Group's exploration equipment is inadequate to attempt a large bulk sample on the farm and the company chose to only explore the property and is currently looking for a suitable JV partner to develop the property.

3.2. Makgabana Mine (Pty) Ltd ("Makgabana")
Makgabana's application for a New Order Prospecting Right for all minerals over the farms Marais Vlei No 69 and Sand Vlei No 70 was recently accepted by the DME. Granting of the company's application with the DME is currently pending.

The company's rationale behind the application is to explore for various base and precious metals that were identified by previous exploration companies. The mineralised horizon(s) that hosts the sulphide mineralisation occurs along the hinge zone of a major fold, which plunges in an easterly direction. This style of mineralisation (stratabound, replacive) is considered to be very similar to that of Black Mountain Mine's Gamsberg orebody, which is currently under an advanced stage of exploration.

3.3. Minnex Exploration Namibia (Pty) Ltd ("Minnex Namibia")
Starting in April 2007, Minnex Namibia's JV-partner, Namdeb Diamond Corporation ("Namdeb"), identified 12 aeromagnetic targets that were followed up by a ground magnetic survey. These targets were subsequently tested by stream and soil samples, while a ground-based gravity survey was conducted over roughly half of the targets. Reverse Circulation percussion drilling the geophysical anomalies discovered kimberlitic indicator minerals in three drill holes and follow-up drilling by Namdeb is expected commence during October 2008.

4. Pilanesberg Gold Holdings (Pty) Ltd ("Pilanesberg")
In light of the high capital costs and increasing demands for a physical presence in Uganda, a proposal to sell all of the company's Ugandan interests and assets to its JV-partner, Uganda-based Devxplore Ltd, is currently being considered.

5. Protero (Pty) Ltd ("Protero")
Thabex continues to retain an 11.68% interest in Protero, which holds a New Order Prospecting Right over the Putsberg Cu deposit in the Northern Cape Province. According to Protero's recent Circular and Shareholders announcement, Protero has completed their first drilling campaign, which resulted in 13 diamond boreholes totaling approximately 2 000m. Roughly 600 borehole samples have been submitted to MINTEK's laboratories in Randburg for assay analysis.

6. Salt River Resources Ltd ("SRR")
6.1. Mineral rights
SRR was successful in being granted the conversion from an Old Order Prospecting Right to a New Order Prospecting Right over the Remainder of the farm Adjoining Geelvloer No 197 in the Northern Cape Province and New Order Prospecting Right over the farm Graafwater No 198 by the DME. The company was also successful in being granted a New Order Prospecting Right for various base and precious metals over the farms Lovedale No 201, Quagga-Maag No 200 and Hartebeest-Vlei No 199, as well as portions of the farms Gannapoort No 202 and Vaal-Kop No 225 in the Northern Cape Province. The execution and registration of this prospecting right is expected to be completed in the very near future.

REVIEW OF EXPLORATION PROJECTS

Continued

Combined, the Salt River and Salt River Central areas cover approximately 11 km of strike length with Salt River West area covering an additional 35 km of strike length in the economically and metallogenetically significant Namaqua Metamorphic Province. Registration of the Salt River and Salt River Central areas allow SRR to advance the exploration for significant sulphide mineralisation along the down dip extent of the Salt River deposit, as well as four (4) other prospects identified in Salt River Central area.

6.2. Quality control
A suite of 20 carefully selected sulphide-rich samples, collected from the diamond boreholes drilled by ("SRR"), and Certified Reference Material ("CRM") were analyzed for Cu, Zn, Pb and Ag by induced coupled plasma-optical emissions spectroscopy (ICP-OES) with elemental concentrations greater than 1 000 ppm re-analyzed by X-ray fluorescence (XRF) on fusion disks at an undisclosed laboratory ("Lab A") and a few select samples at a second undisclosed laboratory ("Lab B").

Copper and Zn show near one-to-one correlations between the two laboratories, while Pb and Ag show slightly weaker correlations. With respect to the CRMCG07237, both laboratories reported higher concentrations for the base metals, while "Lab A" reported lower concentrations of Ag.

The mean concentrations for the CRM, as determined by "Lab A", are anomalously high for the base metals compared to the CRMCG07237. By comparison, "Lab B" reported slightly higher and more tightly constrained concentrations for the base metals and a similar concentration for Ag compared to the CRMCG07237.

The results of this study revealed that despite the higher cost of geochemical analyses at "Lab B", quality assessment and quality control evaluations of the two laboratories indicates that "Lab A" should no longer be used for geochemical analyses.

6.3. Geologic modeling
As part of an ongoing, modern detailed geologic re-assessment of the Salt River deposit, company geologists discovered that the Salt River deposit and associated prospects appear to have been deposited in a series of structural controlled, east-northeast trending half-grabens. Likewise, company geologists have also found that the Salt River deposit occurs along the eastern limb of a previously unidentified, regional-scale, northeast-trending and plunging fold. Within the immediate vicinity of the deposit, the host rocks strike in an east-northeast direction while dipping roughly 25º to the northeast. Within the deposits, the sulphide body trends in a north-northeast direction and plunges at roughly 12º.

Re-logging, geologic analysis and new geologic modelling of the deposit have not only revealed an asymmetrical grade distribution and shape to the deposit, but enabled company geologists to define a high-grade zone along the eastern margin of the deposit. The high-grade zone dips at approximately 25º in a north-east direction with a plunge of 22º in a north-northeast direction. This high-grade zone roughly measures 300m in width, averages 5m true thickness and more than 6600m in length down dip, with the deepest mineralised intercept encountered at 1300m below surface. However, it should be noted that the high-grade zone of the deposit remains open at depth.

As part of a Masters of Science (M.Sc.) project through the University of Johannesburg ("UJ"), the student has simplified and correlated the immediate host rock sequence throughout the Salt River deposit, which will assist in future mine planning, exploration and development of the property. Based on the value added to the project by Keith Osburn, a second UJ M.Sc. project was approved. This second study will focus on the textural, mineralogical and geochemical attributes of the sulphide horizons in an attempt to better define and characterize the different types of ore, as well as their mode of formation. This study will add further value to the project through an improved understanding of the sulphide horizons and the beneficiation processes necessary for recovery.

6.4. Prospects and other mineralized occurrences

Of the five prospects in the vicinity of the Salt River deposit, the Graafwater East, Central, and West prospects display numerous characteristics in common with the Salt River deposit and other volcanogenic massive sulfide (VMS) deposits. By comparison, the Soutputs Noord prospect exhibits features common to mafic magmatic Cu-Ni deposit. The Salt River-type prospects are characterised by one or more tabular, stratabound to stratiform horizons of semi-massive to massive poylmetallic sulfide mineralisation. In spite of this, as illustrated in Table 6.2, drilling by previous exploration companies indicate that Graafwater East and West prospects are the most prospective.

Although underexplored, elevated concentrations of Cu have been identified in a massive siliceous magnetite, chlorite ± hornblende rock of Portion 8 of the farm Adjoining Geelvloer No. 197. These siliceous magnetite-chlorite rocks are highly variable in thickness, 1.4 to 25.7 m thick, and hosted by interbedded biotite-rich gneisses and amphibolites with granodioritic/dioritic sills displaying a close spatial association. Shallow diamond drilling has revealed that the mineralisation comprises stringers of pyrite-chalcopyrite or magnetite, pyrite-pyrrhotite-(pentlandite)-rich chert and massive magnetite or pyrrhotite-(pentlandite). The elevated Cu content, in conjunction with the close spatial association with granodioritic/dioritic sills, presence of pyrrhotite-rich sulfides and numerous macroscopic similarities with other mafic magmatic Cu-Ni deposits indicate the potential for Cu, Mo, Ni, Co and PGM mineralisation.

6.5. Mineral Resource

As announced in the Competent Persons Report ("CPR"), prepared by CSA Consulting International Ltd and released on 23 August 2007, a 1% Zn cut-off yields a Measured and Indicated Mineral Resource of 24,1 Mt (Table 6.1). At the same Zn cut-off, company geologists have calculated an Inferred Mineral Resource of 1,91 Mt (Table 6.1). These values were updated by SRR and announced on 21 May 2008, when the company had increased its total Mineral Resource by about 20 million tonnes in the Inferred category (Table 6.2). These figures include the resource figures for the high-grade zone, which was announced on 26 June 2008 (Table 6.3).

As announced on 29 May 2008, the total Mineral Resource for the Salt River Project is around 44 million tonnes. A 1% Zn cut-off yields a Measured and Indicated Mineral Resource of 24,1 Mt with an Inferred Mineral Resource of 20,1 Mt (Table 6.4).

All Mineral Resource figures have been reported in accordance to the SAMREC Code.

Using the average metal prices for 2004 to 2006 (copper US$5 358/t; lead US$1 049/t; zinc US$1 898/t; gold US$544/oz and silver US$8.51/oz), which are sufficiently robust enough to reflect the annual and cycle variance in pricing for the various metals to be recovered, indicates that the Total Mineral Resource (i.e. 26Mt) for the Salt River deposit are equivalent to a Cu equivalent grade of 1,74% at an insitu value of US$91.55/t or US$2 381 million (R17 675 million at R7,42/US$).

Alternatively, at current metal prices (05 August 2008; copper US$7 809,50/t; lead US$2 016/t; zinc US$1 750/t; gold US$880,40/oz and silver US$16,52/oz), the Total Mineral Resource (i.e. 26Mt) for the Salt River deposit are equivalent to a Cu equivalent grade of 1,61% at an insitu value of US$122,68/t or US$3 191 million (R23 685 million at R7.42/US$).

Following the same methodology (NPV of the estimated future cash flow at 15% discount rate) used in an evaluation published earlier this year at the JSE for a similar base metal resource in South Africa the total value attributed to the Salt River project in US$365 million (R2 641 million at R7.24/US$).

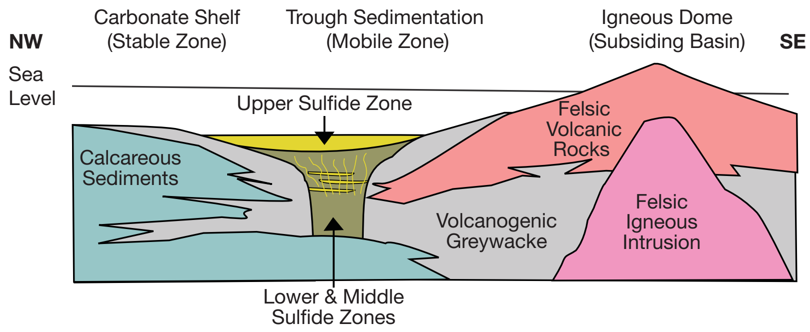
7. Taung Diamond Mines Ltd ("Taung Diamonds")

Taung Diamonds continues to hold a 10% interest in Cinprop 0002 (Pty) Ltd, which has conducted percussion drilling over a portion of the farm Taung Reserve 894 NY.

8. Tradepost 121 (Pty) Ltd ("Tradepost")

Thabex successfully acquired 100% of "Monastery" and the associated Monastery diamondiferous kimberlitic pipe. Subsequent to the purchase of the mine, Monastery was successful in being granted and registration of a New Order Prospecting Permit for diamonds (in kimberlite) over the Remainder of the farm Monastery No 237, in the eastern Free State Province by the DME.

The company is currently planning to mobilise all of Diamex's equipment to the property to test the oxidized kimberlitic material stockpiled near the open pit.



Schematic cross-section through the Salt River VMS deposit during deposition of the sulphide minerals.

Table 6.1: Total Mineral Resource for the Salt River deposit with average base and precious metal intercept values.

Deposit/ Prospect	Resource Category	Mt	Grade Zn (%)	Cu (%)	Pb (%)	Ag (g/t)	Au (g/t)	Cu Equivalent *
Salt River	Measured	1,83	1,83	0,46	0,55	21,35	0,45	1,38
Salt River	Indicated	1,78	1,78	0,66	0,35	19,89	0,59	1,59
Salt River extension	Inferred	1,23	1,23	0,95	0,53	45,00	3,65	3,00
Total		1,76	1,76	0,64	0,49	21,68	0,84	1,61

Table 6.2: Inferred Mineral Resource for the Salt River-type prospects currently being evaluated and considered by SRR with average base and precious metal intercept values.

Deposit/ Prospect	Resource Category	Mt	Grade Zn (%)	Cu (%)	Pb (%)	Ag (g/t)	Au (g/t)	Cu Equivalent *
Salt River extension	Inferred	1,91	1,23	0,95	0,53	45,00	3,65	3,00
Graaff-Water East	Inferred	8,34	2,68	0,26	0,86	18,90	-	1,21
Graaff-Water West	Inferred	6,57	3,50	0,69	0,23	18,65	-	1,68
Graaff-Water Central	Inferred	3,23	0,51	0,12	0,01	1,10	0,06	0,27
Total		20.05	2,46	0,44	0,49	18,44	0,37	1,38

Table 6.3: Total Mineral Resource for the high-grade zone of the Salt River deposit with average base and precious metal intercept values.

Deposit/ Prospect	Resource Category	Mt	Grade Zn (%)	Cu (%)	Pb (%)	Ag (g/t)	Au (g/t)	Cu Equivalent *
Salt River	Measured	9,97	1,83	0,46	0,55	21,35	0,45	1,38
Salt River	Indicated	14,13	1,78	0,66	0,35	19,89	0,59	1,59
Salt River extension	Inferred	1,91	1,23	0,95	0,53	45,00	3,65	2,95
Total		26,01	1,76	0,64	0,49	21,68	0,84	1,61

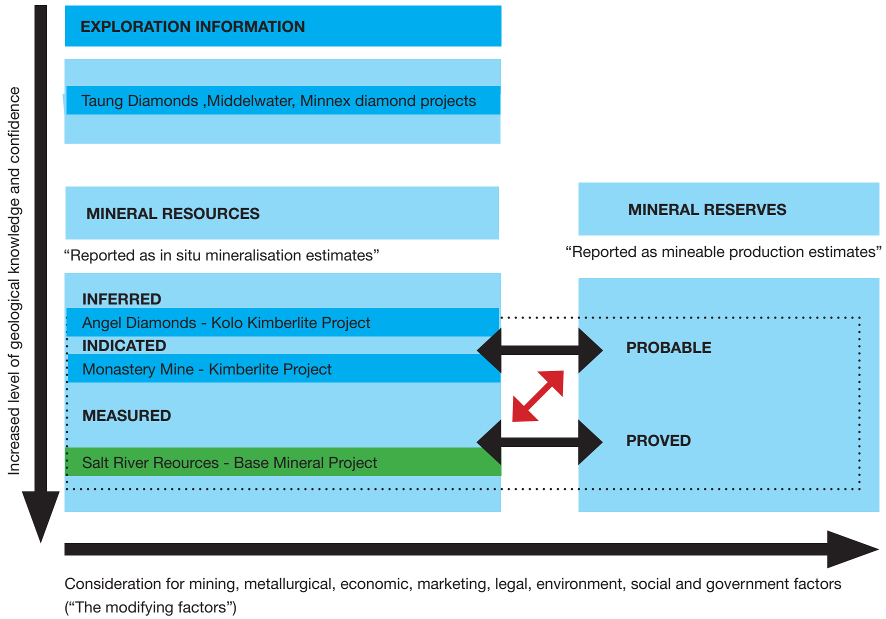
Table 6.4: Total Mineral Resource for the Salt River Project (i.e. Salt River and Salt River-type prospects) with average base and precious metal intercept values.

Deposit/ Prospect	**Resource Category**	**Mt**	**Grade** Zn (%)	Cu (%)	Pb (%)	Ag (g/t)	Au (g/t)	**Cu** Equivalent *
Salt River	Measured	9,97	1,83	0,46	0,55	21,35	0,45	1,38
Salt River	Indicated	14,13	1,78	0,66	0,35	19,89	0,59	1,59
Salt River extension	Inferred	1,91	1,23	0,95	0,53	45,00	3,65	3,00
Graaff-Water East	Inferred	8,34	2,68	0,26	0,86	18,90	-	1,21
Graaff-Water West	Inferred	6,57	3,50	0,69	0,23	18,65	-	1,68
Graaff-Water Central	Inferred	3,23	0,51	0,12	0,01	1,10	0,06	0,27
Total		44,15	2,10	0,54	0,48	19,20	0,51	1,45

The scenic Kolo mountain in the low lands of Lesotho with
Angel Diamonds' kimberlite prospecting plant near the Kolo Kimberlite Pipe

REVIEW OF EXPLORATION PROJECTS
Continued

Framework for classifying tonnage and grade estimates reflecting different degrees of geoscientific confidence and technical and economic evaluation as defined by the SAMREC Code.



"Assay" - To determine the mineral content;

"ct" - carat;

"cpht" - carat per hundred tons;

"Competent Person" - A person who, is registered with anyone of SACNASP, ECSA, PLATO, or any other statutory South African or international body that is recognised by SAMREC and, has a minimum of five years experience to the style of mineralisation and type of deposit under consideration and to the activity which that person is undertaking, as defined under the SAMREC Code for reporting of mineral resources and reserves;

"Cut-off grade" - The grade at which the ore body is mined with no profit or loss, i.e. breakeven grade;

"deposits" - A continuous mass of material of sufficient mineral content to warrant investigation;

"depletion" - The decrease in the quantity of ore in a deposit or property resulting from extraction or production;

"dilution" - Waste which is mixed with ore in the mining process;

"discount rate" - A rate of return used to convert a future monetary sum into present value;

"DME" - Department of Minerals and Energy;

"DMS" - Dense medium separation recovery equipment;

"EPL" - Exclusive Prospecting Licence;

"estimation" - Quantitative judgement of value (e.g. grade, costs, revenue);

"exploration" - Exploration encompassing prospecting, mapping, geological surveys, percussion drilling and other work employed in the search for diamond mineralisation;

"dip" - The angle that a structural surface makes with the horizontal, measured perpendicular to the strike of the structure;

"faulting" - The process of fracturing that produces a displacement of rock;

"footwall" - The underlying side of a fault or orebody;

"Feasibility study" - A comprehensive engineering estimate of all costs, revenues, equipment requirements and production levels likely to be achieved if a mine is developed. The study is used to define the technical and economic viability of a project and to support the search for project financing;

"in situ" - Within the unbroken rock or in place;

"Indicated Mineral Resource" - That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed;

"Inferred Mineral Resource" - That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability.;

"Measured Mineral Resource" - A Measured Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

"metallurgical plant" - The comminution of ore, although the term has come to also cover the broad range of machinery inside the treatment plant where the mineral is separated from the ore;

"mineable" - The portion of the mineralised deposit for which extraction is technically and economically feasible;

"Minerals Act" - The Minerals Act No 50 of 1991, as amended;

"Mineral Reserve" - The economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified;

"Mineral Resource" - The concentration [or occurrence] of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated and Measured categories;

"Measured Resource" - That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity;

"mineralisation" - The presence of a target mineral in a mass of host rock;

"New Minerals Act" - The Minerals and Petroleum Resources Development Act (No 28 of 2002);

"open cast mine" - A mining operation that is operating on surface and does not make use of shafts to mine the ore;

"ore" - A mixture of mineralised material from which at least one of the contained minerals can be mined and processed at an economic profit;

"outcrop" - The truncation of a stratigraphic unit or ore body on surface;

"pay limit" - The breakeven grade at which the ore body can be mined without a profit or loss, calculated using forecast commodity prices, working costs and recovery factors;

"present value" - The value, as of a specified date, of future economic benefits and or proceeds from sale, calculated using an appropriate discount rate; of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified;

"production" - The day-to-day activities (including extraction and processing prior to sale) directed to obtaining saleable product from the mineral resource on a commercial scale;

"prospecting permit" - An authorisation issued by the department of Minerals and Energy in terms of section 6 of the Minerals Act 50 of 1991 to the holder of a mineral right or to a person who has obtained a consent from the mineral rights holder to prospect, allowing such person to prospect on the land to which the permit relates;

"Proved Mineral Reserve" - The economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified;
"recovery grade" - The actual grade of are realised after the mining and treatment process;

"reef" - A mineralised horizon containing economic levels of metal;

"refining" - The final stage of metal production in which final impurities are removed from the molten metal by introducing air and fluxes;

"rehabilitation" - The process of restoring mined land to a condition approximating its original state;

"stripping ratio" - The amount of overburden to ore mined;

"strike" - The direction in which a horizontal line can be drawn on a plane;

"sub outcrop" - The unconformable truncation of one stratigraphic unit against another below the ground;

Units
g - a gram;

g/t - gram per ton;

ha - a hectare;

kg - a kilogram;

km - a kilometre;

m - a metre;

"ounce" or "oz" one troy ounce (1 troy ounce equals 31,1035 grams);

% - Percentage;

Ib - a pound;

R - South African Rand;

ton - metric ton; and

"ton" or "t" - one ton is equal to 1 000 kilograms (a metric ton);

US$ - United States dollar;

Abbreviations "Capex" - Capital expenditure;

"CPI" - Consumer Price Index for South Africa;

"CP" - Competent Person;

"CPR" - Competent Persons' Report

"DCF" - Discounted Cash Flow;

"EMPR" - Environmental Management Programme, a document setting out Thaba Egoli Mining & Explorations Ltd's plans to rehabilitate the surface of land disturbed during prospecting operations, as required by the New Minerals Act;

"LOM" - Ufe of mine, the estimated period of production;

"LQS" - lower Quartile Solutions (pty) Ltd, (Registration number 1999/03229/07) Unit 120, 1st Floor, Phase 4, Momentum Business Park, 563, Main Road, Midrand, 1685;

"IRR" - Internal Rate of Return, A discount rate at which the present value of the future cash flows of the investment equals the cost of investment;

"Mt" - million tons;

"Mintek" - Council for Mineral Technology, 200 Hans Strijdom Drive, Randburg, 2125;

"NPV" - Net present value;

"SACNASP" - The South African Council for Natural Scientific Professions;

"SAMREC" - The South African Mineral Resource Committee;

"SAMREC Code" - The South African Code for Reporting Mineral Resources and Mineral Reserves;

"SAMVAL Code" - South African Code for Valuation of Mineral Assets;

"SG" - specific gravity;

"tpa" - tons per annum; and

"tpm" - tons per month,

Chemical symbols

Au - Gold;

Ag - Sliver;

Cd - Cadmium;

Co - Cobalt;

Cu - Copper;

Ni - Nickel;

Pb - Lead;

Ti - Titanium; and

Zn - Zinc.

CONTENTS OF THE ANNUAL FINANCIAL STATEMENTS

Thabex Limited
Annual Report for the year ended 29 February 2008

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DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

For the year ended 29 February 2008
Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the group annual financial statements and annual financial statements of Thabex Limited, comprising the balance sheets at 29 February 2008, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of the Group and Company's ability to continue as a going concern and there is no reason to believe the businesses will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the group annual financial statements and annual financial statements of Thabex Limited are fairly presented in accordance with the applicable financial reporting framework.

Approval of group annual financial statements and annual financial statements.

The group annual financial statements and annual financial statements of Thabex Limited were approved by the board of directors on 2 October 2008 and signed on their behalf by;

M Welthagen
Chief Executive

J Rapoo
Chairman

CORPORATE GOVERNANCE STATEMENT

The board of directors remains fully committed to the principles of corporate governance as advocated by the King Committee reports and endorses the code of conducting the business of the Group with the highest degree of integrity and in accordance with generally accepted corporate practice.

BOARD OF DIRECTORS

The board presently consists of one executive and four non-executive directors who ensure full and effective control over the Group. Directors are carefully selected to ensure a wide variety of expertise, skills and experience which allow independent judgement and opinions. The board of directors and management follow the unitary structure; meet on a quarterly basis to review the operational performance of the Group, strategic issues and stakeholder reporting. The board is responsible for the management of the Company and its subsidiaries. The Company's chairman is JR Rapoo and as a non-executive ensures division of responsibility, in compliance with JSE Listing Requirements, between the Chairman and the Executive responsible for the running of the Group's business (the Chief Executive Officer).

The following principles are adhered to with regard to the board of directors:

- All decisions and conclusions in discharging the duties and responsibilities of directors are clearly recorded in the minutes of the meetings.
- The directors are entitled to take independent professional advice if necessary, at the Company's expense.
- All directors have access to the advice and services of the Company Secretary.
- Directors are timeously supplied with information and have unrestricted access to all Company information, records, documents and property.

CORPORATE GOVERNANCE STATEMENT

The board has delegated certain of its duties, as further set out below Directors were briefed on the requirements of the Code of Corporate Practice and Conduct during the year under the review.

INTERNAL CONTROLS

All financial and related matters vest in a cash flow budget committee whose primary responsibility is to maintain adequate control and to authorise all capital, operating and non-operating expenditure. The adequacy and effectiveness of the accounting systems and controls are undertaken by management.

INSIDER TRADING

All directors have been informed about the new JSE Listing Requirements regarding closed periods for trading in Thabex shares, prior to the publication of the Annual Financial Statements and the Interim Results, respectively.

BOARD COMMITTEES

The board has established two standing committees to enable it to discharge its duties adequately and to ensure the economic viability and sustainability of the Company:

These are:
- Audit Committee: and
- Remuneration Committee

Audit committee

The board recognises the importance of a strong audit committee with responsibility for ensuring the overall effectiveness corporate governance within the Company. The audit committee still comprises of JR Rapoo as chairman and Dr JW Kruger as independent non-executive director.

Internal financial and operating controls

The board is ultimately responsible for the internal and operating system of the Group and for the monitoring their effectiveness. These systems are designed to provide reasonable assurance against material misstatement and loss. The established audit committee monitors these systems and advises the board on any adaptations that may be required in order to meet changing business circumstances. The committee is responsible for assisting the board in the implementation and monitoring of reasonable safeguards in respect of the unauthorized use or disposal of Group assets, compliance with relevant legislation and regulations and the maintains of proper accounting records, as well as for advising the board on the appointment of external auditors.

Remuneration committee

JR Rapoo as non-executive director of the remuneration committee and Dr JW Kruger as independent non-executive director constitute this committee.

The committee determines the remuneration, incentive arrangement, profit participation and benefits of the executive directors and executive management. The committee is responsible for ensuring that the levels of remuneration are sufficient to attract, retain and motivate executives of the caliber required for high level management as well as key personnel positions. It is also responsible for measuring the performance of the executive directors in discharging their functions and responsibilities.

Remuneration is performance related and is designed to provide incentives for directors and staff to perform at the highest operational levels.

Internal audit

Due to the present size of the Group, an internal audit function has not been established yet. This will be remedied as soon as the Group has grown sufficiently according to the long-term development policy.

Attendance register of board meetings

	2007			**2008**		
Name of directors	8 August	28 August	10 October	8 January	7 February	22 February
JR Rapoo	P	A	P	A	A	A
DS Cowie	P	P	P	P	-	-
JL Bosch	P	A	P	A	A	A
Prof DL Reid	A	A	A	A	P	A
AP Roux	A	A	A	A	A	P
M Welthagen	P	P	P	P	P	P

SECRETARIES' STATEMENT

In terms of the Companies Act 1973, we hereby certify that the Company has lodged, with the Registrar of Companies, all such returns as are required of a public Company in terms of the Act, and that all such returns are true, correct and up to date.

SA Mineral Investments (Pty) Ltd
Secretaries
2 October 2008

DEMATERIALISATION

Strate is an electronic settlement environment for transactions to be settled and transfer of ownership to be recorded electronically, which will be managed by Strate Limited (registration number 1998/022242/06). As at 29 February 2008 91.61 % (2007: 91.61 %) of Thabex's ordinary shares were dematerialised.

CORPORATE GOVERNANCE STATEMENT
Continued

SAMREC AND SAMVAL CODES

Whilst the annual report has been prepared for the benefit of the shareholders, sufficient information is disclosed for any interested party to make an informed judgement about the merits of the Group's exploration projects.

The JSE Listing Requirements have also been met, which incorporate the South African Code for Reporting of Mineral Resources and Mineral Reserves ("SAMREC Code") as defined by the South African Institute of Mining and Metallurgy. The financial statements itemise detailed exploration information such as individual borehole results, assays and modeling criteria. On pages 6 and 7 a comprehensive analysis of the Group's exploration prospects is tabled. Futhermore, the SAMVAL Code (SouthAfrican Code for Valuation of Minneral Assets) has also been complied with regards to the valuation of the Groups exploration projects.

EMPLOYMENT EQUITY

Thabex recognises the importance of employment equity and is continuing in its efforts to appoint Black, Coloured or Asian managers and employees, through recruitment and training.

BLACK ECONOMIC EMPOWERMENT

Thabex is 22.76% (2007: 27.59%) directly owned by Black Economic Empowered persons.

ENVIRONMENTAL COMPLIANCE

The Group's Environmental Rehabilitation Programs in the Northern Cape for the Salt River Base Mineral Project, the Taung Diamonds' Hartswater projects and the Monastery Mine (Pty) Ltd have been approved by the Department of Minerals and Energy. The Ministery of Mines and Energy approved the environmental program for the Nidiyona Kimerlite Project, which is a Joint Venture with Namdeb Corporation (Pty) Ltd in the northeast of Namibia.

SUSTAINABLE DEVELOPMENT

The Company's future growth will be from the development of Thabex's own exploration projects and acquisitions, such as Minnex Exploration Ltd into mining projects. The acquisition of Minnex, incorporating both new projects and skilled mining professionals, will ensure the long-term growth to Thabex into a fully fledged Junior Mining and Exploration Company.

RISK MANAGEMENT AND INSURANCE

The objective of the Company's risk management policy established by the board is to minimize its business risk by safeguarding Company assets and income earning capacity. The procedures adopted in compliance with this policy are augmented by the procurement of insurance for those events that are beyond the control of management.

CODE OF ETHICS

All employees, officers and directors of Thabex and its subsidiaries are required to maintain the highest ethical standards ensuring business practices are conducted in a manner beyond reproach.

GENERAL

The board of directors as a group forms the technical committee and the non-executive directors form the human resources committee.

INDEPENDENT AUDITOR'S REPORT

To the members of Thabex Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the group annual financial statements and the annual financial statements of Thabex Limited, which comprise the balance sheets at 29 February 2008, and the income statements, the statemenls of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 29 to 64.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and, fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriale accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respecls, the consolidated and separate financial position of Thabex Limited at 29 February 2008, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Emphasis of Matter

We draw attention to the directors report in the financial statements which indicates that the Group incurred a net loss of R7 793 583 (Company: R12 204 071) for the year ended 29 February 2008 and, as of that date, the Group's current liabilities exceeded its current assets by R989 556 (Company: R3 925 262). The directors' report states that these conditions along with other matters, indicate the existence of a material uncertainty which may cast doubt on the Group and Company's ability to continue as a going concern.

KPMG Inc.
Registered Auditor

Per Shaun van den Boogaard
Chartered Accountant (SA)
Registered Auditor
Director
2 October 2008

KPMG Forum 1226
Schoeman Street
Hatfield
Pretoria
0028

DIRECTORS' REPORT

The Directors have the pleasure in presenting their report for the year ended 29 February 2008

NATURE OF BUSINESS

Thabex Limited ("Thabex") (Registration number 1988/000763/06) is a Junior mining and exploration Company listed on the JSE Ltd ("JSE") in the "Basic Resources; Mining - Diamonds and Gemstones" sector of the list under the abbreviated name "Thabex" (ISN code: ZAE000013686 JSE code: TBX).

Thabex and its subsidiaries explore for diamonds, coal, gold, platinum and base minerals and Thabex also trades in polished diamonds. The Group's exploration projects are located in Africa. The projects range from grassroots exploration and green fields projects to drill-defined deposits. The focus of Thabex's future mining and exploration activities is on diamonds through Angel Diamonds (Pty) Ltd, Diamex JV (Pty) Ltd and BEE subsidiaries - Taung Diamond Mines Ltd and Monastery Mine (Pty) Ltd.

SHARE CAPITAL

The authorised share capital of the Company is 100 000 000 (2007: 100 000 000) ordinary shares of 10 cents each).

As at 29 February 2008 the issued share capital of the Company comprised 21 006 887 (2007: 17 006 887) ordinary shares of 10 cents each.

DIVIDENDS

No dividends are proposed in respect of the 2008 financial year (2007: nil).

SUBSIDIARIES

Details of the Company's subsidiaries are set out in note 4.

SEGMENT REPORT

Thabex is a mining and exploration Company with projects in the following geographical areas:
South Africa - Northern Cape Province, Northwest Province and Free State Province;
Lesotho - Mafeteng District;
Namibia - Rundu District; and
Uganda - Kigezi District.

As the Group is currently exploring for diamonds, gold and base minerals, all income and expenditure, assets and liabilities are held and incurred in this single activity, the segmental information will only be presented when the various businesses have developed and segments can properly be identified and a meaningful allocation between the various segments can be made.

GOING CONCERN

The Group incurred a net loss of R7 793 583 (2007: R6 605 321) and the Company incurred a net loss of R12 204 071 (2007: R 6 315 708) for the year ended 29 February 2008. At that date, the group's current liabilities exceeded its current assets by R989 556 (2007: current assets exceeded current liabilities by R 4 559 813) and the Company's current liabilities exceeded its current assets by R3 925 262 (2007: current assets exceeded current liabilities by R 4 941 576).

The board has considered the ability of the Company and its subsidiaries to continue as going concerns and, based on reasonable and supportable assumptions, have concluded that the forecast levels of production and the future benefits of the continuing prospecting operations of Angel Diamonds (Pty) Ltd, a subsidiary, will produce sufficient cash flows to allow the Company and its subsidiaries to meet their obligations in the normal course of business for the foreseeable future.

Should the operations of the subsidiary fail to achieve forecast levels of production, there will be a material uncertainty that may cast significant doubt on the ability of the Company and its subsidiaries to continue as going concerns.

MANAGEMENT

The Group has not entered into any management agreement with its directors or any other company.

SECRETARIAL SERVICE

SA Mineral Investments (Pty) Limited, a Company indirectly controlled by Marius Welthagen, acts as Company secretary to Thabex.

MINERAL AND PROSPECTING RIGHTS

The board has considered the current modifying and risk factors influencing the value of the Group's mineral and prospecting rights. These include the expected medium to long-term increase in rough diamond demand. Although significant increases in precious and base metal prices occured during the year under review, base metal prices declined to a more sustainable level at the time of this report. The long-term market conditions for these commodities are factors which caused positive changes on the development of the Group's mining assets.

Thabex intends to list its wholly owned subsidiary, Salt River Resources Ltd, on the AIM market. Market conditions remains unfavourable to raise approximately R140m in order to complete a bankable feasibility study. The Company is continuing to assess and prospect the new prospecting areas, registered during the past year. A pre-feasibility study is being prepared by SRR.

Thabex intends to proceed with an application requirements for a Mining Lease in terms of the Mines and Minerals Act of Lesotho over an area containing six kimberlitic occurences, including the Kolo Kimbelite pipe.

SUBSEQUENT EVENTS

Subsequent to the year-end, Thabex acquired 94.34% of Monastery Mine (Pty) Ltd and the associated Monastery diamondiferous kimberlitic pipe. Monastery was sussessful in being granted a New Order Prospecting Permit for prospecting of diamonds (in kimberlite) over the Remainder of the farm Monastery No 237, in the eastern Free State Province. The Propecting Rights has been registered. Exploration and Prospecting has commenced to verify the estimated Indicated Mineral Diamond Resource and various funding options are being investigated to bring this mine into production with a minimum plant capacity of 100tph DMS plant.

At present the Company is trading under Cautionary Announcement, which negotiations are continuing and shareholders should continue to exercise caution when dealing with their Thabex shares.

Both Minnex Exploration Ltd and Taung Diamond Mines Ltd have been converted from Public companies to Private companies, with effect from 1 August 2008.

After the issue of the one million consideration shares for the acquisition of the Monatery Mine (Pty) Ltd, the Group's direct BEE shareholding decreased to 21,72% from 22.93% at 25 April 2008.

The Prospecting Licence of Angel Diamonds (Pty) Ltd was renewed for the same area as the initial Propecting Licence No 002 in the Mafeteng District of Lesotho and Angel has produced its first rough diamonds from the project.

Other than mentioned above there are no other events of a material nature that have occurred between the balance sheet date and the date of this report.

DIRECTORS' INTEREST IN THE SHAREHOLDING OF THE COMPANY

The changes in the the directors' interest in the shares of the Company is presented on page 64.

LITIGATION

The Thabex group is involved in the following litigation and potential litigation -

- Thabex has commenced litigation proceedings against Ibhubesi Investments No 1 (Proprietary) Limited for failing to repay a loan in the amount of R250 000 and a summary judgement has been obtained against this Company.
- On 4 June 2007 the High Court of Lesotho ordered that three Court Cases (CIV/APN/354/06, CIV/APN/294/06 and CIV/APN/42/07) relating to a dispute between, inter alia, Senqu Diamonds (pty) Ltd ("Senqu Diamonds") a Lesotho registered Company and the Commissioner of Mines of Lesotho, relating to the issue of Prospecting Licence 002, dated 15 June 2006, to Angel Diamonds be heard simultaneously. At present Angel Diamonds has an interdict against, inter alia, Senqu Diamonds to prevent Senqu from interfering with Angel Diamonds' prospecting activities on the Prospecting Licence area. On 7 April 2008 the hearing was postponed to 1June 2009, with and a order for costs was granted in favour of Angel Diamonds.
- Thabex is defending a claim against it for R184 641 from Baka Plant (Pty) Ltd as the equipment supplied by this Company was defective and submitted a counter claim for loss of revenue in the amount of R1m.
- The Company is also considering proceeding with legal action against Quenda Africa CC, the supplier of the 20 tph DMS plant at the Kolo Kimberlite Project as the plant has apparently not been properly commissioned and does not operate at design capacity.

Save for the litigation and potential litigation referred to above, there are no material legal or arbitration proceedings of which the directors of Thabex are aware of and which may have or have had, from 1 March 2008 to the date of signature of these annual financial statements, a material effect on the financial position of the Thabex group or influence any of the Thabex group's rights to explore for minerals.

DIRECTORATE AND ADMINISTRATION

The executive director in office at the date of this report is M Welthagen. The non-executive directors were JL Bosch, Dr JW Kruger, JR Rapoo (Chairman), AP Roux and Prof DL Reid. In accordance with Article 93 of the Company's Articles of Association, JR Rapoo will retire from office at the annual general meeting to be held on Wednesday, 12 November 2008, but being eligible, offers himself for re-election.

On 22 August 2008 Thabex appointed Dr JW Kruger as independent non-executive director to serve on the Audit Committee and Remuneration Committee. DS Cowie resigned on 31 January 2008. Details of directors' emoluments are set out in note 22.

Abridged biography of director seeking re-election

Name:	Jeffrey Raymond Rapoo
Date of birth:	10 July 1943
Academic qualifications:	BComm (Law), Hons BCompt
Occupation:	Director of companies - financial control
Experience:	Acted as financial director and executive director on the boards of various companies (See page 8)
Other current directorships:	Royal Bafokeng Resources (Pty) Ltd, Bophirima Industrial Holdinds (Pty)Ltd Saminco Ltd

Abridged biography of director seeking election

Name:	Dr Jan Walters Kruger
Date of birth:	10 April 1953
Academic qualifications:	BSc (US), Hons BSc (Unisa), MSC (Wits), PhD (Wits), HOD (US)
Occupation:	Senior Lecturer at Unisa School for Business Leadership
Experience:	Academic since 1974 (See page 8)
Other current directorships:	Africa Yaruna Investment Holding (Pty) Ltd

BALANCE SHEETS

At 29 February 2008

	Notes	Company 2008 R	Company 2007 R	Group 2008 R	Group 2007 R
Assets					
Non-current assets		**7 569 765**	3 045 106	**16 505 261**	10 887 583
Plant and equipment	2	**3 156 808**	2 195 042	**4 636 938**	3 601 511
Exploration and evaluation assets	3	**-**	-	**11 868 323**	7 286 072
Interest in subsidiaries	4	**4 412 957**	850 064	**-**	-
Current assets		**2 194 978**	6 901 112	**2 249 475**	6 604 489
Inventories	5	**1 275 989**	1 540 437	**1 275 989**	1 540 834
Short term investments	6	**273 411**	903 580	**273 411**	912 138
Trade and other receivables	7	**600 679**	1 400 848	**344 198**	1 032 984
Short-term loans	8	**28 369**	2 290 031	**122 170**	2 105 784
Cash and cash equivalents	20	**16 530**	766 216	**233 707**	1 012 749
Total assets		**9 764 743**	9 946 218	**18 754 736**	17 492 072
Equity and liabilities					
Capital and reserves					
Share capital	9	**2 100 689**	1 700 689	**2 100 689**	1 700 689
Share premium		**24 664 633**	17 202 741	**24 664 633**	17 202 741
Accumulated loss		**(23 120 819)**	(10 916 748)	**(11 249 617)**	(3 456 034)
Total equity attributable to the equity holders of the parent		**3 644 503**	7 986 682	**15 515 705**	15 447 396
Minority interest		**-**	-	**-**	-
Total equity		**3 644 503**	7 986 682	**15 515 705**	15 447 396
Current liabilities		**6 120 240**	1 959 536	**3 239 031**	2 044 676
Bank overdraft	20	**371 477**	-	**371 477**	-
Trade and other payables	12	**1 942 553**	1 959 536	**1 999 278**	2 044 676
Loans from group companies	4	**3 338 420**	-	**-**	-
Provision for losses in subsidiaries	4	**467 790**	-	**-**	-
Short-term loans	8	**-**	-	**243 226**	-
Taxation payable		**-**	-	**625 050**	-
Total equity and liabilities		**9 764 743**	9 946 218	**18 754 736**	17 492 072
Net asset value per share (cents)		**17.35**	46.96	**73.86**	90.83
Net tangible asset value per share (cents)		**17.35**	46.96	**17.36**	47.99

INCOME STATEMENTS

For the year ended 29 February 2008

	Notes	Company 2008 R	Company 2007 R	Group 2008 R	Group 2007 R
Revenue	13	**430 066**	80 388	**430 066**	80 388
Cost of sales		**(393 558)**	(70 923)	**(393 558)**	(70 923)
Gross profit		**36 508**	9 465	**36 508**	9 465
Other operating income		**1 414 084**	840 175	**1 358 516**	472 175
Administration expenses		**(1 136 638)**	(253 110)	**(1 265 241)**	(2 994 834)
Other operating expenses		**(12 590 122)**	(7 577 068)	**(7 913 734)**	(4 759 419)
Loss from operating activities	14	**(12 276 168)**	(6 980 538)	**(7 783 951)**	(7 272 613)
Finance income	15	**99 459**	668 538	**124 515**	671 000
Finance expense	16	**(27 362)**	(3 708)	**(134 147)**	(3 708)
Loss before taxation		**(12 204 071)**	(6 315 708)	**(7 793 583)**	(6 605 321)
Taxation	18	**-**	-	**-**	-
Loss for the year		**(12 204 071)**	(6 315 708)	**(7 793 583)**	(6 605 321)
Attributable to:					
Equity holders of the parent		**(12 204 071)**	(6 315 708)	**(7 793 583)**	(6 605 321)
Minority interest		**-**	-	**-**	-
Basic loss per share (cents)	17	**(63.41)**	(37.14)	**(40.49)**	(38.84)
Diluted loss per share (cents)	17	**(63.41)**	(37.14)	**(40.49)**	(38.84)
Dividend per share (cents)		**-**	-	**-**	-

STATEMENTS OF CHANGES IN EQUITY

For the year ended 29 February 2008

	Notes	Share Capital R	Share Premium R	Treasury Shares R	Accumulated Loss R	Minority Interest R	TOTAL R
Company							
Balance at 28 February 2006		1 700 689	17 202 741	-	(4 601 040)	-	14 302 390
Total recognised income and expense		-	-	-	(6 315 708)	-	(6 315 708)
Loss for the year		-	-	-	(6 315 708)	-	(6 315 708)
Balance at 28 February 2007		**1 700 689**	**17 202 741**	**-**	**(10 916 748)**	**-**	**7 986 682**
Issue of ordinary shares		400 000	7 520 000	-	-	-	7 920 000
Total recognised income and expense		-	(58 108)	-	(12 204 071)	-	(12 262 179)
Share issue expenses recognised in equity		-	(58 108)			-	(58 108)
Loss for the year				-	(12 204 071)	-	(12 204 071)
Balance at 29 February 2008		**2 100 689**	**24 664 633**	**-**	**(23 120 819)**		**3 644 503**
Group						-	
Balance at 28 February 2006		1 700 689	17 202 741	(240 900)	2 628 937		21 291 467
Disposal of Company equity by subsidiary	10	-	-	761 250	-	-	761 250
Transfer to accumulated loss		-	-	(520 350)	-	-	(520 350)
Total recognised income and expense		-	-	-	(6 084 971)	-	(6 084 971)
Loss for the year		-	-	-	(6 605 321)		(6 605 321)
Profit on disposal of Company equity by subsidiary	10	-	-	-	520 350	-	520 350
Balance at 28 February 2007		**1 700 689**	**17 202 741**	**-**	**(3 456 034)**	**-**	**15 447 396**
Issue of ordinary shares		400 000	7 520 000	-	-		7 920 000
Total recognised income and expense		-	(58 108)	-	(7 793 583)	-	(7 851 691)
Share issue expenses recognised in equity		-	(58 108)	-	-	-	(58 108)
Loss for the year		-	-	-	(7 793 583)	-	(7 793 583)
Balance at 29 February 2008		**2 100 689**	**24 664 633**	**-**	**(11 249 617)**	**-**	**15 515 705**

CASH FLOW STATEMENTS

For the year ended 29 February 2008

	Notes	Company 2008 R	Company 2007 R	Group 2008 R	Group 2007 R
Cash generated by/(utilised in) operating activities					
Cash generated/(utilised in) operations	21	**3 476 107**	(2 214 336)	**(2 383 895)**	(5 959 070)
Interest received		**11 455**	464 374	**36 511**	465 568
Interest paid		**(27 362)**	(3 708)	**(134 147)**	(3 708)
Taxation refund		**-**	4 285 098	**-**	4 285 098
Net cash inflow/(outflow) from operating activities		**3 460 200**	2 531 428	**(2 481 531)**	(1 212 112)
Cash flow from investing activities					
Additions to plant and equipment to expand operations		**(1 730 453)**	(1 896 246)	**(2 144 327)**	(3 172 015)
Acquisition of subsidiary	21.1	**(434 228)**	-	**1 757 532**	-
Proceeds from disposal of shares in subsidiary		**1 000 000**	-	**1 000 000**	-
Funding advanced to subsidiaries		**(4 125 931)**	(4 445 778)	**-**	-
Acquisition of investments		**-**	(165 905)	**-**	(179 017)
Proceeds from disposal of investments		**767 357**	207 100	**775 915**	253 721
Net cash (outflow)/inflow from investing activities		**(4 523 255)**	(6 300 829)	**1 389 120**	(3 097 311)
Cash flow from financing activities					
Treasury shares sold by subsidiaries		**-**	-	**-**	761 250
Share issue expenses		**(58 108)**	-	**(58 108)**	-
Net cash (outflow)/inflow form financing activities		**(58 108)**	-	**(58 108)**	761 250
Decrease in cash and cash equivalents		**(1 121 163)**	(3 769 401)	**(1 150 519)**	(3 548 173)
Cash and cash equivalents at beginning of year		**766 216**	4 535 617	**1 012 749**	4 560 922
Cash and cash equivalents at end of year	20	**(354 947)**	766 216	**(137 770)**	1 012 749

1. Reporting entity
Thabex Limited ("the Company") is a Company domiciled in the Republic of South Africa. The consolidated financial statements of the Company as at and for the year ended 29 February 2008 comprise the Company and its subsidiaries (together referred to as the "Group") (see page 44). The Group is primarily involved in mining and exploration and is listed on the JSE.

1.2. Basis of preparation
1.2.1. Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the South African Companies Act. The financial statements were approved by the board of directors on 2 October 2008.

1.2.2. Basis of measurement
Except for financial instruments at fair value through profit and loss that are measured at fair value, the financial statements and the Group consolidated financial statements are prepared on the historical cost basis.

1.2.3. Functional and presentation currency
These financial statements are presented in South African Rand, which is the Company's and the Group's functional and presentation currency.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Information about significant estimatimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Company and the consolidated financial statements is included in the following notes:

Note 6 - valuation of financial instruments
Note 11 - deferred tax
Note 19 - financial risk management

1.3. Significant accounting policies
The accounting policies set out below have been applied consistently to all periods presented in the Company and Group annual financial statements:

1.3.1. Basis of consolidation
The Group financial statements incorporate the assets, the results of subsidiaries acquired or disposed of during a financial year are included from the effective dates of control to the effective dates that control ceases as appropriate.

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprises.

1.3.2. Investment in subsidiaries
Subsidiaries are carried at cost less impairment losses in the Company annual financial statements. Subsidiaries are those entities over who's financial and operating policies the group has power to exercise control, so as to obtain benefit from their activities. In assessing control, potential voting rights that are currently exercisable are taken into account.

1.3.3. Plant and equipment
1.3.3.1. Mining assets and equipment
Recognition and measurement
Items of mining assets and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of mining assets and equipment at 1 March 2004, the date of transition to IFRS, was determined by reference to its fair value at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of mining assets and equipment have different useful lives, they are accounted for as separate items (major components) of mining assets and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in profit or loss.

Subsequent expenses
The cost of replacing part of an item of mining assets and equipment is recognised in the carrying amount of the

item if it is probable that the future economic benefits embodied within the part will flow to the Company and Group and its cost can be measured reliably. The costs of the day-to-day servicing of mining assets and equipment are recognised in profit or loss as incurred.

Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of mining assets and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Computer equipment	3 years
Furniture and fittings	5 years
Office equipment	5 years
Vehicles Plant and equipment	5 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

1.3.3.2. Property
The Company and the Group hold all property in terms of operating leases. The leased assets are not recognised in the Company and Group's balance sheets.

1.3.4. Intangible assets

Exploration and evaluation expenditure
The costs of acquiring prospecting rights are capitalised as intangible exploration and evaluation assets on a project-by-project basis, pending determination of the technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist. Upon determination of proven reserves intangible exploration and evaluation assets attributable to those reserves are first assessed for impairment and then reclassified from intangible exploration and evaluation assets to other appropriate categories of non-current assets. Amortisation of these assets commences once these assets are appropriately classified and are available for commercial production. Intangible exploration and evaluation assets are assessed for impairment based on the policy provided in note 1.3.5.1.

However, additional guidance as provided by IFRS 6 is used to determine indicators of impairment. These include:
- The period to explore granted in terms of the prospecting rights acquired has expired during the period; or will expire in the near future; or is not expected to be renewed;
- Further exploration on the projects is neither budgeted nor planned in the near future;
- A decision was made not to develop a project; and
- There is an indication that the carrying amount of the intangible exploration and evaluation asset is unlikely to be recovered in full from a successful development or sale of the project.

If a project is abandoned the related costs are expended in the income statement immediately.

As per *IFRS 6 Exploration for Evaluation of Mineral Resources*, the Group and Company have elected to keep the current policy to write off expenditure on exploration and evaluation in the year in which it is incurred.

1.3.5. Impairment
1.3.5.1. Impairment of non-financial assets:
The carrying amounts of the Group's assets, except for inventories (see accounting policy 1.3.6.) and deferred tax assets(see accounting policy 1.3.13.), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is estimated at each reporting date. The recoverable amount is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses recognised in respect of cash generating units are allocated first to reduce goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the income statement.

1.3.5.2. Impairment of financial assets
A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on a individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

A previously recognised impairment loss is reversed if there is an indication that the impairment loss may have reversed, in addition to there being a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. Goodwill impairment losses are not reversed.

1.3.6. Inventories
Inventories comprising polished diamonds, gold and silver bullion are carried at the lower of cost and net realisable value, and are determined using the specific cost method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

1.3.7. Provisions
Provisions are recognised when the Company and the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.3.8. Financial instruments
1.3.8.1. Non-derivative financial instruments
Non-derivative financial instruments comprise of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, bank overdraft, trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Accounting for finance income is discussed in note 1.3.11.

The Company and the Group classify and account for non-derivative financial instruments as follows:

Held-to-maturity investments
If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets
The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 1.3.5.2.), are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Investments at fair value through profit or loss
An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value, in accordance with the Group's documented risk management and investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other
Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 29 February 2008

Trade and other receivables
Trade and other receivables are stated at amortised cost (using the effective interest method) less impairment losses.

Cash and cash equivalents
Cash and cash equivalents are measured at amortised cost.

Financial liabilities
Financial liabilities are recognised at amortised cost, using the effective interest rate method and derecognised if expired, or discharged or cancelled.

1.3.8.2. Offset
Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.3.8.3. Determinasion of fair values of financial instruments
The fair value of listed investments is determined with reference to the closing price on the active markets. The fair value of sinking fund policies is valued as at end of the period.

1.3.9. Revenue
Revenue is measured at the fair value of the consideration receivable/received net of returns and allowances, trade discounts and volume rebates. Revenue comprises diamond and commodity sales exclusive of value-added tax. Revenue from the sale of goods is recognised in the income statement when significant risks and rewards of ownership have transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or continuing management involvement.

1.3.10. Cash and cash equivalents
For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in money market instruments, all of which are available for use by the Group, unless otherwise stated and includes any credit facilities.

1.3.11. Finance income
Interest is recognised as it accrues, using the effective interest rate method, taking account of the principal amount outstanding and the interest rate over the period to maturity, when it is probable that such income will accrue to the Group. Included in finance income are fair value adjustments on investments held for trading. Dividend income is recognised in profit and loss, on the date that the group's right to receive payment is established.

1.3.12. Finance expences
Finance cost comprise of interest on the bank overdraft and credit facilities, changes in the fair value of financial assets at fair value through profit and loss that are recognised in profit and loss. All borrowing costs are recognised in profit and loss using the effective interest method.

1.3.13. Income tax
Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rate enacted or substantially enacted at the balance sheet date, and any adjustment of tax payable for previous years.

Deferred tax is provided using the balance sheet liability method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base.The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax is not provided for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition.

The effect on deferred tax of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes, that arise from the distribution of dividends are recognised in the same period as the liability to pay the the related dividends are recognised.

1.3.14. Segment reporting
A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company and Group's risks and rates of return are predominantly affected by the activities that the Company and the Group are engaged in. At present the Company and the Group are only enganged in exploration activities and therefore all activities fall within a single business segment.

The Company and Group's risks and rates of return are furthermore affected by the geographical areas in which the activities are performed. Although all the activities the Company and the Group are engaged in, are performed in different geographical areas, the riskes and rates of return would not significantly differ between the areas during the exploration phase.

1.3.15. Treasury shares
Any acquisitions of the Company's own equity instruments are not recognised as financial assets irrespective of reason for repurchase. Such shares are classified as treasury shares for consolidation purposes and are deducted directly from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of such treasury shares.

1.3.16. Employee benefits
The Company and Group do not provide for employee benefits as there are no such obligations at year end as the Company and Group do not have any defined contribution plans and defined benefit plans.

Short-term benefits
Short-term employee benefit obligations are measured on an undisclosed basis and are expensed as the related services is provided.

1.3.17. Other Income
Other income comprised of management fees and consulting fees and is recorded in the period when the service is rendered.

1.3.18. New standards and interpretations not yet adopted
A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 29 February 2008 and have not been applied in preparing these consolidated financial statements:

IFRS 8 Operating Segments introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the Group's 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Refer to the segment report paragraph in the directors' report.

Revised IAS 23 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the Group's 2010 financial statements and will constitute a change in accounting policy for the Group. In accordance with the transitional provisions the Group will apply the revised IAS 23 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date.

IFRIC 11 IFRS 2 - Group and Treasury Share Transactions requires a share based payment arrangement in which an entity receives goods or services as consideration for its own equity instruments to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments are obtained. IFRIC 11 will become mandatory for the Group's 2008 financial statements, with retrospective application required. It is not expected to have any impact on the consolidated financial statements.

IFRIC 12 Service Concession Arrangements is not applicable to the Group as the Group has no such arrangements.

IFRIC 13 Customer Loyalty Programmes is not applicable to the Group as the Group has no such arrangements.

IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements is not applicable to the Group as the Group has no defined benefit plans.

Revised IAS 1 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income.

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Revised IAS 1, which becomes mandatory for the Group's 2010 consolidated financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements. The Group plans to provide total comprehensive income in a single statement of comprehensive income for its 2010 consolidated financial statements.

Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are net. The amendments, which become mandatory for the Group's 2010 consolidated financials statements, with retrospective application required, are not expected to have any impact on the consolidated financial statements

Revised IFRS 3 Business Combinations (2008) incorporates the following changes that are likely to be relevant to the Group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognized in profit or loss.
- Transaction costs, other than share and debt issue costs, will be expensed as Incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

Revised IFRS 3, which becomes mandatory for the Group's 2010 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.

Amended IAS 27 Consolidated and Separate Financial Statements (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group losses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which become mandatory for the Group's 2010 consolidated financial statements, are not expected to have a significant impact on the consolidated financial statements.

Amendments to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations clarifies the definitions of vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will become mandatory for the Group's 2010 consolidated financial statements, with retrospective application.

2. Plant and equipment

2008	Furniture and office equipment R	Computers R	Vehicles R	Exploration equipment R	TOTAL R
Company					
Cost:					
Opening balance	402 037	249 780	380 815	1 638 500	2 671 132
Additions	46 735	14 131	245 000	1 424 586	1 730 453
Closing balance	**448 772**	**263 911**	**625 815**	**3 063 086**	**4 401 585**
Accumulated depreciation:					
Opening balance	229 531	81 783	56 442	108 334	476 090
Depreciation for the year	70 684	61 869	53 368	582 765	768 687
Closing balance	**300 215**	**143 652**	**109 810**	**691 099**	**1 244 777**
Carrying value 2007	172 506	167 997	324 373	1 530 166	2 195 042
Carrying value 2008	**148 557**	**120 259**	516 005	**2 371 987**	**3 156 808**
Group					
Cost:					
Opening balance	395 029	256 787	380 815	3 251 491	4 284 122
Acquired in subsidiary	5 977	-	-	-	5 977
Additions	40 758	14 151	245 000	1 844 418	2 144 327
Closing balance	**441 764**	**270 938**	**625 815**	**5 095 909**	**6 434 426**
Accumulated depreciation:					
Opening balance	229 531	81 783	56 442	314 855	682 611
Depreciation for the year	70 684	61 869	53 368	928 955	1 114 877
Closing balance	**300 215**	**143 652**	**109 810**	**1 243 810**	**1 797 488**
Carrying value 2007	165 498	175 004	324 373	2 936 636	3 601 511
Carrying value 2008	**141 549**	**127 286**	**516 005**	**3 852 098**	**4 636 938**

2. Plant and equipment (continued)

2007	Furniture and office equipment R	Computers R	Vehicles R	Exploration equipment R	TOTAL R
Company					
Cost:					
Opening balance	310 534	214 994	249 358	-	774 886
Additions	91 503	34 786	131 457	1 638 500	1 896 246
Closing balance	**402 037**	**249 780**	**380 815**	**1 638 500**	**2 671 132**
Accumulated depreciation:					
Opening balance	159 403	8 494	3 963	-	171 860
Depreciation for the year	70 128	73 289	52 479	108 334	304 230
Closing balance	**229 531**	**81 783**	**56 442**	**108 334**	**476 090**
Carrying value 2006	151 151	206 480	245 395	-	603 026
Carrying value 2007	**172 506**	**167 997**	**324 373**	**1 530 166**	**2 195 042**
Group					
Cost:					
Opening balance	310 554	214 974	249 358	337 221	1 112 107
Additions	84 475	41 813	131 457	2 914 270	3 172 015
Closing balance	**395 029**	**256 787**	**380 815**	**3 251 491**	**4 284 122**
Accumulated depreciation:					
Opening balance	159 403	8 494	3 963	13 691	185 551
Depreciation for the year	70 128	73 289	52 479	301 164	497 060
Closing balance	**229 531**	**81 783**	**56 442**	**314 855**	**682 611**
Carrying value 2006	151 151	206 480	245 395	323 530	926 556
Carrying value 2007	**165 498**	**175 004**	**324 373**	**2 936 636**	**3 601 511**

	Company		Group	
	2008	2007	**2008**	2007
	R	R	**R**	R
3. Exploration and evaluation assets				
Mineral and prospecting rights:				
Opening balance - cost	**-**	-	**7 286 072**	7 286 072
Acquisition of Minnex Exploration Ltd	**-**	-	**4 582 251**	-
Closing balance - cost	**-**	-	**11 868 323**	7 286 072

The increase in exploration and evaluation assets is the exploration and evaluation assets of Minnex Exploration Ltd's Middelwater Alluvial Project acquired during the year.

4. Interest in subsidiaries and associates

	Number of shares in issue	Effective interest in issued share capital		Shares at cost		Loan Accounts	
Subsidiaries		**2008 %**	2007 %	**2008 R**	2007 R	**2008 R**	2007 R
Angel Diamonds (Pty) Ltd (Incorporated in the Republic of Lesotho - Registration number 1992/269)	1 000	70	80	**700**	800	**3 078 348**	1 499 717
Diamex JX (Pty) Ltd (Registration number 1997/014096/07)	10 000	100	100	**67 601**	67 601	**1 746 993**	1 112 988
Minnex Exploration Ltd (Registration number 1999/0265578/06)	72 784 000	100	-	**8 354 228**	-	**-**	-
Minnex Exploration Namibia (Pty) Ltd (Incorporated in Republic of Namibia - Registration number 2003/0566)*	100	80	-				
Alliance Afric Mining (Pty) Ltd (Registration number 2003/011927/07)*	120	83.33	-				
Makgabana Mine (Pty) Ltd (Registration number 2001/026430/07)*	100	75	-				
Pilanesberg Gold Holdings (Pty) Ltd (Registration number 1987/000711/07)	9 400	100	100	**46 551**	46 551	**64 076**	21 001
Taung Diamond Mines Ltd (Registration number 1995/001724/06)	4 000 000	50	50	**900 000**	900 000	**420 534**	420 484
Salt River Resources Ltd (Registration number 1994/008806/06)	27 000 000	100	100	**8 400 000**	8 400 000	**6 826 511**	4 971 042
Tradepost 121 (Pty) Ltd (Registration number 1997/010926/07)	100	100	100	**2**	2	**37 970**	23 270
				17 769 082	9 414 954	**12 174 432**	8 048 501
Deduct: Impairment losses				**(14 714 529)**	(9 368 403)	**(10 816 028)**	(7 244 988)
				3 054 553	46 551	**1 358 404**	803 513

*Indirectly held by Thabex Ltd through Minnex Exploration Ltd

Unless otherwise stated all subsidiaries are Incorporated In the Republic of South Africa and have a year-end of February.

The loans to subsidiaries are unsecured, interest free and at year-end no terms and conditions have been negotiated between the Group companies. The loans subsidiaries have been subordinated in favour of other creditors until the assets of the subsidiaries, fairly valued, exceed their libilities.

Impairment losses arose due to doubtful recoveries of the investment in and loans to subsidiaries.

The attributable interest in the aggregate net losses of subsidiaries is R4 983 226. (2007: R4 068 198). The Company has provided for losses of R467 790 (2007: nil) made by subsidiaries which exceed the carrying amount of the loans to subsidiaries as the company has committed to provide financial support to subsidiaries.

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	Company		Group	
	2008	2007	**2008**	2007
	R	R	**R**	R
Interest in subsidiaries (continued)				
Cost	**17 769 082**	9 414 954	**-**	-
Less: Impairment losses	**(14 714 529)**	(9 368 403)	**-**	-
Total cost	**3 054 553**	46 551	**-**	-
Subsidiaries indebtedness at year end	**12 174 432**	8 048 501	**-**	-
Less: Impairment of loans to subsidiaries	**(10 816 028)**	(7 244 988)	**-**	-
Total interest in subsidiaries	**4 412 957**	850 064	**-**	-
Amount owing to subsidiaries				
Minnex Exploration Limited	**3 338 420**	-	**-**	-

The loan is unsecured and bears interest at the prime overraft rate from 1 March 2008 and is repayable on demand.

	Company 2008 R	Company 2007 R	Group 2008 R	Group 2007 R
5. Inventories				
Merchandise - at cost	**1 240 569**	1 540 437	**1 240 569**	1 540 834
Consumables	**35 420**	-	**35 420**	-
	1 275 989	1 540 437	**1 275 989**	1 540 834

Merchandise consists of polished diamonds.

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	Company		Group	
	2008	2007	**2008**	2007
	R	R	**R**	R
6. Short term investments				
Financial assets held for trading:				
Sage Sinking Fund policies	**170 863**	629 604	**170 863**	629 604
RMB Money Market Fund	**1 748**	-	**1 748**	-
Shares in listed companies	**-**	168 000	**-**	168 000
Shares in unlisted companies	**100 800**	105 976	**100 800**	114 534
	273 411	903 580	**273 411**	912 138

Fair value of the Sinking Fund policies are indicated at surrender value at year-end.
Fair value of listed investments was established at the current market price on the JSE at year-end.
The fair value RMB Money Market Fund is valued by RMB Fund Managers as at year-end.
Unlisted investments are stated at cost as a reliable valuation is not possible at this stage.

	Company 2008 R	Company 2007 R	Group 2008 R	Group 2007 R
7. Trade and other receivables				
Trade receivables	**585 679**	1 173 740	**201 698**	750 340
Deposits	**15 000**	477 108	**142 500**	532 644
Impairment	**-**	(250 000)	**-**	(250 000)
	600 679	1 400 848	**344 198**	1 032 984

The Group's exposure to credit risk has been disclosed in Note 19.2

	Company		Group	
	2008	2007	**2008**	2007
	R	R	**R**	R
8. Short term loans				
Short term loans receivable	**28 369**	2 290 031	**122 170**	2 105 784
The loans are unsecured, interest free and repayable on demand.				
Short term loans payable	**-**	-	**243 226**	-
The loans are unsecured, interest free and repayable on demand.				

	Company		Group	
	2008	2007	**2008**	2007
	R	R	**R**	R
9. Share capital				
Authorised	**10 000 000**	10 000 000	**10 000 000**	10 000 000
100 000 000 (2007:100 000 000) ordinary shares of 10 cents each				
Issued	**2 100 689**	1 700 689	**2 100 689**	1 700 689
21 006 887 (2007:17 006 887) ordinary shares of 10 cents each				

The unissued share capital is under the control of the directors, subject to the Companies Act and the Listing Requirements of the JSE, until the next annual general meeting.

	Company		Group	
	2008	2007	**2008**	2007
	R	R	**R**	R
10. Treasury shares				
Opening balance	**-**	-	**-**	240 900
Disposals	**-**	-	**-**	(761 250)
Profit on disposal transfered to accumulated loss	**-**	-	**-**	520 350
Closing Balance	**-**	-	**-**	-

	Company		Group	
	2008	2007	**2008**	2007
	R	R	**R**	R
11. Deferred taxation				
Unrecognised deferred tax assets				
Deferred tax assets have not been recognised in respect of the following items:				
Unredeemed capital expenditure	-	-	**2 122 747**	1 252 978
Tax losses	**2 778 466**	2 172 341	**3 255 070**	2 892 614
	2 778 466	2 172 341	**5 377 817**	4 145 592

A deferred tax asset has not been recognised because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

	Company		Group	
	2008	2007	**2008**	2007
	R	R	**R**	R
12. Trade and other payables				
Trade payables	**1 942 553**	1 959 536	**1 999 278**	2 044 677
	1 942 553	1 959 536	**1 999 278**	2 044 677
13. Revenue				
Sale of polished diamonds	**371 053**	80 388	**371 053**	80 388
Sale of ferro-silicon	**59 013**	-	**59 013**	
	430 066	80 388	**430 066**	80 388
14. Operating loss is arrived at after taking into account				
Income:				
Management fees received	**365 000**	400 175	**300 000**	412 175
Consulting fees received		400 000	**-**	60 000
Reversal of impairment of trade and other receivables	**250 000**	-	**250 000**	-
Expenditure:				
Auditors remuneration	**330 722**	307 348	**339 614**	349 698
- Audit fees	**326 522**	296 000	**335 414**	328 100
- Other services	**4 200**	11 348	**4 200**	21 598
Depreciation	**768 687**	304 230	**1 114 877**	497 060
Directors' emoluments for managerial services (note 22)	**401 454**	359 664	**921 204**	632 164
Directors' emoluments for services as director (note 22)	**-**	125 000	**-**	125 000
Directors' emoluments for other services (note 22)	**-**	-	**523 725**	-
Impairment of interest in subsidiaries	**8 917 166**	4 320 239	**-**	-
Provision for losses in subsidiaries	**467 790**	-	**-**	-
Exploration expenditure	**93 932**	253 110	**3 592 059**	2 994 834
Impairment of trade and other receivables	**-**	250 000	**-**	250 000
Debts written off	**299 733**	-	**315 613**	-
Secretarial fees	**45 519**	66 754	**73 517**	90 509
Personnel expenses	**400 363**	260 785	**711 523**	260 785
Legal expenses	**128 117**	134 928	**174 041**	264 999

	Company		Group	
	2008 R	2007 R	2008 R	2007 R
15. Finance income				
Dividends received	-	390	-	390
Fair value adjustment to sinking fund policies	88 004	87 429	88 004	87 429
Fair value adjustment to listed investments	-	116 345	-	117 613
Interest received - bank account	11 455	131 346	36 511	132 540
Interest received from SA Revenue Services	-	333 028	-	333 028
	99 459	668 538	124 515	671 000

The fair value adjustment for unlisted investments relates to the surrender value of the sinking fund policies held by the Company.

	Company 2008 R	Company 2007 R	Group 2008 R	Group 2007 R
16. Finance expenses				
Interest - bank overdraft	27 362	3 708	134 147	3 708
	27 362	3 708	134 147	3 708
17. Basic loss per share				
Reconciliation between loss and headline loss				
Basic loss for the year	(12 204 071)	(6 315 708)	(7 793 583)	(6 605 321)
Disposal of interest in subsidiary	(999 900)	-	(1 000 000)	-
Impairment losses in subsidiaries	8 917 166	4 070 239	-	-
Provisions for losses in subsidiaries	467 790	-	-	-
Headline loss for the year	(3 819 015)	(2 245 469)	(8 793 853)	(6 605 321)
Weighted average ordinary shares in issue	19 247 324	17 006 887	19 247 324	17 006 887
Basic loss per share (cents)	(63.41)	(37.14)	(40.49)	(38.84)
Diluted loss per share (cents)	(63.41)	(37.14)	(40.49)	(38.84)
Headline loss per share (cents)	(19.84)	(13.20)	(45.69)	(38.84)
Diluted headline loss per share (cents)	(19.84)	(13.20)	(45.69)	(38.84)

The Group has no share options or preference shares in issue resulting in the diluted loss per share and diluted headline loss per share being the same as the basic loss per share and headline loss per share.

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	Company		Group	
	2008 R	2007 R	2008 R	2007 R
18. Taxation				
South African normal taxation				
- Current	-	-	-	-
- Deferred	-	-	-	-
	-	-	-	-

The Group has estimated tax losses of R11 625 250 (2007: R9 974 531).
The Company has an estimated tax loss of R9 923 093 (2007: estimated loss R7 490 831) available for offset against future taxable income.

	%	%	%	%
Reconciliation of statutory taxation rate				
Effective tax rate	0.00	0.00	0.00	0.00
Non-deductible expenditure	(1.19)	(2.47)	(0.51)	(2.36)
Non-taxable portion of capital gain	0.00	21.00	(1.86)	2.20
Unrecognised deferred tax	22.55	0.00	1.26	0.00
Unused assessed loss arising during current year	7.64	10.47	30.11	29.16
Statutory taxation rate	29.00	29.00	29.00	29.00

19. Financial risk management

Exposure to currency, interest rate, liquidity risk and credit risk arises in the normal course of the Group's and Company's business.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a finacial instruments fails to meet its contructural obligation, and arises principally from the Group's receivables from customers and investment securities.

The Company transacts only with recognised, creditworthy third parties. The Company's exposure to credit risk is influenced by the individual characteristics of each counter party, In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. As credit risk currently arises from non-trade related financial assets of the Company, cash equivalents, trade and non-trade receivables, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has a temporary bank overdraft facility to meet obligations as and when it falls due.

The Company monitors its risk to a shortage of funds by using cash flow forecasting tools. The cash flow forecasting tool determines cash requirements over the foreseeable future, as well as evaluating expected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, intercompany loans, trade payables and trade receivables.

Market risk
Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates that will affect the Company's income, The objective of market risk management is to manage and control market risk exposures with acceptable parameters, while optimising the return.

The Company utilises professional advisors to manage the market risk.

Interest rate risk
The Company's exposure to changes in interest rates relates primarily to the Company's holdings of cash and cash equivalents.

Foreign currency risk
At the Company's current state of operations, the Company is not directly exposed to currency risk as 100% of costs are denominated in the Company's functional currency, Additionally, the Company does not use derivative financial instruments for speculative purposes.

Capital management
The Company's capital consists of the share capital and retained earnings as presented in the statements of changes in equity.

19. Financial risk management (continued)

19.1 Categories and fair values
The fair values of the following financial instruments (grouped by IAS 39 category) are substantially identical to the carrying values as reflected in the balance sheet because of their short term nature.

	Company		Group	
Financial assets	**2008 R**	2007 R	**2008 R**	2007 R
Cash and equivalents	**16 530**	766 261	**233 707**	1 012 479
Trade and other receivables	**600 679**	1 400 848	**344 198**	1 032 984
Other short term receivables	**28 369**	2 290 031	**122 170**	2 105 784
Short term investment	**273 411**	903 580	**273 411**	912 138
	918 989	5 360 675	**973 486**	5 063 655
Financial liabilities at amortised cost				
Loans from Group companies	**3 338 420**	-	**-**	-
Trade and other payables	**1 942 553**	1 959 536	**1 999 278**	2 044 676
Bank overdraft	**371 477**	-	**371 477**	-
	5 652 450	1 959 536	**2 370 755**	2 044 676

Basis for determining fair values:
Fair value of the Sinking Fund policies Is indicated at surrender value at year-end. The fair value RMB Money Market Fund is valued by RMB Fund Managers as at year-end. Except for the former the fair value of all other financial assets and liabilities is estimated as the present value of future cash flows, discounted at the market rate of interest on the reporting dote.

It is impractical to dermine a fair value for unlisted investments with a cost of R100 800 (2007: R100 800) that are included in short term investments.

19.2 Credit risk
Exposure to credit risk
The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at reporting date was:

	Company		Group	
	2008 R	2007 R	**2008 R**	2007 R
Trade and other receivables	**600 679**	1 400 848	**344 198**	1 032 984
Cash and cash equivalents	**-**	-	**-**	-
Other short term receivables	**28 369**	2 290 031	**122 170**	2 105 784
Short term investments	**273 411**	903 580	**273 411**	912 318
Total maximum exposure to credit risk	**902 459**	4 594 459	**739 799**	4 050 906

Concentrations of credit risk by geographic location
All credit risk is in South Africa.

19.2 Credit risk (continued)

	Company		Group	
	2008 R	2007 R	**2008 R**	2007 R
Inter Group receivables	**574 575**	501 600	**-**	-
Third party receivables	**26 104**	899 248	**344 198**	1 032 984
Total maximum exposure to credit risk	**600 679**	1 400 848	**344 198**	1 032 984

The ageing of receivables at reporting date is as follows:

	Company		Group	
	2008 R	2007 R	**2008 R**	2007 R
Receivables not past due:				
Current	**151 965**	1 245 760	**29 608**	826 596
31 - 60 days	**-**	-	**-**	-
61 - 90 days	**-**	-	**-**	5 700
Total receivables not past due	**151 965**	1 245 760	**29 608**	832 296

	Company		Group	
	2008 R	2007 R	**2008 R**	2007 R
Receivables past due:				
90 - 120 days	**-**	-	**6 300**	5 700
121 - 150 days	**-**	-	**37 500**	-
Over 150 days	**448 714**	155 088	**270 790**	194 988
Total receivables past due	**448 714**	155 088	**314 590**	200 688

At Company level, management has provided for the impairment of long-term loans to subsidiaries (refer to note 4). Provisions for impairment of receivables is recognised when management assesses that there is a low probability of recovering the amounts due.

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19.3 Liquidity risk

The following tables represent the contractual maturities including interest for all financial liabilities of the Company at the reporting date:

Group	**Between 0 and 30 days**
2008	**R**
Loans to Groups companies	-
Trade and other payables	1 999 278
Bank overdraft	371 447
Short term loans	243 226
Total financial liabilities	**2 613 981**

	Between 0 and 30 days
2007	R
Loan form Group companies	-
Trade and other payables	2 044 676
Bank overdraft	-
Total financial liabilities	**2 044 676**

Company	**Between 0 and 30 days**
2008	**R**
Loans from Group companies	3 338 420
Trade and other payables	1 942 553
Bank overdraft	371 477
Total financial liabilities	**5 652 450**

	Between 0 and 30 days
2007	R
Loans from Group companies	-
Trade and other payables	1 959 536
Bank overdraft	-
Total financial liabilities	**1 959 536**

	Company		Group	
	2008 R	2007 R	**2008 R**	2007 R
20. Cash and cash equivalents				
(Bank overdraft)/Current bank account	**(285 391)**	18 614	**(285 391)**	214 910
Cash on call and on hand	**16 530**	722 229	**233 707**	742 466
Fixed deposit	**-**	-	**-**	30 000
Credit facilities	**(86 086)**	25 373	**(86 086)**	25 373
Total cash and cash equivalents	**(354 947)**	766 216	**(137 770)**	1 012 749

Refer to note 25 for fixed deposit encumbrances.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 19.

	Company 2008 R	Company 2007 R	Group 2008 R	Group 2007 R
21. Cash generated by/(utilised in) operating activities				
Loss before taxation	**(12 204 071)**	(6 315 708)	**(7 793 583)**	(6 605 321)
Adjusted for:				
Depreciation	**768 687**	304 230	**1 114 877**	497 060
Profit on disposal of shares in subsidiary	**(999 900)**	-	**(1 000 000)**	-
Profit on disposal of investments	**(49 184)**	(93 035)	**(49 184)**	(94 303)
Impairment of investment in subsidiaries	**8 917 166**	4 320 239	**-**	-
Provision for losses in subidiaries	**467 790**	-	**-**	-
Impairment of other receivables	**-**	-	**-**	250 000
Change in fair value of investments	**(88 004)**	(110 739)	**(88 004)**	(110 539)
Finance income	**(11 455)**	(464 374)	**(36 511)**	(465 568)
Finance expense	**27 362**	3 708	**134 147**	3 708
Cash outflow before working capital changes	**(3 171 609)**	(2 355 679)	**(7 718 258)**	(6 524 963)
Changes in working capital				
Inventories	**264 448**	17 623	**264 845**	17 874
Trade and other receivables	**800 169**	(1 503 706)	**847 602**	(1 099 130)
Short-term loans	**2 261 662**	1 627 426	**1 983 614**	1 647 149
Trade and other payables	**(16 983)**	-	**1 995 076**	-
Loan form subsidiary	**3 338 420**	-	**243 226**	-
Cash generated/(utilised) in operations	**3 476 107**	(2 214 336)	**(2 383 895)**	(5 959 070)

21.1 Acquisition of subsidiary

On 8 August 2007 Thabex purchased Minnex Exploration Ltd and its subsidiaries in order to obtain the prospecting rights of the Company. The acquistion was settled through the issue of four million Thabex ordinary shares. The total cost of the acquisition amounted to R8 354 228.

Minnex is a mining and exploration Company that has several kimberlite and alluvial diamond projects and base mineral prospects in South Africa and Namibia.

In seven months to 29 February 2008 the subsidiary incurred a loss of R867 219.

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Assets and liabilities acquired	**R**
Propspecting rights	**4 582 251**
Plant and equipment	**5 977**
Trade and other receivables	**238 616**
Amount owing by Thabex	**2 090 810**
Cash and cash equivalents	**2 191 760**
Trade and other payables	**(130 136)**
Income tax liability	**(625 050)**
Net assets acquired	**8 354 228**
Settled through the issue of Thabex shares	**7 920 000**
Acquisition costs settled in cash	**434 228**
Total	**8 354 228**
Net cash acquired	
Cash and cash equivalents acquired	**(2 191 760)**
Acquisition costs	**434 228**
Net cash inflow	**1 757 532**

22. Identities of related parties
The related parties are directors, key personnel and management of subsidiaries and associates. All transactions with related parties are transacted at arms length at market related values:

22.1 Directors and key management personnel

Dr JW Kruger is an independent non-executive director of Afrika Yaruna Investment Holding (Pty) Ltd a BEE held Company not controlled by Thabex.

JR Rapoo, the Chairman, holds directorships in the following companies not controlled by Thabex:
Royal Bafokeng Investments (Pty) Ltd
Bophirima Industrial Holdings (Pty) Ltd
Saminco Ltd

M Welthagen, the Chief Executive of Thabex Ltd, shareholding in the following companies not controlled by Thabex:
Maxzon Fusion (Pty) Ltd
Maxzon Investments (Pty) Ltd
Miningweb (Pty) Ltd
Pure Diamonds Ltd
Saminco Ltd
Rossal 92 (Pty) Ltd
SA Mineral Investments (Pty) Ltd (Group Secretaries)
Southern Mineral Brokers (Pty) Ltd

AP Roux holds a directorship in and companies not controlled by Thabex:
SA Mineral Investments (Pty) Ltd
Saminco Ltd

22.2 Transactions with related parties

Group	2008 R	2007 R
Material related party transactions		
Companies controlled by Directors		
Loan to Pure Diamonds	**21 428**	310 000
Loan from Southern Mineral Brokers (Pty) Ltd	**107 868**	1 039 974
Loan from SA Mineral Investments (Pty) Ltd	**-**	435 220
Loan from M Welthagen	**15 505**	-
Creditor: M Welthagen	**110 272**	-
Transactions with related parties		
SA Mineral Investments (Pty) Ltd: Secretarial fees	**26 554**	72 000
Miningweb (Pty) Ltd: Website content management	**-**	10 869
Southern Mineral Brokers (Pty) Ltd: Purchase of polish diamonds	**24 133**	-

22.3 Directors' emoluments - paid by Company

	Fees for services as director	Basic Salary	Total
2007	**R**	**R**	**R**
Executive directors:			
M Welthagen	-	359 664	359 664
Non executive directors:			
JR Rapoo	50 000	-	50 000
JL Bosch	25 000	-	25 000
Prof. DL Reid	25 000	-	25 000
AP Roux	25 000	-	25 000
Total	**125 000**	**359 664**	**484 664**
2008			
Executive directors:			
DS Cowie	-	-	-
M Welthagen	-	401 454	401 454
Non executive directors:			
JR Rapoo	-	-	-
JL Bosch	-	-	-
Prof. DL Reid	-	-	-
AP Roux	-	-	-
Total	**-**	**401 454**	**401 454**

The Company has not awarded share options to directors (2007: nil). Other than stated above the directors of the Company have not received any bonusses and performance based payments, retirement benefits, commissions or profit-share arrangements.

22.4 Directors' emoluments - paid by subsidiaries to their own directors

2007	Fees for services as director R	Basic salary R	Total R
Executive directors:			
AB Takang			
Taung Diamond Mines Ltd	-	-	-
M Welthagen			
Taung Diamond Mines Ltd	-	-	-
Pilanesberg Gold Holdings (Pty) Ltd	-	230 500	230 500
Salt River Resources Ltd			
AJ Welthagen	-	20 000	20 000
Taung Diamond Mines Ltd	-	20 000	20 000
Total	-	**270 500**	**270 500**

2008			
Executive directors:			
MM Zondi			
Pilanesberg Gold Holdings (Pty) Ltd	-	2 000	2 000
M Welthagen			
Diamex JV (Pty) Ltd	-	77 300	77 300
Taung Diamond Mines Ltd	-	650	650
Pilanesberg Gold Holdings (Pty) Ltd	-	81 000	81 000
Salt River Resources Ltd	-	35 800	35 800
AJ Welthagen			
Salt River Resources Ltd	-	68 000	68 000
JC Engelbrecht			
Angel Diamonds (Pty) Ltd	-	240 000	240 000
TP Mosebo			
Angel Diamonds (Pty) Ltd	-	15 000	15 000
Total	-	**519 750**	**519 750**

Other than stated above the directors of the Company have not received any bonusses and performance based payments, retirement benefits, commissions or profit-share arrangements.

22.5 Directors' Emoluments - paid by Company and subsidiaries to their own directors

2007	Fees for services as director R	Basic Salary R	Total R
Executive directors:			
AB Takang	-	2 500	2 500
Taung Diamond Mines Ltd			
M Welthagen	-	359 664	359 664
Thabex Ltd	-	-	-
Taung Diamond Mines Ltd			
Pilanesberg Gold Holdings (Pty) Ltd	-	230 000	230 000
Salt River Resources Ltd	-	20 000	20 000
AJ Welthagen			
Taung Diamond Mines Ltd	-	20 000	20 000
Non executive directors			
JR Rapoo	50 000	-	50 000
JL Bosch	25 000	-	25 000
Prof. DL Reid	25 000	-	25 000
AP Roux	25 000	-	25 000
Thabex Ltd			
Total	**125 000**	**632 164**	**757 164**

2008			
Executive directors:			
CJ Engelbrecht			
Angel Diamonds (Pty) Ltd	-	240 000	240 000
PT Mosebo			
Angel Diamonds (Pty) Ltd	-	15 000	15 000
M Welthagen			
Thabex Ltd	-	401 454	401 454
Diamex JV (Pty) Ltd	-	77 300	77 300
Pilanesberg Gold Holdings (Pty) Ltd	-	81 000	81 000
Salt River Resources Ltd		35 800	35 800
Taung Diamond Mines Ltd	-	650	650
AJ Welthagen			
Salt River Resources Ltd	-	68 000	68 000
MM Zondi			
Pilanesberg Gold Holdings (Pty) Ltd	-	2 000	2 000
Total	-	**921 204**	**921 204**

Other than stated above the directors of the Company have not received any bonusses and performance based payments, retirement benefits, commissions or profit-share arrangements.

22.6 Fees paid by Salt River Resources for services other than as a director

Dr JA Cruise	-	223 725	223 725
Dr CR McClung	-	300 000	300 000
Total	-	**523 725**	**523 725**

	Loans		Management fees charged	
	2008	2007	**2008**	2007
	R	R	**R**	R
22.7 Transactions with subsidiaries				
Included in interest in subsidiaries are loans owing to				
and (from) Thabex by the following companies:				
Angel Diamonds (Pty)	**3 078 348**	1 499 717	**-**	120 000
Diamex JV (Pty) Ltd	**1 746 993**	1 112 979	**65 000**	60 000
Pilanesberg Gold Holdings (Pty) Ltd	**64 076**	21 001	**-**	10 000
Loans arising from Thabex to:				
Minnex Exploration Ltd	**(3 338 420)**	-	**300 000**	-
Taung Diamond Mines Ltd	**420 534**	420 484	**-**	10 000
Salt River Resources Ltd	**6 826 511**	4 951 042	**-**	240 000
Tradepost 121 (Pty) Ltd	**37 970**	23 270	**-**	-
Total	**8 836 012**	8 028 493	**365 000**	440 000
Management fees charged by Diamex JV (Pty) Ltd to				
Minnex Exploration Ltd	**-**	-	**70 000**	-
Total	**-**	-	**70 000**	-

	2008	2007
22.8. Inter-group debtors	**R**	R
Company		
Included in the accounts receivable for Thabex are the		
following inter-group debtors:		
Diamex	**74 100**	68 400
Salt River Resources Ltd	**273 600**	273 000
Taung Diamonds Mines Ltd	**11 400**	11 400
Pilanesberg Gold Holdings (Pty) Ltd	**11 400**	11 400
Angel Diamonds (Pty) Ltd	**204 075**	136 800
Total	**574 575**	501 000

23. Commitments
The operating lease for property is expensed on a month to month basis as the agreement has not been finalised and rental is currently paid on a monthy basis .

24. Capital expenditure
The Company has not authorised nor contracted for any capital expenditure at Angel Diamonds (Pty) Ltd (2007: nil) until all rough diamond stock produced during the period from year end to date have been disposed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 29 February 2008

	Company		Group	
	2008	2007	**2008**	2007
	R	R	**R**	R
25. Contingent liabilities				
Salt River Resources Ltd	**-**	-	**35 000**	10 000
Minnex Exploration Ltd	**-**	-	**90 000**	-
Litigation	**220 000**	-	**220 000**	-
	220 000	-	**345 000**	10 000

25.1. Salt River Resources Ltd (“SRR”) has a bank guarantee for R35 000 in terms of the requirement of the Environmental Rehabilitation Management Plan for this Company’s prospecting permit. SRR has ceded a fixed deposit as security for the bank guarantee. The guarantee is unlikely to be called as SRR has been rehabilitating the drill site areas as drilling progressed, resulting in a minimal expense to be incurred at the end of the prospecting program on the Salt River Base Mineral Project area.

25.2. Minnex Exploration Ltd (“Minnex”) has provided a guarantee for R90 000 in terms of the requirement of the Environmental Rehabilitation Management Plan for this Company’s prospecting permit at the Department of Minerals and Energy. The guarantee is unlikely to be called as Minnex has been rehabilitating the drill sites and trench areas as they progressed, resulting in a minimal expense to be incurred at the end of the prospecting program on the Middelwater Alluvial Diamond Project areas.

25.3. The Company is involved with litigation against Baka Plant Sales CC and the estimated possible loss which Thabex may incur if the litigation is not in its favour is R220 000.

26. Reclassification of comparative figures

Comparative figures were reclassified as follows:

- Short term loans of R2 290 031 for the Company and R2 105 784 for the Group which were previously included in trade and other receivables have been presented separately on the balance sheet in these financial statements.

- The proceeds on the treasury shares sold by subsidiaries of R761 250 for the Group, previously included in cash flows from investing activities on the cash flow statement for 2007 was reclassified as cash flows from financing activities.

The reclassification of the above-mentioned items results in a more fair presentation of the Company and Group’s financial position and cash flows for 2007.

27. Post balance sheet events
It has been announced by the South African Minister of Finance, on 20 February 2008, that the corporate tax rate will change from 29% to 28% and is effective for all financial years ending on or after 1 April 2008.

28. Directors' interest on the ordinary share capital of Thabex were:

As at 29 February 2008

	Directly		Indirectly		%
	Beneficial	**Non Beneficial**	**Beneficial**	**Non Beneficial**	
M Welthagen	1 000	-	2 202 662	46 530	10.49
JL Bosch	16 000	-	-	-	0.08
JR Rapoo	20 000	-	-	-	0.10
Prof. DL Reid	16 600	-	-	-	0.08
AP Roux	16 000	-	-	170 000	0.89
Total	**69 600**	**-**	**2 202 662**	**216 530**	**11.64**

As at 28 February 2007

	Directly		Indirectly		%
	Beneficial	**Non Beneficial**	**Beneficial**	**Non Beneficial**	
M Welthagen	1 000	-	2 713 628	46 530	16.24
JL Bosch	16 000	-	-	-	0.10
JR Rapoo	20 000	-	-	-	0.12
Prof. DL Reid	16 600	-	-	-	0.10
AP Roux	16 000	-	-	170 000	1.09
Total	**69 600**	**-**	**2 713 628**	**216 530**	**17.65**

M Welthagen has a 10.49% (2007: 16.24%) indirect interest in the Company held through The Marius Welthagen Trust's direct 54.59% interest in Saminco Limited or 1 758 592 shares (2007: 1 758 592 shares) and 779 375 shares (2007: 1 779 375 shares) held through SA Mineral Investments (Pty) Ltd (which company is 96% held by Saminco Limited. AP Roux has a direct interest of 16 000 and an indirect interest of 170 000 ordinary shares in the Company or 1.09%. No material change in the above interests occurred since year-end to the date of this report.

SHAREHOLDERS' ANALYSIS

	No. of Holders	% of total share holders	No. of shares	% of total issued share capital
Shareholder spread				
1 - 1000 shares	316	53.47	131 027	**0.62**
1001 - 10 000 shares	167	28.26	808 708	**3.85**
10 001 - 100 000 shares	79	13.37	2 832 977	**13.49**
100 001 - 1 000 000 shares	24	4.06	6 698 396	**31.89**
1 000 001 shares and more	5	0.85	10 535 779	**50.15**
Totals	**591**	**100**	**21 006 887**	**100**
Shareholder Spread				
Public	582	98.48	10 740 966	**51.13**
Non-public:	9	1.52	10 265 921	**48.87**
Directors of Thabex	8	1.35	5 543 851	**26.39**
Holding 10% and more	1	0.17	4 722 070	**22.48**
Totals	**591**	**100**	**21 006 887**	**100**
Distribution of Shareholders				
Individuals	523		13 161 688	**62.65**
Investment companies & trusts	56		5 866 749	**27.93**
Banks and nominee companies	12		1 978 450	**9.42**
Totals	**591**		**21 006 887**	**100**

SUBSTANTIAL SHAREHOLDERS

According to the register of members of the Company at 29 February 2008, the following shareholders were the only members holding 5% or more of the ordinary issued share capital of the Company.

	Number of shares held	**% of issued Capital**
EV Ahmed	4 816 770	22.93
Saminco Ltd	3 221 456	15.34
BBH Collins Stewert Ltd	1 607 089	7.65
I Yalzary	1 131 000	5.38
Dr JA Cruise	1 125 000	5.36
Total	**11 901 315**	**56.66**

SHAREHOLDERS' DIARY

Annual General Meeting	**12 November 2008**
Interim Report	**25 November 2008**
Annual Report 2009 financial year	**25 May 2009**

This document is important and requires your immediate attention

If you are in any doubt about what action you should take, consult your stockbroker, attorney, banker, financial adviser, accountant or other professional adviser immediately.
If you have disposed of all your shares in Thabex Limited you should pass this document and the enclosed proxy form to the purchaser of such shares or the stockbroker, banker or other agent through whom the disposal was affected for transmission to the purchaser.

THABEX LIMITED

("Thabex or the Company")
Registration No 1988/000763/06
(Incorporated in the Republic of South Africa)
JSE share code: TBX
ISIN Code: ZAE000013686
www.thabex.com
email:info@thabex.com
Telephone number: 0860 THABEX (0860 842239)

Notice is hereby given that the eighteenth Annual General Meeting of members of Thabex will be held at Ground Floor, Kiepersol House, Stonemill Office Park, 300 Acacia Road, Darrenwood, Randburg, 2194 on Wednesday, 12 November 2008, at 10:00 to consider and, if deemed fit, pass with or without modifications, the following ordinary and special resolutions:

Ordinary resolutions

1. To authorise any Director or Alternate Director of the Company to sign all such documents and to do all such things as may be necessary for or incidental to the implementation of the following ordinary and special resolutions to be proposed at the Annual General Meeting.

2. To receive, consider and adopt the audited annual financial statements of the Company for the year ended 29 February 2008.

3. To authorise the directors to determine and pay the auditors remuneration for the year ended 29 February 2008.

4. To re-elect JR Rapoo as director in accordance with the provisions of the Company's articles of association. An abridged CV of JR Rapoo is provided on page 8.

5. To approve the election of Dr JW Kruger as director in accordance with the provisions of the Company's articles of association. An abridged CV of Dr JW Kruger is provided on page 8.

6. To approve, in terms of articles 88 and 89 of the Company's articles of association, the directors' remuneration as disclosed in the annual financial statements for the year ended 29 February 2008.

7. To renew the general authority of the directors to allot and issue all or any portion, subject to the provisions of the Companies Act, 1973, as amended, and the listing requirements of the JSE Limited ("JSE"), of the remaining shares in the authorised but unissued share capital of the Company upon such terms and conditions as they may determine.

8. Resolved that, subject to ordinary resolution number 7 being passed, and subject to not less than 75% of the votes cast by those shareholders of the Company present in person or represented by proxy and entitled to vote at this meeting at which this resolution is proposed, voting in favour of this resolution, the directors of the Company be and they are hereby authorised by way of a general authority to issue all or any of the authorised but unissued ordinary shares in the capital of the Company for cash, as and when they in their discretion deem fit, subject to the Companies Act, 1973, as amended, the articles of association of the Company and the Listings Requirements of the JSE, provided that:

8.1. This authority is valid until the Company's next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter;

8.2. Any such issue will only be securities of a class already in issue, or limited to such securities or rights that are convertible into a class already in issue;

8.3. The shares will be issued only to the public shareholders as defined in the Listings Requirements of the JSE and not to related parties;

8.4. The number of shares issued for cash shall not in the aggregate in anyone financial year exceed 10% (ten percent) of the Company's issued share capital. The number of shares which may be issued shall be based on the number of shares in issue at the date of such application less any shares issued during the current financial year, provided that any shares to be issued pursuant to a rights issue (announced, irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were shares in issue at the date of application;

8.5. In determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such shares measured over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the issuer. The JSE will be consulted for a ruling if the Company's securities have not traded in such 30 business day period;

8.6 that a paid press announcement giving full details including the impact on net asset value and earnings per share will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of shares in issue prior to the issue.

In terms of the Listings Requirements on the JSE a 75% (seventy five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting must be cast in favour of Ordinary Resolution Number 8 for it to be approved.

9. To transact any other business that may be transacted at an annual general meeting.

Special resolution

As special resolution number 1

Resolved that the directors of the Company be and are hereby authorised, by way of renewal general authority to approve the repurchase of its own shares by the Company, or to approve the purchase of ordinary shares in the Company by any subsidiary of the Company, provided that:

- This general authority shall be valid until Company's next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter;

- the ordinary shares be repurchased through the order book of the JSE trading system and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counter party;

- an announcement complying with 11.27 of the Listings Requirements of the JSE be published by the Company when the Company and/ or its subsidiaries has cumulatively repurchased 3% of the ordinary shares in issue as at the time when the general authority was given ("the initial number") and for each 3% in the aggregate of the initial number of the ordinary shares acquired thereafter by the Company and/or its subsidiaries;

- the repurchase by the Company and its subsidiaries of its own ordinary shares shall not in the aggregate in anyone financial year exceed 20% of the Company's issued share capital of that class, provided that the acquisition of ordinary shares as treasury stock by a subsidiary of the Company shall not exceed 10% in the aggregate of the number of issued shares of the Company;

- repurchases must not be made at a price more than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately proceeding the date on which the transaction is effected;

- at any point in time the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;

- the Company will after a repurchase of shares comply with the provisions of the Listings Requirements regarding shareholder spread;

- the Company and the subsidiary will not repurchase ordinary shares during a prohibited period (as defined in the Listings Requirements);

- such repurchases will be subject to the Companies Act.

- the Company's articles of association and the Listings Requirements of the JSE; and

- if the Company purchases its own shares from any wholly owned subsidiary of the Company for the purposes of cancelling such treasury shares pursuant to this general authority, the provision of bullet point no. 2 above will not be applicable to such purchase transaction.

It is the intention of the Board of Directors to use this general authority should prevailing circumstances (including the tax dispensation and market conditions) warrant it in their opinion.

The Company's directors undertake that they will not implement any such repurchases while this general authority is valid, unless:

- the Company and its subsidiaries will be, in the ordinary course of business, able to pay its debts for a period of 12 months after the date of the notice of the annual general meeting at which this resolution is proposed ("the annual general meeting);

- the assets of the Company and its subsidiaries will exceed the liabilities of the Company and its subsidiaries for a period of 12 months after the date of the notice of the annual general meeting. For this purpose, the assets and liabilities will be recognized and measured in accordance with the accounting policies used in the Company's latest audited annual group financial statements;

- the Company and its subsidiaries will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting;

- the working capital of the Company and its subsidiaries will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting; and

- upon entering the market to proceed with the repurchase, the Company's sponsor has confirmed the adequacy of the Company's working capital for the purposes of undertaking a repurchase of shares in writing to the JSE.

Reason for and effect of Special Resolution Number 1

The reason for and the effect of the special resolution is to grant the Company's directors a general authority to approve the Company's repurchase of its own shares and to permit a subsidiary of the Company to purchase shares in the Company.

For the purposes of considering Special Resolution Number 1 and in compliance with 11.26 of the Listings Requirements, the information listed below has been included in the Annual Report, in which this notice of annual general meeting is included, at the places indicated:
Directors and management (pages 8, 31 and 58);
Substantial shareholders (page 65);
No material changes (page 30);
Directors' interests in securities (page 64);
Share capital of the Company (page 48);

The directors, whose names are set out on pages 8, 31 and page 58 of this report, collectively and individually accept full responsibility for the accuracy of the information contained in Special Resolution Number 1 and certify, to the best of their knowledge and belief, that there are no other facts, the omission of which would make any statement false or misleading and that they have made all reasonable queries in this regard and that the resolution contains all information required by law and the Listings Requirements;

Save for the legal proceedings stated on page 31, the Company and the group are not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the Company is aware that may have or have had in the previous 12 months, a material effect on the Company's financial position.

A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend and speak and vote in his stead. A proxy need not be a member of the Company. Proxy forms must reach the transfer secretaries, Link Market Services South Africa (Pty) Ltd, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) of the Company at least 48 hours before the time of holding the meeting excluding Saturdays, Sundays and Public Holidays.

Dematerialised shareholders, other than own name registered dematerialised shareholders, who wish to attend the annual general meeting or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary written authority to attend the annual general meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the member and his/her CSDP or broker in the manner and cut-off time stipulated therein.

By order of the board

SA Mineral Investments (Pty) Ltd
Company Secretaries
Johannesburg

2 October 2008

TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH OWN NAME REGISTRATION ONLY.

THABEX LIMITED

("Thabex or the Company")
Registration No 1988/000763/06
(Incorporated in the Republic of South Africa)
JSE share code: TBX
ISIN Code: ZAE000013686
www.thabex.com
email:info@thabex.com
Telephone number: 0860 THABEX (0860 842239)

For use at the annual general meeting on Wednesday, 12 November 2008. If shareholders have dematerialised their shares with a CSDP or broker, other than with own name registration, they must arrange with the CSDP or broker concerned to provide them with the necessary letter of representation to attend the general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the custody agreement

I/We (Please print name in full) ____ of (address)

____ , being a holder of

____ ordinary shares issued by Thabex, hereby appoint

____ of

____ and failing him/her

____ of

____ and failing him/her the chairman of the meeting,

as my/our proxy to vote for me/us and on my/our behalf on a show of hands and/or on a poll at the general meeting of Thabex shareholders to be held at the Ground Floor, Kiepersol House, Stonemill Office Park, 300 Acacia Road, Darrenwood, Randburg, 2194 on Wednesday, 12 November 2008 at 10:00 and at any adjournment thereof, as follows:

	Number of votes (one vote per share)		
	In favour	Against	Abstain
Ordinary resolution Number 1 To authorise signature of documents			
Ordinary resolution Number 2 Adoption of financial statements			
Ordinary resolution Number 3 To approve Auditors remuneration			
Ordinary resolution Number 4 Re-election of director: JR Rapoo			
Ordinary resolution Number 5 Election of director: Dr JW Kruger			
Ordinary resolution Number 6 To approve directors' remuneration			
Ordinary resolution Number 7 To place the unissued shares under control of the directors			
Ordinary resolution Number 8 General approval to issue shares for cash			
Ordinary resolution Number 9 Transact other business			
Special resolution Number 1 Purchase of own shares			

SIGNED at ____________________ this ________ day of ____________________ 2008

____________________ **(Signature)**

A shareholder entitled to attend and vote at the abovementioned meeting is entitled to appoint one or more proxies (none of whom need be a shareholder of Thabex) to attend and speak and vote at the abovementioned meeting in place of that shareholder.
Please red notes on reverse hereof.

NOTES

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairman of the general meeting", but any such deletion must be initialled by the member. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of ordinary shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the members' votes exercisable thereat. A member or the proxy is not obliged to use all the votes exercisable by the member or by the proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member or by the proxy.

3. Forms of proxy must be received at the Company's transfer secretaries, Link Market Services South Africa (Pty) Ltd, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) by no later than 10:00 on Monday, 10 November 2007.

4. The completion and lodging of this form of proxy will not preclude the relevant member from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairman of the general meeting.

6. The signatories must initial any alteration or correction made to this form of proxy.

7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.

8. The chairman of the general meeting may reject or accept a form of proxy which is completed and/or received other than in accordance with these notes if he is satisfied as to the manner in which the member wishes to vote.

9. Dematerialised shareholders who wish to attend the general meeting or to vote by way of proxy must contact their CSDP or broker who will furnish them with the necessary letter of representation to attend the general meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the member and his/her CSDP or broker in the manner and cut-off time stipulated therein.

DIRECTORATE AND ADMINISTRATION

DIRECTORS
JR Rapoo
(non-executive Chairman)
B Comm (Law) Hons B Compt

M Welthagen
(Chief Executive)
P Eng (Int) MEng (Mining) MPhil (Mineral Economics)
BComm Hons (Economics)
MECSA MSAIMM FGSSA MPDAC IAS

JL Bosch
(Non-executive)
MSc (Geology) PrSciNat
MGSSA

Dr JW Kruger
(Independent Non-executive)
BSc (US) Hons BSc (Unisa) MSc (Wits) PhD(Wits)
HOD (US)
ORSSA SASA SAICSIT CSSA ISBA IAS

Prof DL Reid
(Non-executive)
DPhil (Geochemistry) MSc (Geology)
BSc Hons (Geology) PrSciNat MGSSA FSEG

AP Roux
(Non-executive)
BAgric

SECRETARIES
SA Mineral Investments (Proprietary) Ltd
(Registration no 1981/004619/07)
51 Austin Road Northcliff Johannesburg 2195

REGISTERED OFFICE
Ground Floor Kiepersol House Stonemill Office Park
300 Acacia Road Darrenwood Randburg 2194

BROKERS
PSG Online Securities Ltd (Member of the JSE Ltd
Securities Exchange South Africa)
(Registration no 1996/000509/06)
Cascade House Constantia Park c/o 14th Avenue &
Hendrik Potgieter Drive Weltevreden Park 1709

TRANSFER SECRETARIES
Link Market Services South Africa (Pty) Ltd
(Registration no 2000/007239/07)
11 Diagonal Street Johannesburg 2001

SPONSOR
PSG Capital Ltd (Registration no 1998/017396/06)
1st Floor Old Kollege
35 Kerk Street Stellenbosch 7600

AUDITORS
KPMG Inc. (Registration no 1999/021543/21)
KPMG Forum
1226 Schoeman Street Hatfield Pretoria 0028

COMMERCIAL BANKERS
First National Bank of Southern Africa Ltd
(Registration no 1971 /009695/06)
Johannesburg Branch
80 Market Street Johannesburg 2001

LAWYERS
Brink Cohen Le Roux Inc
(Registration no 1993/004501/21)
BCLR House
19 West Street Houghton Johannesburg 2198

STRATE
STRATE Ltd (Registration no 1998/022242/06)
5th Floor One Exchange Square
2 Gwen Lane Sandown 2196

POSTAL ADDRESS
PO Box 3899
Northcliff Johannesburg 2115

TELEPHONE NUMBER
0860 THABEX (0860 84 2239) (Local)
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SHARE CODES
ISIN code ZAE000013686
JSE code TBX

THABEX LIMITED

www.thabex.com

THABEX
LIMITED