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EXPLORING

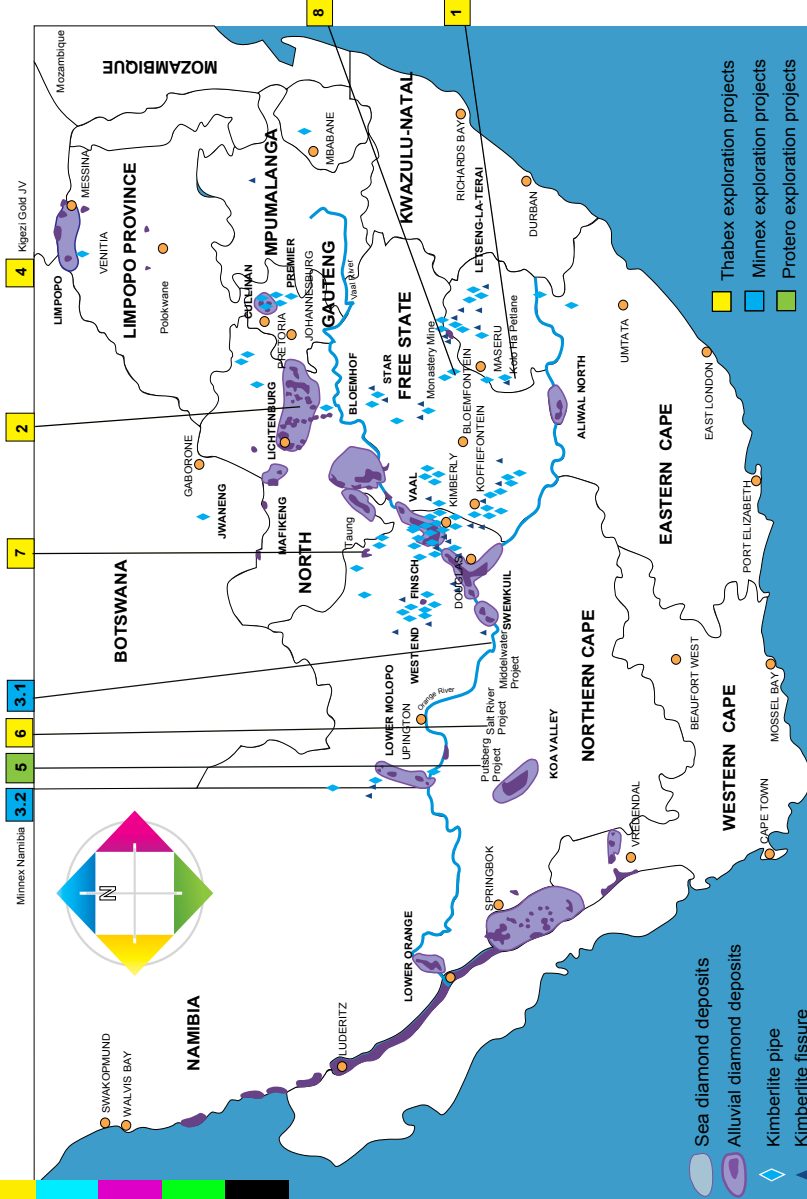
AFRICA



THABEX
LIMITED

ANNUAL REPORT 2009

LOCATION OF EXPLORATION PROJECTS IN SOUTH AFRICA



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OUR FOCUS

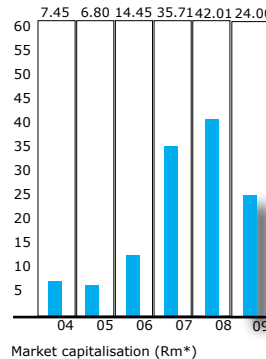
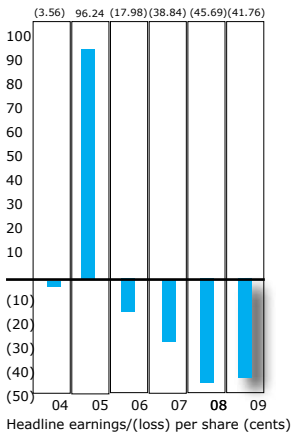
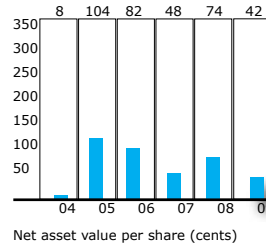
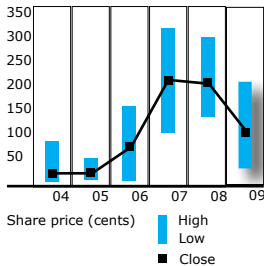
- Kimberlitic and alluvial deposits;
- Diamonds of exceptional quality and size and;
- Near surface diamondiferous deposits amenable to low cost mining

OUR MISSION

Explore, search and turn to account mineral projects in an environmentally responsible manner in South and Southern Africa, using professional teams, to benefit shareholders, employees and the peoples of the region.

www.thabex.com

	Group		Company	
	2009	2008	2009	2008
Number of shares at year-end	22 786 887	21 006 887	22 786 887	21 006 887
Net asset value per share (cents)	41.59	73.86	47.42	17.35
Net tangible asset value per share (cents)	(20.90)	17.36	47.42	17.35
Basic loss per share (cents)	(40.18)	(40.49)	(34.11)	(39.60)
Diluted loss per share (cents)	(40.18)	(40.49)	(34.11)	(39.60)
Headline loss per share (cents)	(41.76)	(45.69)	(17.92)	(19.84)
Diluted headline loss per share (cents)	(41.76)	(45.69)	(17.92)	(19.84)
Dividends per share (cents)	-	-	-	-



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

DEAR SHAREHOLDER

Four years ago Thabex ambitiously changed its focus from mainly alluvial diamond exploration targets to kimberlite targets. The acquisition of Angel Diamonds (Pty) Ltd ("Angel Diamonds"), incorporated in the Kingdom of Lesotho, was the first kimberlite project the Company became involved with. Since the granting of a Prospecting Licence ("PL") on 15 June 2006, Angel Diamonds has completed two Phases of prospecting and exploration over the PL area of 5.36Km². On 4 December 2008, Angel Diamonds (Pty) Ltd submitted an application for a Mining Licence ("ML") to the Commissioner of Mines of Lesotho.

During the past year since the publication of the previous Annual Report on 2 October 2008, your Company managed to weather the world wide downturn mainly through loan funding from the directors of Thabex, both in management effort and financial contribution. Thabex is specifically grateful for the contribution towards the Company's technical knowledge base and the financial contribution of Dr JA Cruise, non-executive chairman of Salt River Resources Ltd. On 3 October 2008, Thabex entered into a Disposal and Option Agreement with Mantle Diamonds Ltd ("Mantle Diamonds"), based in London. The rationale for this agreement was to ensure the Kolo Kimberlite project, held by Angel Diamonds, would be well funded and managed.

On 30 March 2009, the South African Reserve Bank ("SARB") declined the Company's application to dispose of 60% of its interest in Angel Diamonds for cash and Mantle Diamonds' ordinary shares for a total investment of US\$5 million. After having offered Mantle Diamonds an option agreement immediately after the announcement by Thabex of the SARB's ruling, the Company was unable to conclude a new disposal agreement at the time with Mantle Diamonds. On 10 June 2009, Thabex and the minority shareholders of Angel Diamonds, entered into an agreement to dispose of 13.33% of their investment in Angel Diamonds (Pty) Ltd for US\$500 000 in cash. The pro forma financial effect of this disposal was a decrease of 13.59cps of the basic loss of Thabex from 41.18cps to 27.59cps and an increase of 15.07cps in the net asset value of the Company, from 41.59cps to 56.66cps. A condition to the latter agreement was that Mantle Diamonds negotiate a new all cash disposal agreement with the Angel Diamonds' shareholders, to acquire a further 46.67% in the equity of Angel Diamonds on or before 30 September 2009.

To date, Thabex and the minority shareholders of Angel Diamonds have not concluded a new disposal agreement with Mantle Diamonds. The consequence of not finalising this agreement with Mantle Diamonds prior to 30 June 2009, resulted in a material uncertainty about Thabex's ability to continue as a going concern for the year ended 28 February 2010. After due consideration the Board decided that in view of the Group's transition from a diamond explorer to a diamond producer, it was not prudent to proceed with the publication of the Group's Provisional Results until this uncertainty had diminished to such an extent that the Group's going concern plan could be implemented. Mantle Diamonds, in consultation with Angel Diamonds, will commence demobilisation of Mantle Diamonds' exploration equipment shortly.

The Group is now ready to implement its going concern plan by converting Angel Diamonds' present plant to produce at a minimum rate of 50tph as per its ML application. A R10 million rights offer is proposed for Angel Diamonds, subject to the Listings Requirements of the JSE, Thabex and the minority shareholders of Angel Diamonds, intend to follow their rights.

My sincere appreciation is extended to all directors, employees and shareholders during the past year, both for their dedication and their support. My special thanks is extended to Leopold Bosch, who retired as Executive Manager of the Geological Society of South Africa, and for his valued contribution as director of Thabex over past nine years.

21 December 2009
JR Rapoo
Chairman

SUMMARY OF MINERAL RESERVES AND MINERAL RESOURCES

Project	Attributable to				Area of Interest	Mineral type	Permit No.	Area			Mineral Resources								
											Boreholes		Inferred		Indicated		Measured		Valuation**
	Thabex	Pilansberg	Minnex	Taung		Expiry Date	Ha			Percussion	Diamond	Tons Mt	Grade	Tons Mt	Grade	Tons Mt	Grade	NPV Rm at 10% Discount Rate	
Minnex Exploration Namibia (Pty) Ltd			80%		Namibia	Kimberlite Diamonds	ELP's 3082 & 3083 Jul 2011	160 000			15	-	-	-	-	-	-	-	-
Middelwater Portion 1			2.5% fee on turnover		Lower Orange River	Alluvial Diamonds	NC 30/5/2/2/211PR May 2010	4 300			18	-	-	-	-	-	-	-	11.40
Middelwater Remaining Ext			83.33%		Lower Orange River	Alluvial Diamonds	NC 30/5/1/1/3/2/1/458 Cov July 2010	328			-	-	-	-	-	-	-	-	-
Monastery Mine (Pty) Ltd	96.4%				Eastern Free State	Kimberlite Diamonds	FS 30/5/1/1/2/55 PR Dec 2009*	521			-	6	-	-	6	25 to 50 cpht	-	-	150.00
Angel Diamonds (Pty) Ltd	70%				Lowlands Lesotho	Kimberlite Diamonds	PL 002# Dec 2009	5 360			-	19	3	7 to 14 cpht	2.8	7 to 14 cpht	2.7	14.1cpht	175.00
Cinprop 0002 (Pty) Ltd				10%	Harts River	Alluvial Diamonds	NW 5.2/2/2808 PR Dec 2011	2 096			-	-	-	-	-	-	-	-	-
Diamex JV (Pty) Ltd	100%				Management exploration	Kimberlite Diamonds	-	-			-	-	-	-	-	-	-	-	-
Pilansberg Gold Holdings (Pty) Ltd		49%			Uganda	Joint Venture Mafuga Forest Gold	EPL 103 Nov 2011	37 800			-	-	-	-	-	-	-	-	-
Protero Investment Holdings (Pty) Ltd	11.68%				Pofadder Northern Cape Province	Zinc, Copper, Lead	Registration pending for applications	19 000			-	-	-	-	-	-	-	-	-
Salt River Base Mineral Project	100%				Kenhardt Northern Cape Province	Zinc, Copper, Lead, Silver, Gold	NC 5/2/2/986 (Conv) PR Sept 2011	12 035			27	58	20.15	2.46% Zn 0.44% Cu 0.49% Pb 18.4g/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	NC 30/5/1/1/2/629 PR Oct 2011	8 000			3	9							
Salt River West	100%				Kenhardt Northern Cape Province	Zinc, Copper, Lead, Silver, Gold	NC 0/5/1/1/2/730 PR Sept 2011	26 008			-	-							
TOTAL																			2 977.40

* Renewal application submitted to DME on 3 October 2009, * ML submitted 4 December 2008
PR - Prospecting Right (See Glossary on page 18)

** Valuation and resource estimates as reported by Competent Person - Marius Welthagen (See page 8 and 71) in terms of the SAMREC, SAMVAL Codes and the Listings Requirements of the JSE)

ABRIDGED CV'S OF THABEX DIRECTORS

Jeffrey Rapoo (12 years on the board of Thabex) (Non-executive Chairman)
(Chairman of Audit and Remuneration Committees)

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 (16 years on the board of Thabex) (Chief Executive)

He has 32 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).

Neels Engelbrecht (new appointment) (Executive Director)

He has 25 years experience in the diamond industry. He was also a rough diamond dealer in The Kingdom of Lesotho. He is the co-founder and Director of Angel Diamonds (Pty) Ltd that was registered in 1992 in Lesotho. Mr Engelbrecht has been actively involved in the mining of the Kolo Kimberlite since 1992. Since 2001 he was instrumental in the negotiations with the Government of Lesotho in obtaining the Prospecting License and submitting the application for the Mining License.

Masankisi Kamwanga (new appointment) (Financial Director)

He has a vast experience in management, lecturing and consulting related to finance, information and communication technology. He has a MSc and M.Comm. and is a SAP certified consultant. He is a consultant and lecturer on topics related to Finance, Commerce & Information Technology in South Africa & DRC (Provincial Government, ISIPA, VISTA, RAU, UJ and CUT). He was also the financial advisor of the Minister of Labour and procurement advisor of the Minister of Finance in the Democratic Republic of Congo (DRC).

Jan Kruger (1 year on the board) (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 a consultant and as a lecturer in Mathematics, Operations Research, Finance, Computer Science, Management and Statistics in industry at Universities. He presented 19 conference papers and published 10 research publications on Machine Learning, Data mining and Reliability Theory. He is the 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 (10 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 (12 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.



ANGEL DIAMONDS (Pty) Ltd 70%

DIAMEX JV (Pty) Ltd 100%

PILANESBERG GOLD HOLDINGS (Pty) Ltd 100%

MINNEX EXPLORATION (Pty) Ltd 100%

Minnex Exploration Namibia (Pty) Ltd - 80%

Alliance Afric Mining (Pty) Ltd - 83.33%

Makgabana Mine (Pty) Ltd - 75%

TAUNG DIAMOND MINES (Pty) Ltd 50%

SALT RIVER RESOURCES Ltd 100%

TRADEPOST 121 (Pty) Ltd 100%

Monastery Mine (Pty) Ltd - 94.34%

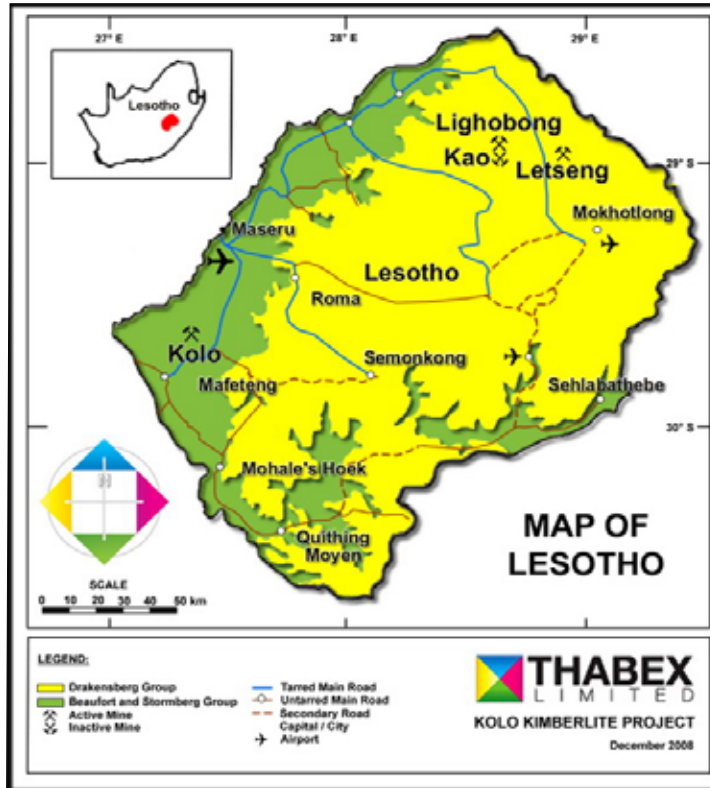
EXPLORATION PORTFOLIO

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

REVIEW OF EXPLORATION PROJECTS

The following projects are being explored, investigated and evaluated

Figure 1 - General geology of Lesotho and location of the Kolo Kimberlite Project



REVIEW OF EXPLORATION PROJECTS

The following projects are being explored, investigated and evaluated in terms of Thabex's long-term development criteria (See www.thabex.com - Prospectus 20 November 1997):

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

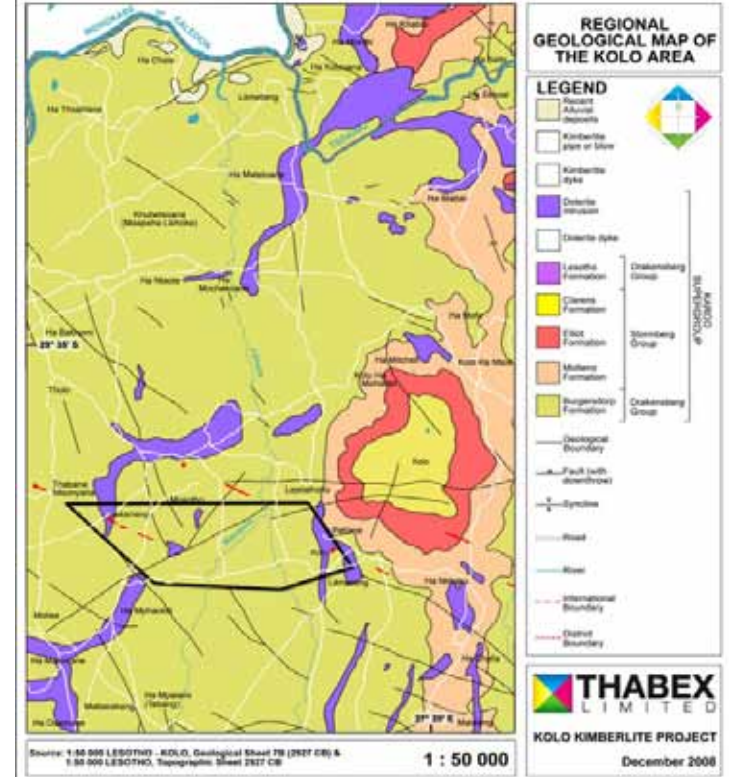
1.1. Geologic Background

The Kolo Kimberlite Project is located in the Lesotho lowlands about 38 km southwest of the capital, Maseru (Figure 1), 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 (Figure 2).

REVIEW OF EXPLORATION PROJECTS

continued

Figure 2 - Detailed geology and Prospecting Lease area of the Kolo Kimberlite Project



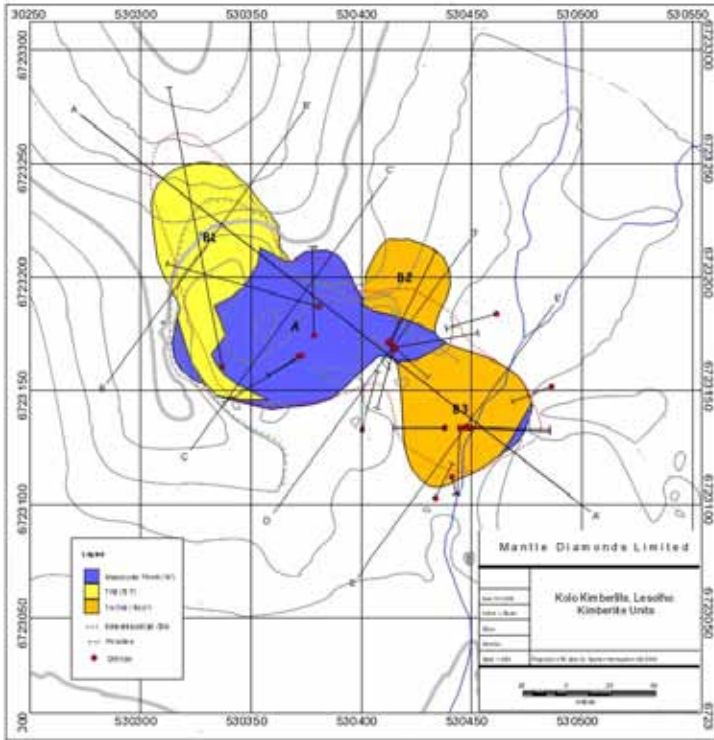
1.2. Results of Bulk Sampling

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 5 228 tonnes (Table 1) of mainly "A" type kimberlite, which has resulted in the production of 388 carats at an indicated 7.43cpt 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. Table 1 provides a listing of prospecting work done to date.

The largest diamond recovered by Angel during the Mantle Diamonds Ltd's involvement was 28.8 ct in size and poor quality. However, the second largest diamond recovered during the period, was a 13.78 ct gem quality diamond and irregularly shaped. Previous sales brokers' notes indicate that the Kolo pipe produced large diamonds during the period 1993 to 1997: 38ct 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.

Continued

Figure 3 - Plan of the Kolo Kimberlite Pipe and diamond drill hole positions



The diamonds recovered have been independently valued. Two parcels of 332cts and 937cts have been exported to South Africa, in accordance with the Kimberley Process, and will be placed on open tender.

Table 1 - Prospecting results since discovery in 1976

Entity	Period	Tons	Carats recovered	No of stones	Estimated Grade	Bottom cut-off Screen size
UNDP	1976 - 1981	623	50.77 cts	280	8.14 cpht	8 Foot Rotary Pan
Various	1992 - 2002	220 000*	not reported	unknown	unknown	10 Foot Rotary Pan
Angel	2006 - 2008	5 228	388.23 cts	2 733	7.43 cpht	2 mm
Mantle	2009	6 710	921.88 cts	13 691	13.74 cpht	1 mm
Total		232 559	-	-	-	-

- Not applicable *estimate tailings dumps

1.3. Diamond Resource

A Measured Diamond Resource of 2.7 million tonnes at an average grade of 14.1cpht or 380 700 carats was estimated from surface to 100m depth. Phase 1 diamond drilling consisted of 19 angled diamond core boreholes consecutively labelled. A summary of the drilling results is listed in Table 2.

Continued

Table 2 - Diamond core drilling results

No	Elevation	Azimuth	Dip	Depth
DH1	1560.53	239.5	65.0	38.39
DH1a	1560.44	239.5	62.8	90.07
DH2	1555.53	167.4	55.0	13.25
DH3	1556.09	182.5	55.0	51.16
DH4	1556.14	92.5	55.0	63.18
DH5	1561.61	285.4	54.6	122.7
DH6	1555.91	270.2	55.0	40.25
DH7	1555.48	80.1	63.8	83.80
DH8	1555.38	26.8	60.8	92.78
DH9	1560.98	358.8	62.4	83.58
DH10	1555.31	130.4	72.2	75.08
DH11	1555.32	195.8	75.2	102.1
DH12	1560.72	348.9	52.5	203.8
DH13	1560.17	15.9	73.9	98.78
DH4a	1556.33	91.4	55.0	66.05
DH14	1561.42	250.1	55.0	32.58
DH15	1555.29	24.5	85.0	107.8
DH16	1558.33	254.5	57.0	43.25
DH17	1555.20	26.2	55.0	29.68

A total of 1438m of drilling was drilled, of which 332m was HQ and 1105m was NQ drilling.

Mantle Diamonds Limited's drilling program at Kolo kimberlite took place from 20 October to 3 December 2008. The drilling was carried out by Geomechanics from South Africa, using two Atlas Copco CS 1500 diamond drill rigs, equipped to drill HQ and NQ wireline core (Figures 3 and 4).

2. Uitgevonden Small Mining Project

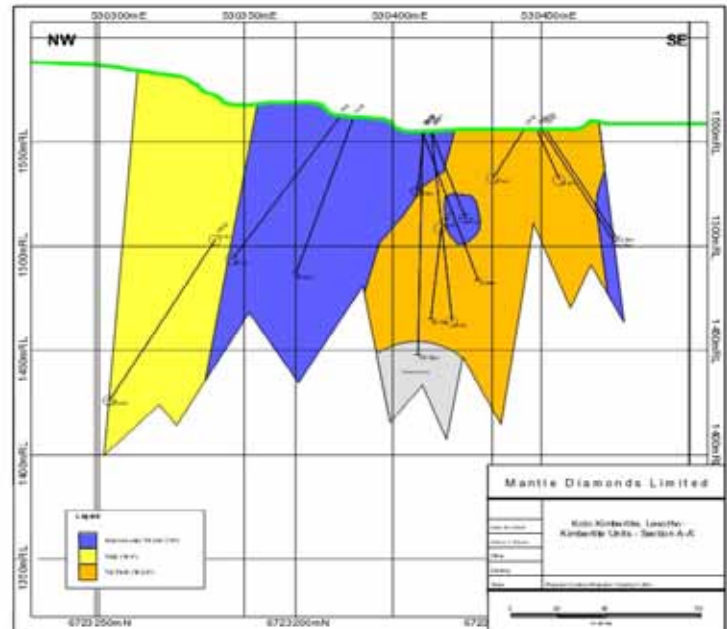
Diamex JV is assisting the shareholders of a small BEE company with their administration and mine planning.

3. Minnex Exploration (Pty) Ltd

3.1 Middelwater Alluvial Project

Prospecting was limited to geological studies on this area.

Figure 4 - Section AA' through the Kolo Kimberlite Pipe



Continued

Table 3 - Percussion drilling exploration borehole results as reported by Namdeb

Anomaly No	Y - Latitude	X - Longitude	Anomaly Type	Sampled	Status
175/011/X040	-18.144029	20.971936	Airborne Mag	No	Culture
175/011/X041	-18.185138	20.864221	Airborne Mag	No	Culture
175/011/X042	-18.150062	20.712934	Airborne Mag	Yes	Abandon due its depth 186m
175/011/X043	-18.15437	20.726201	Airborne Mag	No	Culture
175/011/X044	-18.202093	20.832304	Airborne Mag	Yes	drilled, resolved-abandon
175/011/X045	-18.038453	20.914182	Airborne Mag	Yes	Abandon, poor signature
175/011/X046	-18.26162	20.862486	Airborne Mag	Yes	drilled, resolved-abandon
175/011/X047	-18.21567	20.820246	Airborne Mag	Yes	drilled, resolved-abandon
175/011/X048	-18.231319	20.83386	Airborne Mag	Yes	drilled, resolved-abandon
175/011/X049	-18.066882	20.703593	Airborne Mag	Yes	Abandon, poor signature
175/011/X050	-18.14346	20.845646	Airborne Mag	Yes	drilled, resolved-abandon
175/011/X051	-18.186699	20.782309	Airborne Mag	Yes	drilled, resolved-abandon
175/011/X052	-18.161769	20.805637	Airborne Mag	Yes	drilled, resolved-abandon
175/011/X053	-18.044377	20.947447	Airborne Mag	Yes	drilled, resolved-abandon
175/011/X054	-18.243568	20.826839	Airborne Mag	Yes	Abandon, poor signature
175/011/X055	-18.364348	20.711078	Airborne Mag	Yes	Abandon due to its depth 156m
175/011/X056	-18.05501	20.99414	Airborne Mag	Yes	drilled, resolved-abandon
175/011/X060	-18.08661	20.123473	Airborne Mag	Yes	drilled, resolved-abandon
175/011/X061	-18.074361	20.964581	Airborne Mag	No	Abandon, very deep 300m

3.2. Minnex Exploration Namibia (Pty) Ltd

De Beers Group Exploration provided Minnex with a Due Diligence Report for the Minnex Kimberlite Project in the Kavango region in northern Namibia. A total of 512 garnets (9 non-kimberlitic), 111 ilmenite, 26 spinels (9 non-kimberlitic) and 3 chrome diopsides were recovered from the samples collected in 2008. A total of 1876m (15 holes - Table 3) were drilled into 12 targets in 2008 with no kimberlite intersected. No other anomalous topographic or vegetation features were identified on this project (Figure 5).

De Beers concluded that the project has been adequately prospected for kimberlites and that there is no indication for the presence of primary or secondary diamond deposits. It was noted however, that some of the grains, recovered from the Karoo shale and sandstone, had a high interest mineral chemistry. Minnex intends following up the De Beers results with specific reference to the deeper abandoned drill holes.

4. Pilanesberg Gold Holdings (Pty) Ltd

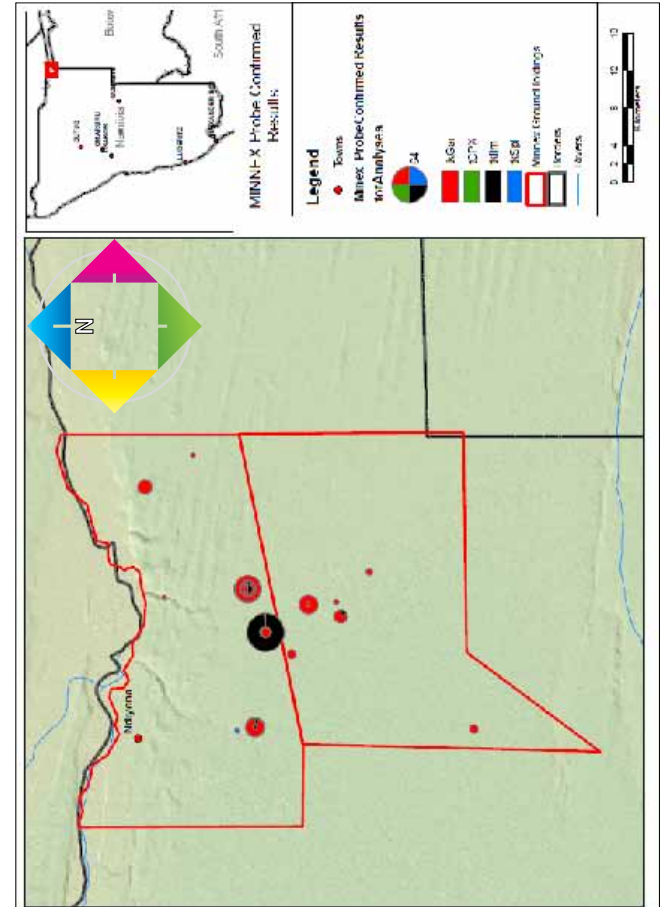
The Kigezi Gold Project has not proceeded as expected and the project will be reassessed. Pilanesberg Gold Holdings has been doing reconnaissance in the Democratic Republic of the Congo ("DRC") for gold prospects. However, no further work is planned for gold exploration in both Uganda and the DRC.

5. Protero Investment Holdings (Pty) Ltd

This company is continuing with its prospecting activities in the Northern Cape Province of which the Putsberg Copper Project is adjacent to the west of the Salt River Resources Base Mineral Project.

Continued

Figure 5 - Probe confirmed results of the samples collected in the Minnex project in Namibia



6. Salt River Resources Ltd

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

Continued

Table 4 - Total Mineral Resource for the Salt River Project with current base and precious metal intercept values.

Project	Resource Category	Mt	Grade					Cu (g/t)Equivalent *
			Zn (%)	Cu (%)	Pb (%)	Ag (g/t)	Au (g/t)	
Salt River	Measured	9.97	1.83	0.46	0.55	21.35	0.45	1.75
Salt River	Indicated	14.13	1.78	0.66	0.35	19.89	0.59	1.87
Salt River	Inferred	20.15	2.46	0.44	0.49	18.40	0.37	1.45
Total		44.15	2.10	0.54	0.48	19.20	0.51	1.43

* Cu Equivalent as at current prices (See page 14).

At current metal prices (21 December 2009; copper US\$6 960/t; lead US\$2 348/t; zinc US\$2 503/t; gold US\$1 094,40/oz and silver US\$16,95/oz), the Total Mineral Resource (i.e. 24Mt) for the Salt River deposit are equivalent to a Cu equivalent grade of 1,78% at an insitu value of US\$124,18/t or US\$2 992 million (R23 044 million at R7.70/US\$).

Following the same methodology (NPV of the estimated future cash flow at 10% discount rate) used in the previous year's estimate of the total value attributed to the Salt River project in US\$343 million (R2 641 million at R7.70/US\$). 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.

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

Taung Diamonds continues to hold a 10% interest in Cinprop 0002 (Pty) Ltd, which company is conducting a pre-feasibility study over a portion of the farm Taung Reserve 894 NY near Hartzwater in the Northwest Province.

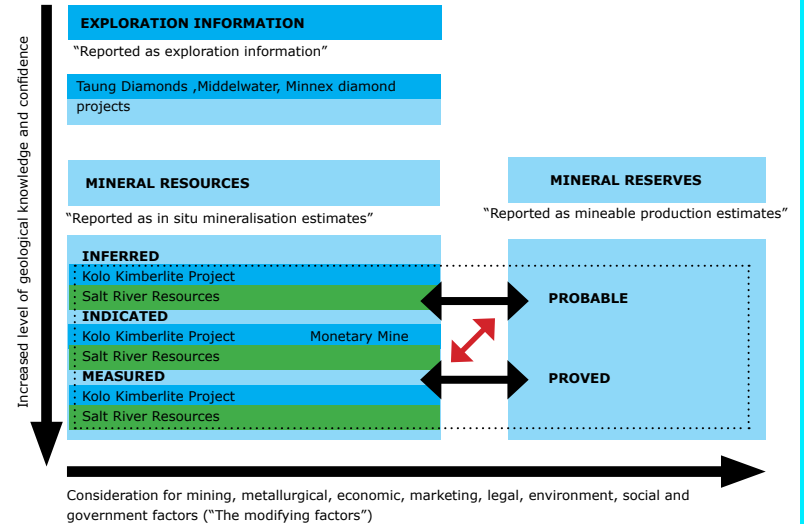
8. Tradepost 121 (Pty) Ltd ("Tradepost")

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. All Diamex JV's has to mobilised all to the Monastery property to test the oxidized kimberlitic material stockpiled near the open pit.



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 in relation to Thabex's projects.



"Assay" - To determine the mineral content;

"Azimuth" - Azimuth and elevation are angles used to define the apparent position of an object in the earth, relative to a specific observation point. The observer is usually (but not necessarily) located on the earth's surface.

"ct" - carat;

"cph" - 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 ore 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;

lb - a pound;

R - South African Rand;

ton - metric ton; and

"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;

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m - a metre;

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

% - Percentage;

lb - 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 Salt River Resources Ltd's plans to rehabilitate the surface of land disturbed during prospecting operations, as required by the New Minerals Act;

"LOM" - Life 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;

"tpm" - tons per month,

"tph" - tons per hour

Chemical symbols

Au - Gold;

Ag - Silver;

Cd - Cadmium;

Co - Cobalt;

Cu - Copper;

Ni - Nickel;

Pb - Lead;

Ti - Titanium; and

Zn - Zinc.



Kimberlite core from diamond drill borehole number DH12.



A high quality Type IIa Pure gem diamond in tweezers and in kimberlite host rock (bottom left).

CONTENTS OF THE ANNUAL FINANCIAL STATEMENTS

Thabex Limited
Annual Report for the year ended 28 February 2009

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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 28 February 2009, 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 21 December 2009 and signed on their behalf by:

JR Rapoo
ChairmanM Welthagen
Chief Executive

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 three 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 Listings Requirements, between the Chairman and the Executive responsible for the running of the Group's business (the Chief Executive Officer - M Welthagen).

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.
- All appointments to the board are formal and transparent and decided by the board as whole.

CORPORATE GOVERNANCE STATEMENT

The board has delegated certain of its duties, as further set out below and 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 Listings 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 of corporate governance within the Company and its subsidiaries. The audit committee comprises of JR Rapoo as chairman and Dr JW Kruger as independent non-executive director. The Audit committee held four meetings during the financial year. The Audit Committee set the principles for recommending the use of external auditors for non-audit services. On an annual basis the Audit Committee considers and satisfy itself relating to the experience and expertise of the financial director of the Company

Internal financial and operating controls

The board is ultimately responsible for the internal and operating system of the Group and for 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 unauthorised use or disposal of Group assets, compliance with relevant legislation and regulations and the maintenance of proper accounting records, as well as for advising the board on the appointment of external auditors.

Remuneration committee

JR Rapoo as non-executive chairman and Dr JW Kruger as independent non-executive director constitute this committee and four meetings were held during the financial year.

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.

Attendance register of board meetings

Name of director	2008			2009		
	17 July	2 October	12 November	31 January	7 February	22 February
JR Rapoo	P	A	P	A	A	A
DS Cowie	P	P	P	P	Resigned	31 January 2009
CJ Engelbrecht (new appointment 23 June 2009)						
M Kamwanga (new appointment 30 June 2009)						
Dr JW Kruger	P	P	P	A	P	P
JL Bosch*	A	A	P	A	A	A
Prof DL Reid	A	A	A	A	A	P
AP Roux	A	A	A	A	P	A
M Welthagen	P	P	P	P	P	P

*Resigned 23 June 2009

SECRETARIES' STATEMENT

In terms of the Companies Act 1973, as amended ("the Act"), 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
21 December 2009

DEMATERIALIZATION

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 28 February 2009 91.61 % (2007: 91.61 %) of Thabex's ordinary shares were dematerialised.

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 Listings 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 Annual Report itemises 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. Furthermore, the SAMVAL Code (South African Code for Valuation of Mineral Assets) has also been compiled with regards to the valuation of the Group's 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 21.72% (2008: 22.76%) 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 Monastery Mine (Pty) Ltd have been approved by the Department of Minerals and Energy. The Ministry of Mines and Energy approved the environmental program for the Nidiyona Kimerlite Project in the northeast of Namibia. Angel Diamonds (Pty) Ltd has been prospecting in compliance with the EMP approved by the NES of Lesotho and was compiled by Golder and Associates. At present Angel Diamonds (Pty) Ltd is in the process of completing an EIA which is required for a Mining License.

SUSTAINABLE DEVELOPMENT

The Company's future growth will be from the development of Thabex's own exploration projects and acquisitions, such as Minnex Exploration (Pty) Ltd into mining projects. The acquisition of Minnex, incorporating new projects, 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 minimise 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 form the technical committee and the non-executive directors form the human resources committee.

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 28 February 2009, 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 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 appropriate 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 respects, the consolidated and separate financial position of Thabex Limited at 28 February 2009, 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

Without qualifying our opinion, we draw attention to the directors' report in the financial statements which indicates that the group incurred a net loss of R8 811 068 (2008: R7 793 583) and the company incurred a net loss of R7 480 029 (2008: R7 621 820). At that date the group's current liabilities exceeded its current assets by R7 957 197 (2008: R989 556) and the company's current liabilities exceeded its current assets by R7 734 745 (2008: R3 925 262). The directors' report describes the steps taken by the directors in these circumstances. The directors' report also indicates that, in the event that the operations of its subsidiary fail to achieve the forecast cash flows, there will be a material uncertainty that may cast doubt on the ability of the company and its subsidiaries to continue as going concerns.

KPMG Inc.
Registered Auditor



Per Shaun van den Boogaard
Chartered Accountant (SA)
Registered Auditor
Director
21 December 2009

KPMG Forum 1226
Schoeman Street
Hatfield
Pretoria
0028

The Directors have the pleasure in presenting their report for the year ended 28 February 2009**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, Alliance Afric Mining (Pty) Ltd, Minnex Namibia (Pty) Ltd, Taung Diamond Mines (Pty) Ltd and Monastery Mine (Pty) Ltd. Salt River Resources Ltd is a poly-metallic base mineral project in the Northern Cape Province that ensures a sufficient diversification to the Group's commodity and exploration projects.

SHARE CAPITAL

The authorised share capital of the Company is 100 000 000 (2008: 100 000 000) ordinary shares of 10 cents each.

As at 28 February 2009, the issued share capital of the Company comprised 22 786 887 (2008: 21 006 887) ordinary shares of 10 cents each.

DIVIDENDS

No dividends are proposed in respect of the 2009 financial year (2008: nil).

SUBSIDIARIES

Details of the Company's subsidiaries are set out in note 4 to the annual financial statements.

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 and;
Namibia - Rundu District.

As the Group is currently exploring for diamonds, gold and base minerals, all income and expenditure, as well as, 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 R8 811 067 (2008: R7 793 583) and the Company incurred a net loss of R7 480 028 (2008: R12 204 071) for the year ended 28 February 2009. At that date, the Group's current liabilities exceeded its current assets by R7 957 197 (2008: current assets exceeded current liabilities by R989 556) and the Company's current liabilities exceeded its current assets by: R7 734 745 (2008: current assets exceeded current liabilities by R3 925 262).

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 establishing a mining operation by 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 and, accordingly, the financial statements are prepared on the going concern basis. The cash flow assumptions are based on a production rate of 10 000 tons per month at an average grade of 14.1cph and a modelled rough diamond price of US\$155/ct and an exchange rate of R/US\$7,50.

Should the operations of the subsidiary fail to achieve forecast levels of cash flows, 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 occurred 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 to 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 remain 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.

An application for a Mining Lease in terms of the Mines and Minerals Act of Lesotho over an area containing six kimberlitic occurrences, including the Kolo Kimberlite pipe, was submitted to the office of the Commissioner of Mines on 4 December 2008.

Thabex acquired 94.34% of Monastery Mine (Pty) Ltd and the associated Monastery diamondiferous kimberlitic pipe. Monastery was successful 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 Prospecting Right has been registered. Exploration and Prospecting has commenced to verify the estimated Inferred and 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. Both Minnex Exploration Ltd and Taung Diamond Mines Ltd have been converted from Public companies to Private companies, with effect from 1 August 2008.

SUBSEQUENT EVENTS

On 14 April 2009, Thabex acquired 200 ordinary shares, or 20%, in the share capital of Rainbow Mining and Exploration (Pty) Ltd, a company incorporated in the Kingdom of Lesotho. This company has applied for a Prospecting License in the Midlands of Lesotho and is awaiting the granting of the Prospecting License.

The Prospecting License of Angel Diamonds (Pty) Ltd for the same area as the initial Prospecting License No 002 in the Mafeteng District of Lesotho has been extended to 10 December 2009. Angel Diamonds has submitted the final Environmental Impact Study to the National Environmental Secretariate of the Kingdom of Lesotho and is awaiting the finalisation of the ML.

On 30 March 2009, the Company was notified by the South African Reserve Bank that its application for the implementation of the disposal agreement with Mantle Diamonds Ltd, based in London, was declined.

On 8 September 2009, Mantle Diamonds Ltd acquired a 13.33% interest, pro rata, from the shareholders in Angel Diamonds (Pty) Ltd for US\$500 000 or R4 992 250. US\$200 000 or R1 997 000 is reflected in other short term liabilities as at 28 February 2009. The remaining US\$300 000 for the acquisition was paid after year end. Thabex's share of the proceeds on the disposal amounts to US\$350 000 (70% of US\$500 000) and the profit on disposal will reflect through Profit and Loss as other income during the year ended 28 February 2010. An application for approval of this

cash only transaction has been lodged by the Company's bankers with the SARB for approval.

The board also considered the tradability of the Company's shares on the JSE and proposes a subdivision of 1 to 10 in Thabex's authorised share capital. A Circular to Shareholders to effect this subdivision will be forwarded to members after the Annual General Meeting of the Company on 10 February 2010.

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.

DIRECTOR'S INTEREST IN THE SHAREHOLDING OF THE COMPANY

The changes in 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 -

On 1 June 2009 the High Court of Lesotho ordered in favour of Angel Diamonds (Pty) Ltd in 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 License 002. An order for costs was also granted in favour of Angel Diamonds.

Thabex is defending a claim against for R184 641 from Baka Plant (Pty) Ltd as the equipment supplied by this company was defective. Thabex submitted a counter claim for loss of revenue in the amount of R1m.

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 2009 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 directors in office at the date of this report are CJ Engelbrecht, M Kamwanga and M Welthagen. The non-executive directors are Dr JW Kruger, JR Rapoo (Chairman), AP Roux and Prof DL Reid. In accordance with Article 93 of the Company's Articles of Association, AP Roux will retire from office at the annual general meeting to be held on Wednesday, 10 February 2010, but being eligible, offers himself for re-election.

JL Bosch resigned on 23 June 2009. Messrs CJ Engelbrecht and M Kamwanga have been appointed to the board of Thabex as executive directors on 23 June 2009 and 30 June 2009, respectively. Mr Kamwanga is the Financial Director for Thabex. Details of directors' emoluments are set out in note 23.

Abridged biography of director seeking re-election

Name:	Antonie Petrus Roux
Date of birth:	15 June 1957
Academic qualifications:	BAgric (Stellenbosch)
Occupation:	Deciduous fruit farmer
Experience:	(See page 8)
Other current directorships:	Saminco Ltd, SA Mineral Investments (Pty) Ltd

Abridged biography of directors seeking election

Name:	Masankisi Kamwanga	Cornelius Johannes Engelbrecht
Date of birth:	15 May 1965	6 October 1956
Academic qualifications:	MSc (Mathematics of Finance)	Nas Dipl (Soil Science)
	M Comm (Financial Management)	Dipl Marketing
Occupation:	Lecturer	Businessman
Experience:	(See page 8)	(See page 8)
Other current directorships:	Africa Yaruna Investment Holding (Pty) Ltd	Angel Diamonds (Pty) Ltd

Notes	Group		Company	
	2009 R	2008 R	2009 R	2008 R
Assets				
Non current assets				
	19 403 057	16 505 261	18 540 500	19 438 088
Plant and equipment	2 5 164 029	4 636 938	367 624	3 156 808
Exploration and evaluation assets	3 14 239 028	11 868 323	-	-
Interest in subsidiaries	4 -	-	18 172 876	16 281 280
Current assets				
	1 853 576	2 249 475	2 118 449	2 194 978
Inventories	5 1 214 570	1 275 989	1 158 570	1 275 989
Short term investments	6 65 101	273 411	65 101	273 411
Trade and other receivables	7 493 454	344 198	853 326	600 679
Short term loans	8 -	122 170	-	28 369
Cash and cash equivalents	9 80 451	233 707	41 452	16 530
Total assets	21 256 633	18 754 736	20 658 949	21 633 066
Equity and liabilities				
Capital and reserves				
Share capital	10 2 278 689	2 100 689	2 278 689	2 100 689
Share premium	27 259 591	24 664 633	27 259 591	24 664 633
Accumulated loss	(20 060 685)	(11 249 617)	(18 732 525)	(11 252 496)
Total equity attributable to the equity holders of the parent	9 477 596	15 515 705	10 805 755	15 512 826
Minority interest	-	-	-	-
Total equity	9 477 596	15 515 705	10 805 755	15 512 826
Total loans and borrowings				
	1 968 264	-	-	-
Non current liabilities	11 1 968 264	-	-	-
Current liabilities				
	9 810 773	3 239 031	9 853 194	6 120 240
Bank overdraft	9 32 168	371 477	32 168	371 477
Trade and other payables	12 3 029 272	1 999 278	2 128 026	1 942 553
Loans from group companies	-	-	3 746 430	3 338 420
Short term loans payable	13 5 877 289	243 226	3 946 570	-
Provision for losses in subsidiaries	-	-	-	467 790
Taxation payable	872 044	625 050	-	-
Total equity and liabilities	21 256 633	18 754 736	20 658 949	21 633 066
Net asset value per share (cents)	41.59	73.86	47.42	17.35
Net tangible asset value per share (cents)	(20.90)	17.36	47.42	17.35

Notes	Group		Company	
	2009 R	2008 R	2009 R	2008 R
Revenue	15 282 136	430 066	282 136	430 066
Cost of sales	(300 822)	(393 558)	(270 822)	(393 558)
Gross profit	(18 686)	36 508	11 314	36 508
Other operating income	1 069 876	1 358 516	2 209 908	1 414 084
Administration expenses	(1 291 237)	(1 265 241)	(704 862)	(1 136 638)
Other operating expenses	(8 028 855)	(7 913 734)	(8 438 353)	(8 007 871)
Loss from operating activities	16 (8 268 902)	(7 783 951)	(6 921 993)	(7 693 917)
Finance income	17 5 384	124 515	1 564	99 459
Finance expense	18 (547 550)	(134 147)	(559 600)	(27 362)
Loss before taxation	(8 811 068)	(7 793 583)	(7 480 029)	(7 621 820)
Taxation	20 -	-	-	-
Loss for the year	(8 811 068)	(7 793 583)	(7 480 029)	(7 621 820)
Attributable to:				
Equity holders of the parent	(8 811 068)	(7 793 583)	(7 480 029)	(7 621 820)
Minority interest	-	-	-	-
Basic loss per share (cents)	19 (40.18)	(40.49)	(34.11)	(39.60)
Diluted loss per share (cents)	19 (40.18)	(40.49)	(34.11)	(39.60)
Headline loss per share (cents)	(41.76)	(45.69)	(17.92)	(19.84)
Diluted headline loss per share (cents)	(41.76)	(45.69)	(17.92)	(19.84)
Dividend per share (cents)	-	-	-	-

STATEMENTS OF CHANGES IN EQUITY

For the year ended 28 February 2009

Group	Notes	Share	Share	Fair	Accumulated	Minority	TOTAL
		Capital	Premium	Value	Loss	Interest	
Reserve							
	R	R	R	R	R	R	R
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)	-	-	-	(58 108)
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
Issue of ordinary shares	10	178 000	2 602 000	-	-	-	2 780 000
Total recognised income and expense		-	(7 042)	-	-	-	(7 042)
Share issue expenses recognised in equity		-	(7 042)	-	-	-	(7 042)
Change in fair value of available for sale of financial instrument		-	-	499 800	-	-	499 800
Change in fair value of available for sale asset transferred to income statement		-	-	(499 800)	-	-	(499 800)
Loss for the year		-	-	-	(8 811 068)	-	(8 811 068)
Balance at 28 February 2009		2 278 689	27 259 591	-	(20 060 685)	-	- 9 477 595
Company							
Balance at 28 February 2007		1 700 689	17 202 741	-	(3 630 676)	-	- 15 272 754
Issue of ordinary shares		400 000	7 520 000	-	-	-	7 920 000
Total recognised income and expense		-	(58 108)	-	-	-	(58 108)
Share issue expenses recognised in equity		-	(58 108)	-	-	-	(58 108)
Loss for the year		-	-	-	(7 621 820)	-	(7 621 820)
Balance at 29 February 2008		2 100 689	24 664 633	-	(11 252 496)	-	- 15 512 826
Issue of ordinary shares	10	178 000	2 602 000	-	-	-	2 780 000
Total recognised income and expense		-	(7 042)	-	-	-	(7 042)
Share issue expenses recognised in equity		-	(7 042)	-	-	-	(7 042)
Change in fair value of available for sale of financial instrument		-	-	499 800	-	-	499 800
Change in fair value of available for sale asset transferred to income statement		-	-	(499 800)	-	-	(499 800)
Loss for the year		-	-	-	(7 480 029)	-	(7 480 029)
Balance at 28 February 2009		2 278 689	27 259 591	-	(18 732 525)	-	- 10 805 755

CASH FLOW STATEMENTS

For the year ended 28 February 2009

	Notes	Group		Company	
		2009	2008	2009	2008
		R	R	R	R
Cash (utilised in)/generated by operating activities					
Cash (utilised in)/generated by operating activities	22	(517 306)	(2 383 895)	1 556 425	3 476 107
Interest received		5 384	36 511	1 564	11 455
Interest paid		(20 679)	(134 147)	(20 324)	(27 362)
Net cash inflow/(outflow) from operating activities		(532 601)	(2 481 531)	1 537 665	3 460 200
Cash flow from investing activities					
(Additions to) property, plant and equipment to expand operations		(270 035)	(2 144 327)	(257 480)	(1 730 453)
Acquisition of subsidiary	22.1	(283 677)	1 757 532	(284 042)	(434 228)
Proceeds on disposal of property, plant and equipment		3 039	-	3 484 104	-
Proceeds from disposal of shares in subsidiary		-	1 000 000	-	1 000 000
Funding advanced to subsidiaries		-	-	(5 385 343)	(4 125 931)
Increase in unlisted investments		(7 673)	-	(7 673)	-
Proceeds from disposal of unlisted investments		500 000	775 915	500 000	767 357
Net cash inflow/(outflow) from investing activities		(58 346)	1 389 120	(1 950 434)	(4 523 255)
Cash flow from financing activities		780 000		780 000	
Issue of shares		(3 000)	(58 108)	(3 000)	(58 108)
Share issue expenses					
Net cash outflow flow from financing activities		777 000	(58 108)	777 000	(58 108)
Decrease in cash and cash equivalents		186 053	(1 150 519)	364 231	(1 121 163)
Cash and cash equivalents at beginning of year		(137 770)	1 012 749	(354 947)	766 216
Cash and cash equivalents at end of year	9	48 283	(137 770)	9 284	(354 947)

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 28 February 2009 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 (IFRS) and the requirements of the South African Companies Act. The financial statements were approved by the board of directors on 21 December 2009.

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 consolidated financial statements have been 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 functional 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 areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Company and the Group financial statements is included in

the following notes:

- Note 4 - Impairment of loans in subsidiaries
- Note 6 - Valuation of financial instruments
- Note 15 - Deferred tax
- Note 21 - 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

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. When a group of assets that does not constitute a business is acquired, the cost of the acquisition is allocated between the individual identifiable assets and liabilities in the group based on their relative values at the acquisition date.

1.3.2. Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment losses in the Company annual financial statements.

1.3.3. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign currency differences arising on translation are recognised in profit or loss.

1.3.4. Property, plant and equipment Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. These costs include costs 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 property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant 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 recognised net within "other income" in profit or loss.

Subsequent costs

The cost of replacing part of an item of property, plant 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 carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant 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 property, plant and equipment.

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

Buildings	20 years
Furniture and office equipment	3 years
Computer equipment	5 years
Vehicles	5 years
Exploration equipment	5 years

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

1.3.4.2. Land

The Company and the Group hold all property in terms of operating leases. The leased assets are not owned by the Company or Group.

1.3.5. 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. Costs incurred on exploration activities after initial recognition is expensed in profit or loss in the period incurred. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist in terms of the South African Code for Reporting Mineral Resources and Mineral Reserves (SAMREC code) and the South African Code for Valuation of Mineral Assets (SAMVAL code). 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.

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 expensed in profit or loss immediately.

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

1.3.6. Impairment

1.3.6.1. Impairment of non-financial assets: The carrying amounts of the Group's assets, except for inventories (see accounting policy 1.3.7.) 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 any such indication exists, the asset's recoverable amount is then estimated. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets and groups of assets (the "cash-generating unit").

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation; if no impairment loss had been recognised.

1.3.6.2. Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. 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 an 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 reclassified to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is

recognised in profit or loss.

1.3.7. Inventories

Inventories comprising polished diamonds, gold and silver bullion are carried at the lower of cost and net realisable value, where costs 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.

1.3.8. 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. The unwinding of the discount is recognised as finance cost.

1.3.9. Financial instruments

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 1.3.12.

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.

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 financial instruments are measured as described below.

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

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. These investments include investments in investment funds.

Other

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

Cash and cash equivalents

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

Financial liabilities

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

1.3.9.2. 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.

1.3.9.3. Determination of fair values

Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss is determined by reference

to their quoted closing bid price at the reporting date.

Trade and other receivables

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

1.3.10. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

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.

1.3.11. 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 profit or loss 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.

1.3.12. Finance income and expenses

Finance income comprises interest income on funds invested and changes in fair value of financial assets at fair value through profit or loss. Finance income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provi-

sion and changes in fair value of financial assets at fair value through profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

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 substantively enacted at the balance sheet date, and any adjustment of tax payable for previous years.

Deferred tax is provided using the balance sheet 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 substantively 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 profit or loss 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 profit or loss, 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 related dividends are recognised.

1.3.14. Earnings per share

The group and company present basic and diluted earnings per share (EPS) date for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

1.3.15. 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 engaged 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 risks and rates of return would not significantly differ between the areas during the exploration phase.

1.3.16. Employee benefits

The Company and Group do not contribute to any defined contribution or benefit plans.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are 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 28 February 2009 and have not been applied in preparing these consolidated financial statements:

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 profit or loss and all non-owner changes in equity in a single statement), or in a profit or loss and a separate statement of comprehensive income.

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 loses 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 IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements - Potable Financial Instruments and Obligations Arising on Liquidation requires potable 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 met. The amendments, which become mandatory for the Group's 2010 consolidated financial 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.

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.

A number of new standards, amendments to standards and interpretations are no yet effective for the period ended 28 February 2009 and the directors believe that there will be no impact in the financial statements. These are:

- IAS 23 - Borrowing costs
- IAS 39 - Eligible Hedged Items
- Revised IFRS 2 - Share based payments
- IFRIC 9 and IAS 39 amendment - Embedded derivatives
- IFRIC 13 - Customer loyalty programmes
- IFRIC 15 - Agreements of the Construction of Real Estate
- IFRIC 16 - Hedges of a Net investment in a Foreign Operation
- IFRIC 17 - Distributions of Non-cash assets to owners
- IFRIC 18 - Transfer of assets from Customers
- IFRS 1 - First time adoption of IFRS
- IFRS 5 - Non-current assets held for sale and discontinued operations

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For the year ended 28 February 2009

2. Property, plant and equipment

Group	Buildings and office equipment	Furniture and office equipment	Computer equipment	Vehicles	Exploration equipment	TOTAL
	R	R	R	R	R	R
Cost						
Balance at 1 March 2007	-	395 029	256 787	380 815	3 251 491	4 284 122
Additions	-	46 735	14 151	245 000	1 844 418	2 150 304
Balance at						
29 February 2008	-	441 764	270 938	625 815	5 095 909	6 434 426
Disposals	-	-	-	-	(130 756)	(130 756)
Reclassification - Cost	-	-	-	(625 815)	625 815	-
Additions	-	9	5 613	251 858	12 555	270 035
Acquisition of subsidiary	1 710 000	-	-	-	-	1 710 000
Balance at						
28 February 2009	1 710 000	441 773	276 551	251 858	5 603 523	8 283 705
Depreciation and impairments						
Balance at 1 March 2007	-	(229 531)	(81 783)	(56 442)	(314 855)	(682 611)
Depreciation for the year	-	(70 685)	(61 869)	(53 368)	(928 955)	(1 114 877)
Balance at						
29 February 2008	-	(300 216)	(143 652)	(109 810)	(1 243 810)	(1 797 488)
Depreciation for the year	(100 588)	(12 127)	(107 988)	(193 587)	(986 490)	(1 400 780)
Disposals - Accumulated depreciation	-	-	-	-	78 592	78 592
Reclassification - Accumulated Depreciation	-	-	-	148 141	(148 141)	-
Balance at						
28 February 2009	(100 588)	(312 343)	(251 640)	(155 256)	(2 299 849)	(3 119 676)
Carrying amounts						
Balance at 1 March 2007	-	165 498	175 004	324 373	2 936 636	3 601 511
Balance at						
29 February 2008	-	141 548	127 286	516 005	3 852 099	4 636 938
Balance at						
28 February 2009	1 609 412	129 430	24 911	96 602	3 303 674	5 164 029

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For the year ended 28 February 2009

2. Property, plant and equipment (continued)

Company	Buildings and office equipment	Furniture and office equipment	Computer equipment	Vehicles	Exploration equipment	TOTAL
	R	R	R	R	R	R
Cost						
Balance at 1 March 2007	-	402 037	249 780	380 815	1 638 500	2 671 132
Additions	-	46 735	14 131	245 000	1 424 586	1 730 452
Balance at						
29 February 2008	-	448 772	263 911	625 815	3 063 086	4 401 584
Disposals	-	-	-	(625 815)	(2 907 142)	(3 532 957)
Additions	-	9	5 613	251 858	-	257 480
Balance at						
28 February 2009	-	448 781	269 524	251 858	155 944	1 126 107
Depreciation and impairment						
Balance at 1 March 2007	-	(229 531)	(81 783)	(56 442)	(108 334)	(476 090)
Depreciation for the year	-	(70 684)	(61 869)	(53 368)	(582 765)	(768 686)
Balance at						
29 February 2008	-	(300 215)	(143 652)	(109 810)	(691 099)	(1 244 776)
Depreciation for the year	-	(12 128)	(107 988)	(193 587)	(608 965)	(922 668)
Disposals - Accumulated Depreciation	-	-	-	148 142	1 260 819	1 408 961
Balance at						
28 February 2009	-	(312 343)	(251 640)	(155 255)	(39 245)	(758 483)
Carrying amounts						
Balance at 1 March 2007	-	172 506	167 997	324 373	1 530 166	2 195 042
Balance at						
29 February 2008	-	148 557	120 259	516 005	2 371 987	3 156 808
Balance at						
28 February 2009	-	136 438	17 884	96 603	116 699	367 624

	Group		Company	
	2009 R	2008 R	2009 R	2008 R
3. Exploration and evaluation assets				
Mineral and prospecting rights:				
Opening balance - cost	11 868 323	7 286 072	-	-
Acquisition of Minnex Exploration (pty) Ltd	-	4 582 251	-	-
Acquisition of Monastery Mine (Pty) Ltd	2 370 705	-	-	-
Closing balance - cost	14 239 028	11 868 323	-	-

The increase in exploration and evaluation assets in 2009 is a result of acquisition of prospecting rights of Monastery Mine (Pty) Ltd's kimberlite project acquired on 1 March 2008 (Refer note 22.1).

4. Interest in subsidiaries

Subsidiaries	Number of shares in issue	Effective interest in Issued share capital		Share at cost		Loan Accounts	
		2009 %	2008 %	2009 R	2008 R	2009 R	2008 R
		Angel Diamonds (Pty) Ltd (Incorporated in the Republic of Lesotho - Registration number 1992/269)	1 000	70	70	700	700
Diamex JX (Pty) Ltd (Registration number 1997/014096/07)	10 000	100	100	67 601	67 601	1 878 758	1 746 993
Minnex Exploration (Pty) Ltd (Registration number 1999/0265578/06)	72 784 000	100	100	8 354 228	8 354 228	-	-
Minnex Exploration Namibia (Pty) Ltd (Incorporated in Republic of Namibia - Reg No 2003/0566)*	100	80	80				
Alliance Afric Mining (Pty) Ltd (Registration number 2003/011927/07)*	120	83.33	83.33				
Makgabana Mine (Pty) Ltd (Registration number 2001/026430/07)*	100	75	75				
Pilanesberg Gold Holdings (Pty) Ltd (Registration number 1987/000711/07)	9 400	100	100	46 551	46 551	134 631	64 076
Taung Diamond Mines (Pty) Ltd (Registration number 1995/001724/06)	4 000 000	50	50	900 000	900 000	535 423	420 534
Salt River Resources Ltd (Registration number 1994/008806/06)	27 000 000	100	100	8 400 000	8 400 000	6 936 097	6 826 511
Tradepost 121 (Pty) Ltd (Registration number 1997/010926/07)	100	100	100	2	2	2 528 087	37 970
Monastery Mine (Pty) Ltd (Registration number 1983/001095/07)**	100	93.34	-				
Total interest in subsidiaries				17 769 082	17 769 082	19 839 775	12 174 432
Deduct: Impairment losses				(10 253 364)	(10 106 133)	(9 182 617)	(3 556 101)
Net interest in subsidiaries				7 515 718	7 662 949	10 657 158	8 618 331

*Indirectly held by Thabex Ltd through Minnex Exploration (Pty) Ltd

**Indirectly held by Thabex Ltd through Tradepost 121 (Pty) 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 to subsidiaries have been subordinated in favour of other creditors until the assets of the subsidiaries, fairly valued, exceed their liabilities.

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 R5 466 267 (2008: R4 983 226). In 2008 the Company provided for losses of R467 790 made by subsidiaries which exceed the carrying amount of the loans to subsidiaries as the Company had committed to provide financial support to subsidiaries.

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	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
Interest in subsidiaries (continued)				
Cost	-	-	17 769 082	17 769 082
Less: Impairment losses	-	-	(10 253 364)	(10 106 133)
Total cost	-	-	7 515 718	7 662 949
Subsidiaries indebtedness at year end	-	-	19 839 775	12 174 432
Less: Impairment of loans to subsidiaries	-	-	(9 182 617)	(3 556 101)
Total interest in subsidiaries	-	-	18 172 876	16 281 280
Amount owing to subsidiaries				
Minnex Exploration (Pty) Ltd	-	-	3 746 430	3 338 420

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

5. Inventories

Merchandise - at cost	1 214 570	1 240 569	1 158 570	1 240 569
Consumables	-	35 420	-	35 420
	1 214 570	1 275 989	1 158 570	1 275 989

Merchandise consists of polished diamonds.

6. Short term investments

Financial assets at fair value through profit or loss:

Sage Sinking Fund policies	65 101	170 863	65 101	170 863
Shares in unlisted companies	-	100 800	-	100 800
RMB Money Market Fund	-	1 748	-	1 748
	65 101	273 411	65 101	273 411

Fair value of the Sinking Fund policies is indicated at surrender value at year-end.

Unlisted investments have been impaired to the amount R103 100 as the future economic benefits to flow to the Group are uncertain. Refer note 21.4 for market risk.

7. Trade and other receivables

Trade receivables	328 130	201 698	853 076	585 679
Deposits	165 324	142 500	250	15 000
	493 454	344 198	853 326	600 679

The Group's exposure to credit risk has been disclosed in note 21.2.

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	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
8. Short term loans				
Short term loans receivable	-	122 170	-	28 369
	-	122 170	-	28 369
The loans are unsecured, interest free and repayable on demand.				
9. Cash and cash equivalents				
Current bank account/(Bank overdraft)	9 210	(285 391)	3 722	(285 391)
Cash on call and on hand	36 659	233 707	35 673	16 530
RMB Money Market Fund	2 057	-	2 057	-
Fixed deposit	32 525	-	-	-
Credit facilities	(32 168)	(86 086)	(32 168)	(86 086)
	48 283	(137 770)	9 284	(354 947)

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 21.3. R30 000 of the funds on call account balance serve as security for guarantees issued by the bank on behalf of Thabex.

10. Share capital

Authorised

100 000 000 (2008:100 000 000) ordinary shares of 10 cents each	10 000 000	10 000 000	10 000 000	10 000 000
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Issued ordinary shares

22 786 887 (2008:21 006 887) ordinary shares of 10 cents each	2 278 689	2 100 689	2 278 689	2 100 689
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Reconciliation of number of ordinary shares issued:

	Number of shares	Number of shares	Number of shares	Number of shares
Opening balance	21 006 887	17 006 887	21 006 887	17 006 887
Issue of shares: Acquisition of Minnex Exploration (Pty) Ltd (Refer note 22.1)	-	4 000 000	-	4 000 000
Monastery Mine (Pty) Ltd (Refer note 22.1)	1 000 000	-	1 000 000	-
Issue of shares: Issue for cash	780 000	-	780 000	-
Closing balance	22 786 887	21 006 887	22 786 887	21 006 887

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. Issue of ordinary shares took place on 24 April 2008 for the acquisition of Monastery Mine (Pty) Ltd. Thabex issued 1 million ordinary shares of 10 cents per share at a premium of 190 cents per share for a total consideration of R2 million.

The issue of ordinary shares through an "Issue for Cash": Thabex issued 780 000 additional ordinary shares of 10 cents each at a premium 90 cents per share to raise additional working capital for the Company.

	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
11. Non current liabilities	1 968 264	-	-	-
	1 968 264	-	-	-

The long term liability arose on the acquisition of the investments Monastery Mine (Pty) Ltd. The loan bears interest at 6% below prime and is repayable on commencement of mining. The interest on this loan resulted in and increase in the loss per share and in the headline loss per share of 0.76 cents.

	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
12. Trade and other payables				
Trade payables	3 029 272	1 999 278	2 128 026	1 942 553
	3 029 272	1 999 278	2 128 026	1 942 553

The increase in the trade and othe payables resulted from the increased short term requirements of the Group and the Company during the year under review. Refer note 21.2.

	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
13. Short term loans payable				
The loans are unsecured, interest free and repayable on demand. From:				
Directors: CJ Engelbrecht	513 692	-	-	-
M Welthagen	497 789	243 226	25 166	-
A director of a subsidiary: CAJ Trust	2 250 000	-	1 750 000	-
SA Mineral Investments (Pty) Ltd a related party.	124 809	-	174 404	-
Mantle Diamonds Ltd	2 490 999	-	1 997 000	-
Total short term loans	5 877 289	243 226	3 946 570	-

The increase in short term loans did not influence the loss or headline loss of the Group as these loans did not bear interest and had no fixed period of repayment. Refer note 19.

	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
14. Deferred taxation				
Unrecognised deferred tax assets				
Deferred tax assets have not been recognised in respect of the following items:				
Unredeemed capital expenditure	3 293 734	2 122 747	591 739	-
Tax losses	5 518 054	3 255 070	3 288 497	2 778 466
	8 811 788	5 377 817	3 880 236	2 778 466

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.

	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
15. Revenue				
Sale of polished diamonds	282 136	371 053	282 136	371 053
Sale of ferro-silicon	-	59 013	-	59 013
	282 136	430 066	282 136	430 066

16. Loss from operating activities is arrived at after taking into account
Income:

Management fees received	-	300 000	350 000	365 000
Consulting fees received	-	-	-	-
Gain on disposal of unlisted investment	499 800	-	499 800	-
Surplus on disposal of interest in subsidiary	-	1 000 000	-	999 900
Surplus on disposal of plant and equipment	-	-	1 360 108	-
Reversal of impairment of trade and other receivables	-	250 000	-	250 000

Expenditure:

Auditors remuneration	693 848	339 614	227 397	330 722
Audit fees	663 125	335 414	208 325	326 522
Other services	30 723	4 200	19 072	4 200
Depreciation	1 087 078	1 114 877	608 965	768 687
Directors' emoluments for managerial services (note 23)	882 150	921 204	420 414	4 334 915
Directors' emoluments for other services (note 23)	466 450	523 725	-	-
Impairment of interest in subsidiaries (Reversal of)/provision for losses in subsidiaries	-	-	5 773 747	8 917 166
Exploration expenditure	2 260 323	3 592 059	47 956	93 932
Debts written off	-	315 613	-	299 733
Secretarial fees	62 960	73 517	25 998	45 519
Personnel expenses	1 362 099	711 523	444 980	400 363
Wages and salaries	1 362 099	711 523	444 980	400 363
Legal expenses	103 774	174 041	4 406	128 117
Unrealised foreign exchange loss	272 816	-	272 816	-

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

17. Finance income

Fair value adjustment to sinking fund policies	-	88 004	-	88 004
Interest received - bank account	5 384	36 511	1 564	11 455
	5 384	124 515	1 564	99 459

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

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	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
18. Finance expense				
Fair value adjustment to sinking fund policies	112 683	-	112 683	-
Interest and penalties on taxation	246 993	-	-	-
Interest - Minnex Exploration (Pty) Ltd	-	-	426 593	-
Interest - Monastery Holdings (Pty) Ltd	167 194	-	-	-
Interest - bank overdraft	20 680	134 147	20 324	27 362
	547 550	134 147	559 600	27 362

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

19. Basic loss per share

The calculation of basic and diluted loss per share is based on the loss for the period (attributable to equity holders of the parent) of R8 811 067 (2008: loss of R 7 793 583).

The headline loss is determined by adding back the profit on disposal of the Group's and the Company's interests in subsidiaries and unlisted investments, the profit or the loss on the disposal of plant, property and equipment, the impairment losses of investments in unlisted investments and the provisions for losses in subsidiaries to the basic loss for the year.

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.

Reconciliation between loss and headline loss

	(8 811 068)	(7 793 583)	(7 480 029)	(7 621 820)
Basic loss for the year	(8 811 068)	(7 793 583)	(7 480 029)	(7 621 820)
Disposal of interest in unlisted investments	(499 800)	-	(499 800)	-
Disposal of interest in subsidiaries	-	(1 000 000)	-	(999 900)
Profit/(loss) on disposal of plant and equipment	49 123	-	(1 360 108)	-
Impairment losses in subsidiaries	-	-	5 773 747	4 334 915
Impairment of investment in unlisted investments	103 100	-	103 100	-
Provisions for losses in subsidiaries	-	-	(467 790)	467 790
Headline loss for the year	(9 158 645)	(8 793 583)	(3 930 880)	(3 819 015)
Weighted average ordinary shares in issue	21 930 394	19 247 324	21 930 394	19 247 324
Basic loss per share (cents)	(40.18)	(40.49)	(34.11)	(39.60)
Diluted loss per share (cents)	(40.18)	(40.49)	(34.11)	(39.60)
Headline loss per share (cents)	(41.76)	(45.69)	(17.92)	(19.84)
Diluted headline loss per share (cents)	(41.76)	(45.69)	(17.92)	(19.84)

The weighted average number of ordinary shares in issue for the Group and Company used for the calculation of the basic loss, diluted loss, headline loss and diluted headline loss were 21 930 294 (2008: 19 247 324), respectively.

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	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
20. Taxation				
South African normal taxation				
- Current	-	-	-	-
- Deferred	-	-	-	-
	-	-	-	-

The Group has estimated tax losses of R19 707 335 (2008: R11 625 250).

The Company has an estimated tax loss of R11 744 631 (2008: estimated loss R9 923 093) 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	4.32	(1.36)	19.98	(0.47)
Non-taxable portion of capital gain	(0.79)	0.00	(0.94)	0.00
Unrecognised deferred tax asset on temporary differences	5.90	24.27	1.71	12.61
Unused assessed loss arising during current year	18.57	6.09	7.25	16.86
Statutory taxation rate	28.00	29.00	28.00	29.00

21. Financial risk management

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

Credit risk

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

The Group transacts only with recognised, creditworthy third parties. The Group'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 Group's exposure to bad debts is not significant. As credit risk currently arises from non-trade related financial assets of the Group, cash equivalents, trade and non-trade receivables, the Group'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 Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation. The Group has a temporary bank overdraft facility to meet obligations as and when it falls due.

The Group 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 Group'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 will affect the Group's income. The objective of market risk management is to manage and control market risk exposures with acceptable parameters, while optimising the return.

As a limited number of transactions expose the Group to market risk, the risk is not actively managed on an ongoing basis.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's holdings of cash and cash equivalents and loans and borrowings.

Foreign currency risk

The Group is exposed to currency risk on borrowings that are denominated in a currency other than the functional currency of the Group entities, primarily the South African Rand (ZAR). The currency in which these transactions primarily are denominated is United States Dollar (USD).

Capital management

The Boards' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes to the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

21. Financial risk management (continued)
21.1 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.

	Group		Company	
	2009 R	2008 R	2009 R	2008 R
Financial assets				
Cash and equivalents	80 451	233 707	41 452	16 530
Loans and receivables	318 130	466 368	853 076	629 048
Financial assets at fair value through profit or loss	65 101	273 411	65 101	273 411
	463 682	973 486	959 629	918 989
Financial liabilities at amortised cost				
Loans from Group companies	-	-	3 746 430	3 338 420
Trade and other payables	3 029 273	1 999 278	2 128 024	1 942 553
Short term loans	5 877 289	243 226	3 946 570	-
Bank overdraft	32 168	371 477	32 168	371 477
	8 938 730	2 613 981	9 853 192	5 652 450

Basis for determining fair values:

The fair value of the Sinking Fund policies is indicated at surrender value at year-end. The RMB Money Market Fund is valued by RMB Fund Managers as at year-end at fair value. 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 date.

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

21.2 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:

	Group		Company	
	2009 R	2008 R	2009 R	2008 R
Trade and other receivables	493 454	344 198	853 326	600 679
Cash and cash equivalents	48 283	233 707	9 285	16 530
Other short term receivables	-	122 170	-	28 369
Short term investments	65 101	273 411	65 101	273 411
Total maximum exposure to credit risk	606 838	973 486	927 712	918 989

Concentrations of credit risk by geographic location

All credit risk is in the Rand Common Monetary Area.

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	Group		Company	
	2009 R	2008 R	2009 R	2008 R
21.2 Credit risk (continued)				
Inter Group receivables	-	-	828 452	574 575
Third party receivables	318 130	344 198	24 624	26 104
Total maximum exposure to credit risk	318 130	344 198	853 076	600 679

The ageing of receivables at reporting date is as follows:

Receivables not past due:

Current	71 786	29 608	399 000	151 965
31 - 60 days	84 857	-	-	-
61-90 days	1 525	-	-	-
Total receivables not past due	158 168	29 608	399 000	151 965

Receivables past due:

90 - 120 days	335 286	6 300	-	-
121 - 150 days	-	37 500	40 337	-
Over 150 days	-	270 790	413 989	448 714
Total receivables past due	335 286	314 590	454 326	448 714
Total receivables	493 454	344 198	853 326	600 679

At Company level, management has provided for the impairment of long-term loans to subsidiaries (refer to note 4). Allowances for impairment of receivables is recognised when management assesses that there is a low probability of recovering the amounts due based on payment history and legal cost assessment to recover past due receivables. The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Opening balance	-	-	-	250 000
Impairment loss reversed	-	-	-	(250 000)
Closing balance	-	-	-	-

21.3 Interest rate risk

	Group		Company	
	2009 R	2008 R	2009 R	2008 R
Variable interest rate: Financial liabilities				
Short term liabilities	-	-	3 746 430	-
Loans and borrowings	1 968 264	-	-	-
Total financial liabilities	1 968 264	-	3 746 430	-

Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) the profit or loss by the amount shown below. The analysis is performed on the same basis for 2008.

100 basis points increase	19 683	-	37 464	-
100 basis points decrease	(19 683)	-	(37 464)	-

The Group's interest rate risk arises from long term borrowings, resulting from the acquisition of Monastery Mine (Pty) Ltd. The Group is exposed to a variable interest rate relating to the long term borrowings.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 28 February 2009

21.4 Market risk

At the year end the Group had a US\$200 000 foreign exchange liability at R:US\$ 9.98 or R1 996 000. A change of 10% in the R:US\$ exchange rate would have (decreased)/increased the profit or loss by the amount shown below.

	Group		Company	
	2009 R	2008 R	2009 R	2008 R
21.4.1 Foreign exchange risk				
Sensitivity analysis:				
10% strengthening of the R:US\$ exchange rate	(198 000)	-	(198 000)	-
10% weakening of the R:US\$ exchange rate	198 000	-	198 000	-

21.5 Liquidity risk

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

Group	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	R	R	R	R
2009				
Trade and other payables	3 029 272	-	-	-
Bank overdraft	32 168	-	-	-
Short term loans	5 877 289	-	-	-
Total financial liabilities	8 938 729	-	-	-

2008

Trade and other payables	1 999 278	-	-	-
Bank overdraft	371 477	-	-	-
Short term loans	243 226	-	-	-
Total financial liabilities	2 613 981	-	-	-

Company

2009				
Loans from Group companies	3 746 430	-	-	-
Trade and other payables	2 128 026	-	-	-
Bank overdraft	32 168	-	-	-
Total financial liabilities	5 906 624	-	-	-

2008

Loans from Group companies	3 338 420	-	-	-
Trade and other payables	1 942 553	-	-	-
Bank overdraft	371 477	-	-	-
Total financial liabilities	5 652 450	-	-	-

	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
22. Cash generated by/(utilised in) operating activities				
Loss before taxation	(8 811 067)	(7 793 583)	(7 480 029)	(7 621 820)
Adjusted for:				
Depreciation	1 400 780	1 114 877	922 668	768 687
Loss/(profit) on disposal of plant and equipment	49 125	-	(1 360 108)	-
Surplus on disposal of shares in subsidiary	-	(1 000 000)	-	(999 900)
Surplus on disposal of unlisted investments	(499 800)	-	(499 800)	-
Surplus on disposal of investments	-	(49 184)	-	(49 184)
Foreign exchange loss	272 816	-	272 816	-
Impairment of investment in subsidiaries	-	-	5 773 747	4 334 915
(Reversal of)/Provision for losses in subsidiaries	-	-	(467 790)	467 790
Impairment of investment in unlisted investments	103 100	-	103 100	-
Change in fair value of investments	112 683	(88 004)	112 683	(88 004)
Finance income	(5 384)	(36 511)	(1 564)	(11 455)
Finance expense	434 867	134 147	446 917	27 362
Cash outflow before working capital changes	(6 942 880)	(7 718 258)	(2 177 360)	(3 171 609)
Changes in working capital				
Inventories	61 419	264 845	117 419	264 448
Trade and other receivables	(149 256)	847 602	(252 647)	800 169
Short-term loans payable	5 483 417	1 983 614	3 702 123	2 261 662
Trade and other payables	1 029 994	1 995 076	185 473	(16 983)
Loan from subsidiary	-	243 226	(18 583)	3 338 420
Cash (utilised)/generated in operations	(517 306)	(2 383 895)	1 556 425	3 476 107

22.1 Acquisition of subsidiary

On 1 March 2008, Tradepost 121 (Pty) Ltd purchased Monastery Mine (Pty) Ltd and its subsidiaries in order to obtain the prospecting rights of the company. The acquisition was settled through the issue of 1 million Thabex ordinary shares. The total cost of the acquisition amounted to R2 000 000. On 9 January 2009 additional exploration information was acquired for R280 000.

Monastery is a mining and exploration company that has a "moth balled" kimberlite mining project in the Marquard district of the Free State Province.

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

Assets and liabilities acquired	Monastery Mine (Pty)Ltd 2009	Minnex Exploration (Pty)Ltd 2008
	R	R
Prospecting rights	2 370 705	4 582 251
Plant and equipment	1 710 000	5 977
Trade and other receivables	-	238 616
Amount owing by Thabex	-	2 090 810
Cash and cash equivalents	365	2 191 760
Trade and other payables	-	(130 136)
Income tax liability	-	(625 050)
Long term loan	(1 801 070)	-
Net assets acquired	2 280 000	8 354 228
Settled through the issue of Thabex shares	2 000 000	7 920 000
Settled with cash	280 000	-
Acquisition costs settled in cash	4 042	434 228
Total	2 284 042	8 354 228
Net cash acquired		
Cash and cash equivalents acquired	365	(2 191 760)
Cash acquisition costs	(284 042)	434 228
Net cash (outflow)/inflow	(283 677)	1 757 532

With effect from 1 March 2008, Tradepost 121 (Pty) Ltd acquired 96.4% in Monastery Mine (Pty) Ltd against the issue of 1 million Thabex shares at 200 cents per share.

On 8 August 2007, Thabex acquired 100% in Minnex Exploration (Pty) Ltd against the issue of 4 million Thabex shares at 200 cents per share.

23. 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.

23.1 Directors and key management personnel

Dr JA Cruise, as non-executive Chairman of Salt River Resources Ltd, holds shares in the following company: John Cruise Mining (Pty) Ltd

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: Bophirima Industrial Holdings (Pty) Ltd
Saminco Ltd

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

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

23.2 Transactions with related parties	2009	2008
Group	R	R
Material related party transactions		
Companies controlled by Directors:		
Loan from Taung Diamond Mines (Pty) Ltd to Pure Diamonds (Pty) Ltd	-	21 428
Loan from Southern Mineral Brokers (Pty) Ltd	-	107 868
Loan from John Cruise Mining (Pty) Ltd to Salt River Resources Ltd	500 000	-
Loan from SA Mineral Investments (Pty) Ltd to Angel Diamonds (Pty) Ltd	124 809	-
Loan from SA Mineral Investments (Pty) Ltd to Salt River Resources Ltd	9 192	-
Loan from M Welthagen to Angel Diamonds (Pty) Ltd	497 788	15 505
Loan from CJ Engelbrecht to Angel Diamonds (Pty) Ltd	513 692	110 272
Transactions with related parties:		
John Cruise Mining (Pty) Ltd: Consulting fees to Salt River Resources Ltd	114 000	223 725
SA Mineral Investments (Pty) Ltd: Secretarial fees and a	62 960	26 554
Competent Persons Report for Angel Diamonds (Pty) Ltd	200 000	-
Southern Mineral Brokers (Pty) Ltd: Purchase of polished diamonds	155 000	24 133

23.3 Directors' emoluments - paid by Company

	Basic Salary	Total
	R	R
2009		
Executive directors:		
DS Cowie	-	-
M Welthagen	420 414	420 414
Non executive directors:		
JR Rapoo	-	-
JL Bosch	-	-
Prof. DL Reid	-	-
AP Roux	-	-
Independent director		
Dr JW Kruger	-	-
Total	420 414	420 414

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 (2008: nil). Other than stated above, the directors of the Company have not received any bonuses or performance based payments, retirement benefits, commissions or profit-share arrangements.

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

	Basic salary R	Total R
2009		
Executive directors:		
MM Zondi		
Pilanesberg Gold Holdings (Pty) Ltd	2 450	2 450
M Welthagen		
Angel Diamonds (Pty) Ltd	153 000	153 000
Diamex JV (Pty) Ltd	23 500	23 500
Pilanesberg Gold Holdings (Pty) Ltd	490	490
Minnex Exploration (Pty) Ltd	235 070	235 070
Salt River Resources Ltd	48 800	48 800
Taung Diamond Mines (Pty) Ltd	876	876
DS Cowie		
Minnex Exploration (Pty) Ltd	24 000	24 000
AB Takang		
Tradepost 121 (Pty) Ltd	4 300	4 300
CJ Engelbrecht		
Angel Diamonds (Pty) Ltd	390 000	390 000
TP Mosebo		
Angel Diamonds (Pty) Ltd	45 700	45 700
Total	928 186	928 186

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 bonuses or performance based payments, retirement benefits, commissions or profit-share arrangements.

23.5 Directors' emoluments - paid by Company and subsidiaries to their own directors

	Basic Salary R	Total R
2009		
Executive directors:		
MM Zondi		
Pilanesberg Gold Holdings (Pty) Ltd	2 450	2 450
M Welthagen		
Angel Diamonds (Pty) Ltd	153 000	153 000
Diamex JV (Pty) Ltd	23 500	23 500
Pilanesberg Gold Holdings (Pty) Ltd	490	490
Minnex Exploration (Pty) Ltd	235 070	235 070
Salt River Resources Ltd	48 800	48 800
Taung Diamond Mines (Pty) Ltd	876	876
DS Cowie		
Minnex Exploration (Pty) Ltd	24 000	24 000
AB Takang		
Tradepost 121 (Pty) Ltd	4 300	4 300
CJ Engelbrecht		
Angel Diamonds (Pty) Ltd	390 000	390 000
TP Mosebo		
Angel Diamonds (Pty) Ltd	45 700	45 700
Total	928 186	928 186

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 (Pty) 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
CJ 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 bonuses or performance based payments, retirement benefits, commissions or profit-share arrangements.

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

2009		
Dr JA Cruise	114 000	114 000
Dr CR McClung	116 447	116 447
Total	230 447	230 447
2008		
Dr JA Cruise	223 725	223 725
Dr CR McClung	300 000	300 000
Total	523 725	523 725

	Loans		Management fees charged	
	2009	2008	2009	2008
	R	R	R	R
23.7 Transactions with subsidiaries				
Included in interest in subsidiaries are loans owing to and (from) Thabex by/to the following companies and management fees charged by Thabex:				
Angel Diamonds (Pty)	7 826 779	3 078 348	178 653	-
Diamex JV (Pty) Ltd	1 878 758	1 746 993	34 200	65 000
Pilanesberg Gold Holdings (Pty) Ltd	134 631	64 076	34 200	-
Loans arising from Thabex to:				
Minnex Exploration Ltd	(3 746 430)	(3 338 420)	-	300 000
Taung Diamond Minex Ltd	6 936 097	420 534	228 000	-
Salt River Resources Ltd	535 423	6 826 511	34 200	-
Tradepost 121 (Pty) Ltd	2 528 087	37 970	34 200	-
Total	16 093 345	8 836 012	543 453	365 000
Management fees charged by Tradepost 121(Pty) Ltd to Monastery Mine (Pty) Ltd			50 000	70 000
Total			50 000	70 000

23.8. Inter-group debtors

	2 009		2008	
Company	R		R	
Included in the accounts receivable for Thabex are the following inter-group debtors:				
Angel Diamonds (Pty) Ltd	178 903		74 100	
Diamex JV (Pty) Ltd	34 200		273 600	
Pilanesberg Gold Holdings (Pty) Ltd	34 200		11 400	
Salt River Resources Ltd	501 600		11 400	
Taung Diamonds Mines Ltd	45 600		204 075	
Tradepost 121 (Pty) Ltd	34 200		-	
Total	828 703		574 575	

24. 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 monthly basis.

25. Capital expenditure

The Company has not authorised nor contracted for any capital expenditure at Angel Diamonds (Pty) Ltd (2008: nil) until all rough diamond stock produced during the period from year end to date have been disposed.

	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
26. Contingent liabilities				
Angel Diamonds (Pty) Ltd	5 810 000	-	-	-
Minnex Exploration (Pty) Ltd	-	90 000	-	-
Litigation - Thabex Ltd	250 000	220 000	250 000	220 000
Total contingent liabilities	6 060 000	310 000	250 000	220 000

26.1. Angel Diamonds (Pty) Ltd

During the year under review Mantle Diamonds spent R8.30 million on the Angel Diamonds Kolo Kimberlite Project. R2.49 million of this amount is recognised as a short term loan account from Mantle Diamonds to the Group at year end (R1.70 million as prepayment for a 13.33% shareholding in Angel Diamonds, excluding a foreign exchange loss of R0.29 million, and R0.50 million as a loan account to Angel Diamonds, respectively). The balance of R5.81 million of the Mantle Diamonds expenditure was spent entirely at Mantle's risk. Negotiations for the disposal of a further 46,67% in Angel Diamonds (Pty) Ltd has not been concluded. Although Mantle Diamonds Ltd has not removed their 10tph DMS plant from the Angel Diamonds (Pty) Ltd site, there is a possibility that Mantle Diamonds Ltd could seek to recover its expenditure from Angel Diamonds (Pty) Ltd. The directors are of the opinion that the likelihood of success of such a claim is low and will defend any claim vigorously.

26.2. Baka Plant Sales CC

The Company is involved in litigation with Baka Plant Sales CC and the estimated possible loss which Thabex may incur if the litigation is not in Thabex's favour is R250 000.

27. Restatement of comparative figures for the Company

In the prior years the impairment of investments in subsidiaries was calculated after adding back the exploration and evaluation assets. This has been corrected in the current year and has resulted to the changes to the comparative numbers set out below. There was no effect on the Group numbers.

Increase in retained income at 1 March 2007	7 286 072
Decrease in impairment of subsidiaries for the 2008 year resulting in a decrease in the loss for the year and increase in the Company value of the investment in subsidiaries of	4 582 251
Net increase in the carrying value of the investment in subsidiaries and shareholders' equity at 29 February 2008 of	11 868 323

28. Post balance sheet events

On 8 September 2009 Mantle Diamonds Ltd acquired a 13.33% interest in Angel Diamonds (Pty) Ltd for US\$500 000 from existing shareholders in Angel Diamonds. US\$200 000 was received during the reporting period and recognised as a short term loan of R1 997 000 and US\$300 000 was received over a three month period commencing on 8 July 2009. Thabex's proportionate share of the proceeds of the disposal amounts to US\$350 000 (70% of US\$500 000). An application for approval of this cash only transaction has been lodged by Thabex's bankers with the SARB for approval.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 28 February 2009

29. Directors' interest in the ordinary share capital of Thabex were: As at 28 February 2009

	Directly		Indirectly		%
	Beneficial	Non Beneficial	Beneficial	Non Beneficial	
JL Bosch	16 000	-	-	-	0.07
Dr JA Cruise*	-	-	2 015 574	-	8.85
Dr JW Kruger	17 310	-	-	-	0.08
JR Rapoo	20 000	-	-	-	0.09
Prof. DL Reid	16 600	-	-	-	0.07
AP Roux	16 000	-	-	170 000	0.82
M Welthagen	1 000	-	2 202 662	-	9.67
Total	86 910	-	4 218 236	170 000	19.65

* Chairman - Salt River Resources Ltd

As at 29 February 2008

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

SHAREHOLDERS' ANALYSIS

	No. of Holders	% of total share holders	No. of shares	% of total issued share capital
Shareholder spread				
1 - 5 000	187	53.73	491 263	2.16
5 001 - 10 000	47	13.51	411 287	1.80
10 001 - 50 000	64	18.39	1 535 459	6.74
50 001 - 100 000	16	4.60	1 255 384	5.51
100 001 - 1 000 000	29	8.33	7 852 901	34.46
1 000 001 - and more	5	1.44	11 240 593	49.33
Total	348	100.00	22 786 887	100.00

Shareholder Spread

Public	338	97.12	13 783 218	60.48
Non-public:	10	2.88	9 003 669	39.52
Directors of Thabex	8	2.30	3 536 861	15.52
Director of subsidiary	1	0.29	2 015 574	8.85
Holding 10% and more	1	0.29	3 451 234	15.15
Total	348	100.00	22 786 887	100.00

Distribution of Shareholders

Individuals	274	78.75	15 977 713	70.12
Private companies	14	4.02	160 401	0.70
Public companies	4	1.15	4 757 546	20.88
Nominees and trusts	30	8.62	1 000 331	4.39
Close corporations	6	1.72	233 280	1.02
Other corporate bodies	3	0.86	1 511	0.01
Banks	3	0.86	178 331	0.78
Collective investment schemes and mutual funds	14	4.02	477 774	2.10
Total	348	100.00	22 786 887	100.00

SUBSTANTIAL SHAREHOLDERS

According to the register of members of the Company at 28 February 2009, the following shareholders were the only members holding 5% or more of the ordinary issued share capital of the Company.

Substantial Shareholder	Number of shares held	% of issued Capital
EV Ahmed	3 451 234	15.15
Saminco Ltd	3 221 456	14.14
Dr JA Cruise	2 015 574	8.85
BBH Collins Stewert Ltd	1 527 089	6.70
Total	10 215 353	44.84

SHAREHOLDERS' DIARY

Annual General Meeting	10 February 2010
Interim Report	22 December 2009
Annual Report 2010 financial year	25 May 2010

NOTICE OF ANNUAL GENERAL MEETING

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 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: 0860 THABEX (0860 842239)

Notice is hereby given that the eighteenth Annual General Meeting of the members of Thabex will be held at Ground Floor, Kiepersol House, Stonemill Office Park, 300 Acacia Road, Darrenwood, Randburg, 2194 on Wednesday, 10 February 2010, 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 and/or the Company Secretary 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 28 February 2009.
3. To confirm and pay the auditors remuneration as determined by the audit committee for the year ended 28 February 2009.
4. To confirm the re-appointment of KPMG Inc. as independent auditors of the Company for the ensuing financial year on the recommendation of the Audit Committee
5. To re-elect AP Roux as director of the Company who retires by rotation in accordance with provisions of the Articles of Association of the Company and being eligible for re-election. An abridged CV of JR Rapoo is provided on page 8.
6. To approve the election of CJ Engelbrecht as director in accordance with the provisions of the Company's articles of association. An abridged CV of CJ Engelbrecht is provided on page 8.
7. To approve the election of M Kamwanga as director in accordance with the provisions of the Company's articles of association. An abridged CV of M Kamwanga is provided on page 8.
8. 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 28 February 2009.

9. Resolved that the unissued share capital of the Company from time to time be and is hereby placed under the control of the directors of the Company until the next annual general meeting of the Company, with the authority to allot and issue all or part thereof in their discretion, subject to sections 221 and 222 of the Companies Act, Act 61 of 1973, as amended, the articles of association of the company and the provisions of the Listings Requirements of the JSE Limited.

10. Resolved that, subject to ordinary resolution number 9 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:

10.1. 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;

10.2. 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;

NOTICE OF ANNUAL GENERAL MEETING

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

10.4. The number of shares issued for cash shall not in the aggregate in any one 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;

10.5. 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;

10.6 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 of 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 9 for it to be approved.

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

Special resolutions 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 repurchase 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 5 business days immediately preceding 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 of South Africa, 1973, as amended; 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

NOTICE OF ANNUAL GENERAL MEETING

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.

As special resolution number 2

Resolved that the authorised share capital be and is hereby subdivided from 100 000 000 (one hundred million) of 10 cents each to 1 000 000 000 (one billion) ordinary shares of 1 (one) cent each.

Reason for and effect of Special Resolution Number 2

The reason for and the effect of the special resolution No 2 is to decrease the par value of the par ordinary shares. The effect of the subdivision is that the par value of the Company's shares decreases but the value of the shareholding remains the same.

For the purposes of considering Special Resolution Number 1 and 2 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 59);
Substantial shareholders (page 65);
No material changes (page 31);
Directors' interests in securities (page 64);
Share capital of the Company (page 48);

The directors, whose names are set out on pages 8, 32 and page 59 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

21 December 2009

FORM OF PROXY

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



("Thabex or the Company")
Registration No 1988/000763/06
(Incorporated in the Republic of South Africa)
JSE share code: TBX
ISIN Code: ZAE00013686
www.thabex.com
email: info@thabex.com
Telephone: 0860 THABEX (0860 842239)

For use at the annual general meeting on Wednesday, 10 February 2010. 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, 10 February 2010 at 10:00 and at any adjournment thereof, as follows:

Ordinary resolutions	Number of votes (one vote per share)		
	In favour	Against	Abstain
Number 1 - To authorise signature of documents			
Number 2 - To approve the Annual Financial Statements			
Number 3 - To approve Auditors remuneration			
Number 4 - Re-appointmt of auditors: KPMG Inc.			
Number 5 - Re-election of director: AP Roux			
Number 6 - Election of director: CJ Engelbrecht			
Number 7 - Election of director: M Kamwanga			
Number 8 - To approve directors' remuneration			
Number 9 - To place the unissued shares under control of the directors			
Number 10 - General approval to issue shares for cash			
Number 11 - Transact other business			
Special resolution			
Number 1 - Purchase of own shares			
Number 2 - Sub-division of authorised share capital			

SIGNED at _____ this _____ day of _____ 2010

_____ (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 read notes on reverse hereof.

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, 8 February 2010.

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

M Kamwanga
(Financial Director)
MSc (Mathematics of Finance)
M Comm (Financial Management)

CJ Engelbrecht
(Executive Director)
Nas Dipl (Soil Science) Dipl Marketing

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

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)
1st Floor Roland Garros The Campus
57 Sloane Street Bryanston 2191

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

SPONSOR

PSG Capital (Pty) Ltd
(Registration number 2006/015817/07)
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)
+27 (0)11 459 6600 (International)

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+27 (0)11 459 6606

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www.thabex.com

E-MAIL ADDRESS

info@thabex.com

SHARE CODES

ISIN code ZAE000013686
JSE code TBX

