

Bisichi Mining PLC

Company number 112155

Annual Report & Accounts 1996

Mining finance



Bisichi Mining PLC

“The group’s objective is to seek capital growth from investment in mining activities around the world, underwritten by a solid UK income flow from its property investment portfolio.”

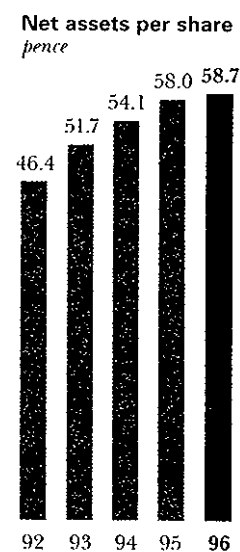
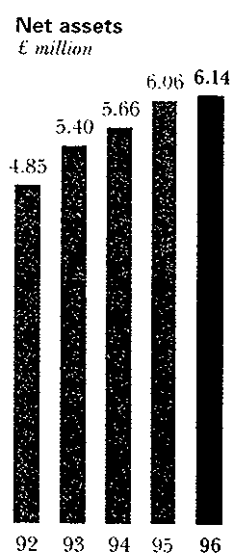
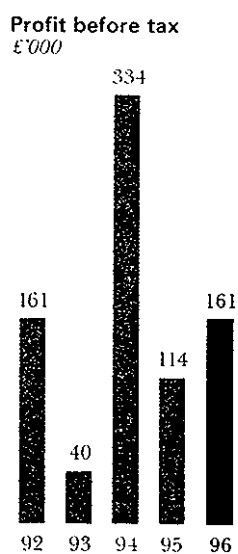
Michael Heller Chairman

	1996	1995	percentage change
Profit before taxation	£161,000	£114,000	+41%
Consolidated net assets	£6,137,000	£6,064,000	+1%
Net assets per ordinary share	58.7p	58.0p	+1%
Earnings per share	1.35p	0.91p	+48%
Dividends per share	0.81p	0.75p	+8%

Five year financial summary

Five year record	1996 £000	1995 £000	1994 £000	1993 £000	1992 £000
Consolidated profit and loss account					
Turnover	<u>3,341</u>	<u>898</u>	<u>515</u>	<u>665</u>	<u>463</u>
Operating profit	<u>120</u>	<u>181</u>	<u>53</u>	<u>180</u>	<u>152</u>
Profit before tax	<u>161</u>	<u>114</u>	<u>334</u>	<u>40</u>	<u>161</u>
Consolidated balance sheet					
Intangible assets	674	588	-	-	-
Investment properties	5,895	5,835	4,910	4,680	4,200
Fixed asset investments	<u>451</u>	<u>571</u>	<u>916</u>	<u>1,033</u>	<u>1,006</u>
	7,020	6,994	5,826	5,713	5,206
Current asset investments	<u>350</u>	<u>464</u>	<u>467</u>	<u>423</u>	<u>417</u>
	7,370	7,458	6,293	6,136	5,623
Other assets less liabilities	<u>(1,477)</u>	<u>(1,562)</u>	<u>(712)</u>	<u>(882)</u>	<u>(773)</u>
	5,893	5,896	5,581	5,254	4,850
Adjustments of current investments to market value	<u>244</u>	<u>168</u>	<u>75</u>	<u>148</u>	-
Consolidated net assets	<u>6,137</u>	<u>6,064</u>	<u>5,656</u>	<u>5,402</u>	<u>4,850</u>
Net assets per ordinary share*	<u>58.7p</u>	<u>58.0p</u>	<u>54.1p</u>	<u>51.7p</u>	<u>46.4p</u>
Dividend per share	<u>0.81p</u>	<u>0.75p</u>	<u>0.71p</u>	<u>0.68p</u>	<u>0.63p</u>

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



Chairman's review



1996 was an important year for Bisichi Mining, marking our return to full scale mining production for the first time since 1983. Our activities in mining production, property and equity investment produced a pre-tax profit of £161,000 (1995 : £114,000) and a fifth successive year of growth in gross assets to £8.4 million (1995 : £8.26 million).

Mining Investment Strategy

Although the bulk of our assets are currently in non-mining activities, we are continuing to build-up our presence in the mining sector so that, as suitable opportunities arise, we are able to deploy our mining expertise in the development and management of mining assets. Our non-mining investment portfolio, which is mainly in retail investment property and is managed as part of the London & Associated Properties' Group £71.7 million property portfolio (Group net assets in excess of £41 million), provides us with the financial strength and long term security to make significant mining investments when such opportunities match our investment criteria. These criteria include the opportunity to provide added value through the deployment of new capital and a strong, experienced, management team. Black Wattle Colliery in Middelburg, South Africa, was just such an opportunity and we are continually looking for others.

Mining Activities in 1996

Whilst our current mining investment portfolio includes investments in South Africa, Western Australia and the United

States of America, our principal mining activity is the company's 62.5 per cent holding in the Black Wattle Colliery, which is located approximately 120 miles from Johannesburg in the Middelburg region. Coal production is currently running at more than 50,000 tons per month; when we acquired control of the mine, in 1995, it was producing less than 17,000 tons per month. The relatively low costs of shallow underground mining at Black Wattle, and the high quality of the coal deposits being mined, for which there is strong demand, mean that the mine should make a good contribution to Bisichi Mining's profits in the current year.

In 1996, we wrote-off a significant proportion of start-up costs of our wholly owned South African subsidiary, Bisichi Coal Mining (Pty) Ltd, which was incorporated to fund the underground mining section of the mine. The start-up costs of this subsidiary have substantially distorted our profits from mining. However, we are confident that we will receive good profits from Bisichi Coal Mining (Pty) Ltd over the future life of the mine.

Our mining investment strategy, stated above, of making carefully managed investments is now paying off and your Board believes that the longer term upside potential of Black Wattle is very attractive.

In addition to Bisichi Mining's direct mining activities, our wholly owned subsidiary, Mineral Products Limited, has continued to manage an equity portfolio with a significant weighting in minerals and natural resources stocks. The aggregate market value



Above: Stock piles and stores at Black Wattle Colliery, Middelburg, South Africa.

at 31 December 1996 was £594,000 (1995 : £632,000) after the sale of certain investments, the proceeds of which were invested in our direct mining activities. This portfolio complements our position as a serious investor in the mining and natural resources sector, and provides us with an easily accessible cash reserve. You will find a more detailed report on our mining activities, prepared by our executive director of mining Bob Mackilligin, on pages 5 and 6 of this report.

Property Investment

It has been your board's policy to finance and underpin the company's mining investment activities with a prudent investment in a portfolio of UK retail investment properties. This remains the case. The retail investment property portfolio (which continues to be managed by London & Associated Properties PLC our 42 per cent shareholder) is invested, in line with their investment policy, in 5 town centre shopping precincts with an independent valuation, as at 31 December 1996 of £5.9 million (1995 : £5.8 million). This portfolio of town centre retail investment property is characterised by its prime location, the strength of tenant covenants, and active management. We continue to avoid property trading and development.

Dividend

In accordance with our conservative dividend policy, your directors are recommending a final dividend of 0.81p per share (1995 : 0.75p).

Prospects

Your company has a profitable investment in the Black Wattle Colliery and retains considerable expertise in the mining sector, which we intend to deploy in the medium term to the benefit of our shareholders. In the meantime, our mining activities and your investment continue to benefit from the strength and quality of the group's other investments. 1996 was a good year for Bisichi Mining and we are now well placed to build on our recent performance. We believe that 1997 is going to be a year of strong performance and we look to the future with considerable confidence.

In closing, I think that it is appropriate to draw shareholders attention to our plans for the ongoing management of the company. Your board believes that every business needs a reserve of experienced and well qualified management on which it can rely for the future development of the company. In recent years we have introduced a policy of identifying and training a new, younger, tier of management who will, in due course, assume an increasingly important role in the management of your company.

I would like to take this opportunity, once again, to thank my colleagues in the UK and abroad for their hard work and commitment. Without them, your company could not prosper.

Michael Heller

Michael Heller
Chairman

Mining Report

Global mining activities

Although our largest investment is currently in South Africa, Bisichi Mining also has minority holdings in mining exploration in the USA and Australia. Whilst our South African investment, Black Wattle Colliery, is a high quality producing coal mine, our other investments are mainly in gold and copper exploration. We continue to examine other mining investment opportunities around the world and we are prepared to extend our mining investment portfolio, should an opportunity arise that matches our strict investment criteria as defined in the Chairman's Review.

South Africa

During 1996, Bisichi Mining invested further in Black Wattle Colliery (Pty) Limited, our coal mine in the Middelburg coal field, by subscribing to a rights issue to fund above ground improvements. As a result, Bisichi Mining's equity in Black Wattle has risen from 51.4 per cent to 62.5 per cent, reflecting our increased involvement in this mining investment.

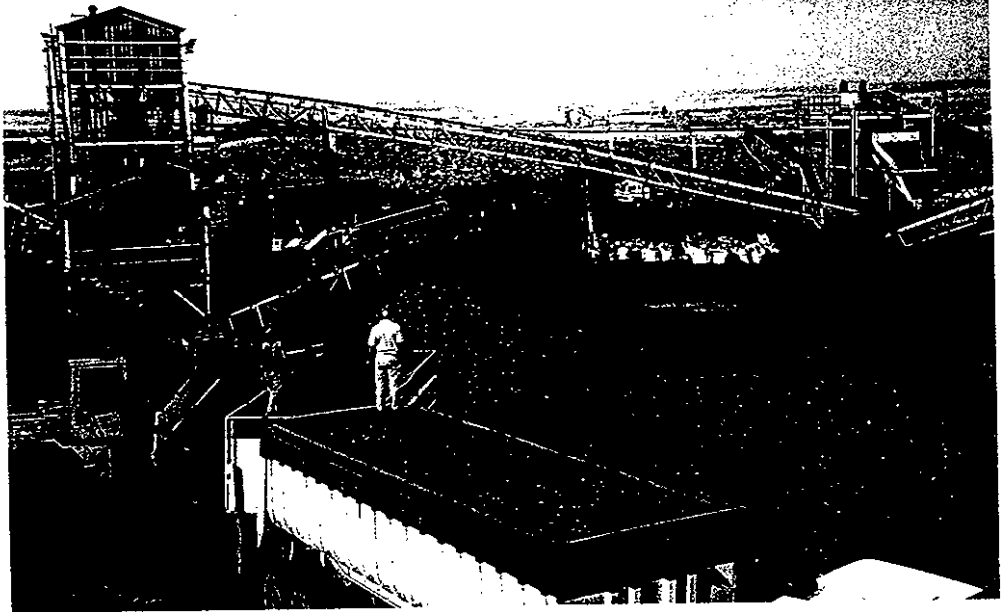
Additional investment was made for financing the equipment for one of the three mining sections and the extension of the underground belt conveyor system on a tolling basis. This was achieved via our new subsidiary Bisichi Coal Mining (Pty) Ltd which receives an income each month for the provision of these facilities.

Black Wattle made good progress in 1996, reaching the target production of over 50,000 tons per month during the last quarter of the year. Our coal deposit consists of two 2.5 metre (approximately) thick horizontal seams separated by a thin sandstone parting. We are currently working the upper of the two seams using the conventional room and pillar method. Access is via an incline shaft to a vertical depth of 35 metres. Once mining of the upper seam reaches its limit, we are expecting to remove a significant proportion of the pillars before beginning to mine the lower seam. This consists of coal with a low phosphorous content which, because there is a world shortage of this type of coal, commands a premium price in the market.



Left: Personnel, including Andrew Heller, managing director (left, back row) Klaus Schleicher, general mine manager (centre, back row) of Black Wattle Colliery, Middelburg, South Africa.

Coal loading and washing plant (right) and weighbridge (below) at Black Wattle Colliery, Middelburg, South Africa.



The coal is brought to the surface by conveyors and passes first to a crushing and screening plant where predominantly the finest material, known as duff, is removed as a saleable product. The remainder is then cleaned at our on-site washing plant with a conventional flotation method using ground magnetite as a weighting medium. This process produces three grades of washed coal; large nuts, small nuts and peas.

During the year, Bisichi Mining disposed of its 10.4 per cent shareholding in Southern Witwatersrand Exploration Company Limited; South Wits continues to hold a minority interest in Black Wattle Colliery.

USA

In the USA, Centurion Mines Corporation continued to outline substantial reserves of copper in its extensive acreage in the State of Utah. Feasibility studies have been undertaken and initial production of copper is scheduled to begin in the fourth quarter of 1997. Centurion Mines is also currently undertaking exploration for gold in another part of its acreage, in a joint venture with a major international mining company.

Australia

In Australia, Pima Mining NL, has continued gold exploration in its recently acquired acreage in the Gawlor Craton area of South Australia and has interests in a number of gold exploration joint ventures in Western Australia. Pima Mining also owns 8.5 per cent of Moneta Porcupine Mines, which is actively exploring for gold in the USA. Meanwhile, Barranco Resources NL, in joint ventures with major mining companies, continued exploration for gold in two areas of Western Australia, where recent bore hole drilling results were encouraging.

Prospects

In both the domestic and foreign markets demand for our coal remains healthy. In my report to shareholders last year I predicted that Black Wattle would make a positive contribution to Bisichi Mining's operating profits in 1996. This has been achieved and I now look forward to the mine making a further contribution to profits in 1997.

RGW Mackilligin

Directors and advisers

Directors	<p>Michael A Heller, MA, FCA (<i>Chairman</i>)</p> <p>Robert G W Mackilligin MC, ACSM, FIMM, CEng.</p> <p>* L C John Brown FCA (<i>Non-executive</i>) John Brown has been a director since 1989. He practiced as a chartered accountant for many years, both in the United Kingdom and United States of America.</p> <p>David M Dent-Young CBE, ACSM, FIMM, CEng.</p> <p>* John A Sibbald BL, CA (<i>Non-executive</i>) John Sibbald has been a director since 1988. He is a chartered accountant who has spent over 20 years in stockbroking, specialising in mining and international investment.</p>
Secretary and registered office	<p>Michael C Stevens FCA 8-10 New Fetter Lane London EC4A 1NQ</p>
Director of property	<p>Mike J Dignan FRICS</p>
Auditors	<p>Pannell Kerr Forster</p>
Principal bankers	<p>National Westminster Bank PLC</p>
Corporate Solicitors	
– UK	<p>Clifford Chance, London</p>
– South Africa	<p>Moss Morris Inc, Johannesburg</p>
Stockbrokers	<p>Credit Lyonnais Laing</p>
Registrars and transfer office	<p>Independent Registrars Group Limited Balfour House, 390/398 High Road, Ilford, Essex IG1 1NQ Telephone: 0181 478 8241</p>
Company registration number	<p>112155 (Incorporated in England and Wales)</p>

*Member of the audit committee.

Directors' report

The directors submit their report together with the audited financial statements for the year ended 31 December 1996.

Activities and review of business

The company continues its mining finance and property investment activities. Income for the year was derived from holding and dealing in investments, from property rentals and the operation of the coal mine.

During the year the company increased its holding in Black Wattle Colliery (Pty) Limited to 62.5 per cent of the equity. The remaining 37.5 per cent is held by Southern Witwatersrand Exploration Company Limited.

The results for the year and state of affairs of the group and the company at 31 December 1996 are shown on pages 16 to 32.

Further information on the review of the business and future developments is given in the chairman's review and the mining report.

Dividend

The directors recommend the payment of a dividend of 0.81p per share on the ordinary share capital for the year under review and the balance of retained profits will be carried to reserves. The dividend will be payable on Friday 29 August 1997 to shareholders registered at the close of business on 8 August 1997.

Payment of dividends direct to bank accounts

If you have completed a bank mandate form your dividends are currently sent direct to your bank or building society together with the relevant tax voucher. Beginning with the final dividend for 1996 (if approved) payable on 29 August 1997 your dividends will be credited to your account in the normal way, but this will be done through BACS (Bank Automated Clearing Services) not the bulk distribution system, and the tax voucher will be sent directly to you at your registered address.

Investment properties

The investment property portfolio is stated at its open market value of £5,895,000, at 31 December 1996, as valued by professional external valuers.

Directors

The directors of the company during the year were Mr M A Heller, Mr L C J Brown, Mr D M Dent-Young, Mr R G W Mackilligin and Mr J A Sibbald.

The director retiring by rotation is Mr J A Sibbald and Mr L C J Brown retires as he has reached age 70. The retiring directors, being eligible, offer themselves for re-election: a special notice concerning the re-election of a director over 70 has been received in respect of Mr L C J Brown.

No director had any material interest in any contract or arrangement with the company during the year, save as stated in directors shareholdings and substantial interests, below.

Directors' shareholdings

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

	Beneficial		Non-Beneficial	
	31.12.96	1.1.96	31.12.96	1.1.96
Mr M A Heller	242,666	242,666	557,334	557,334
Mr L C J Brown	5,000	5,000	-	-
Mr D M Dent-Young	6,400	6,400	-	-
Mr R G W Mackilligin	60,000	60,000	-	-
Mr J A Sibbald	-	-	-	-

There have been no changes in the above shareholdings since 31 December 1996.

Under the terms of an Employee Benefit Trust Mr R G W Mackilligin has an option to purchase 30,000 shares in the company at 33.1p up to 23 November 1997. No other directors held options during the year.

Substantial interests

The following have advised that they have an interest in 3 per cent or more of the issued share capital of the company as at 11 April 1997:

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

Mr M A Heller and Mr L C J Brown are directors and shareholders of London & Associated Properties PLC.

Mr M A Heller, including trustee holdings – 800,000 shares representing 7.65 per cent of the issued capital. So far as the board is aware no other person is beneficially interested in 3 per cent or more of the issued capital of the company.

In addition the directors are aware of the following substantial non-notifiable holdings as at 31 December 1996:

Mars UK Pension Fund – 419,105 shares representing 4.0 per cent of the issued capital.

MGM Assurance Group – 421,200 shares representing 4.0 per cent of the issued capital.

Ivory & Sime UK Discovery Trust – 500,000 shares representing 4.8 per cent of the issued capital.

Corporate governance

The company has adopted the Code of Best Practice contained in the Cadbury Report on the Financial Aspects of Corporate Governance as far as practicably possible.

Your Board has deliberated over the division of duties of the Chairman and Chief Executive and has concluded that given the size of the company it would not be appropriate to divide these duties between two directors. The company has adopted the City Group for Smaller Companies recommendations that smaller companies have at least two non-executive directors rather than the three recommended by Cadbury. The directors believe that this is appropriate and cost effective. The company has otherwise complied with the code.

Internal financial control

The board of directors recognises its overall responsibility for the group's systems of internal financial control and for monitoring their effectiveness. Key business activities including property purchases and investments in mining ventures are controlled by the group executive directors. All activity is organised within a defined structure with formal lines of responsibility and delegation of authority.

Policies and procedures are laid down by the board of directors and are applied across the group.

The systems regarding internal financial controls include:

- Defined levels of authority for investments.
- Annual budgets approved at board level.
- Monthly consideration by the board of actual results compared with budgets and forecasts.
- Weekly statements of reconciled cash position and cashflow projections for the executive directors.

The board of directors and the audit committee have responsibility for reviewing the effectiveness of the systems of internal financial controls in the context that internal financial controls can provide reasonable but not absolute assurance against material misstatement or loss. The directors have reviewed the effectiveness of the internal financial control procedures.

Remuneration

The board of directors are responsible for the remuneration of the directors and senior employees.

The remuneration policy adopted is designed to ensure that directors and senior executives are fairly rewarded for their services.

No director has a service contract with the company apart from employment contracts and no employment contract exceeds twelve months. Accordingly none of the directors offering themselves for re-election at the forthcoming Annual General Meeting has a service contract with a notice period of more than a year. Given the size of the company it is not considered appropriate to form a separate remuneration committee of the board. With this exception the company has complied with section A of the best practice provisions annexed to the Listing Rules of the London Stock Exchange and given full consideration to section B of such best practices. There are no pension arrangements for directors, neither are they entitled to any bonus or incentive schemes. Details of options granted to directors are noted above.

Directors' remuneration

	Salaries and fees £'000	Benefits £'000	1996 Total £'000	1995 Total £'000
<i>Chairman</i>				
M A Heller	2	-	2	2
<i>Executive directors</i>				
R G W Mackilligin	7	2	9	7
D M Dent-Young	2	1	3	3
	<u>11</u>	<u>3</u>	<u>14</u>	<u>12</u>
<i>Non-executive directors</i>				
L C J Brown	4	-	4	3
J A Sibbald	2	1	3	3
	<u>6</u>	<u>1</u>	<u>7</u>	<u>6</u>
Total remuneration for directors' services during the year			21	18

There have been no performance related payments to directors during the year.

Directors' and officers' liability insurance

The company maintains a directors' and officers' liability insurance policy in respect of liabilities which could arise in the discharge of their duties in the ordinary course of business.

Payment of suppliers

The company agrees terms of contracts when orders are placed. It is company policy that payments to suppliers are made in accordance with those terms, provided that suppliers also comply with all relevant terms and conditions.

Going concern

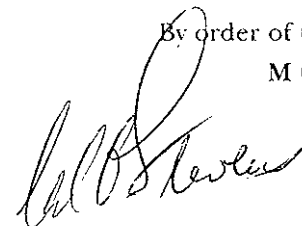
The directors, after making enquiries, have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in the preparation of the financial statements.

Other matters

- (a) The company is not a close company as defined by the Income & Corporation Taxes Act 1988.
- (b) Pannell Kerr Forster have expressed their willingness to continue in office as auditors. A proposal will be made at the Annual General Meeting for their re-appointment and for their remuneration to be determined by the directors.

8-10 New Fetter Lane
London EC4A 1NQ
21 April 1997

By order of the board
M C Stevens
Secretary



Directors' responsibility statement

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and the group to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report by the auditors on corporate governance matters

In addition to our audit of the financial statements for the year ended 31 December 1996, we have reviewed the directors' statements on pages 8 to 11 on the company's compliance with the paragraphs of the Cadbury Code of Best Practice specified for our review by the London Stock Exchange and their adoption of the going concern basis in preparing the financial statements. The objective of our review is to draw attention to non-compliance with Listing Rules 12.43(j) and 12.43(v).

We carried out our review in accordance with guidance issued by the Auditing Practices Board. That guidance does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the group's system of internal financial control or its corporate governance procedures nor on the ability of the group to continue in operational existence.

Opinion

With respect to the directors' statements on internal financial control on page 10 and going concern on page 11, in our opinion the directors have provided the disclosures required by the Listing Rules and such statements are not inconsistent with the information of which we are aware from our audit work on the financial statements.

Based on enquiry of certain directors and officers of the company, and examination of relevant documents, in our opinion the directors' statements on pages 8 to 11 appropriately reflect the company's compliance with the other paragraphs of the Code specified for our review by the Listing Rules.

London
21 April 1997

Pannell Kerr Forster
Chartered Accountants
Registered Auditors

Auditors' report

To the shareholders of Bisichi Mining PLC

We have audited the financial statements on pages 16 to 32 which have been prepared under the accounting policies set out on pages 20 and 21. We have also examined the amounts disclosed relating to the emoluments and share options of the directors which form part of the directors' report on pages 8 to 11.

Respective responsibilities of directors and auditors

As described on page 12 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

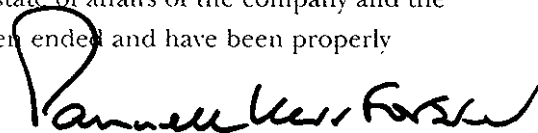
We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 1996 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London
21 April 1997



Pannell Kerr Forster
Chartered Accountants
Registered Auditors

Valuers' certificates

To the directors of Bisichi Mining PLC

In accordance with your instructions we have carried out a valuation of the freehold and leasehold property interests held as at 31 December 1996 by the company as detailed in our Valuation Report dated 15 April 1997.

Having regard to the foregoing, we are of the opinion that the open market value as at 31 December 1996 of the interests owned by the company was £4,175,000, being made up as follows:

	£000
Freehold	2,875
Leasehold	1,300
	<hr/>
	4,175

London
15 April 1997

Allsop & Co.
Chartered Surveyors

To the directors of Bisichi Mining PLC

In accordance with your instructions we have carried out a valuation of the freehold and leasehold property interests held as at 31 December 1996 by the company as detailed in our Valuation Report dated 26 March 1997.

Having regard to the foregoing, we are of the opinion that the open market value as at 31 December 1996 of the interests owned by the company was £1,720,000, being made up as follows:

	£000
Freehold	250
Leasehold	1,470
	<hr/>
	1,720

Leeds
26 March 1997

B P Towler & Co.
Chartered Surveyors

Consolidated profit and loss account

for the year ended 31 December 1996

	Notes	1996 £000	1995 £000
Turnover	1	3,341	898
Operating costs	2	(3,221)	(717)
Operating profit	1	<u>120</u>	<u>181</u>
Exceptional items in respect of fixed assets	5	184	11
Income from interests in associated undertakings		(4)	(27)
Investment income and interest receivable	6	(4)	21
Interest payable	7	(135)	(72)
Profit on ordinary activities before taxation		<u>161</u>	<u>114</u>
Taxation on profit on ordinary activities	8	(11)	(22)
Profit after taxation		<u>150</u>	<u>92</u>
Minority interest		(9)	3
Profit for the financial year		<u>141</u>	<u>95</u>
Dividend	10	(85)	(78)
Retained profit for the financial year	23	<u>56</u>	<u>17</u>
Earnings per share	11	<u>1.35p</u>	<u>0.91p</u>

All activities derive from continuing operations.

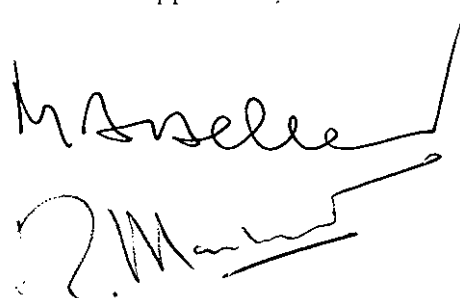
Balance sheets

as at 31 December 1996

	Notes	The group		The company	
		1996 £000	1995 £000	1996 £000	1995 £000
Fixed Assets					
Intangible assets	12	674	588	-	-
Tangible assets	13	6,373	6,103	5,900	5,840
Investments	14	451	571	1,555	1,201
		<u>7,498</u>	<u>7,262</u>	<u>7,455</u>	<u>7,041</u>
Current assets					
Stocks – goods for resale		82	21	-	-
Debtors	17	372	360	349	472
Investments					
(Market value £594,000 (1995: £632,000))	18	350	464	-	-
Bank balances		103	156	12	21
		<u>907</u>	<u>1,001</u>	<u>361</u>	<u>493</u>
Creditors					
Amounts falling due within one year	19	(1,525)	(1,464)	(1,312)	(1,202)
Net current liabilities		<u>(618)</u>	<u>(463)</u>	<u>(951)</u>	<u>(709)</u>
Total assets less current liabilities		<u>6,880</u>	<u>6,799</u>	<u>6,504</u>	<u>6,332</u>
Creditors					
Amounts falling due after one year	20	(987)	(900)	(872)	(900)
Provisions for liabilities and charges	21	-	(3)	-	-
Net assets		<u>5,893</u>	<u>5,896</u>	<u>5,632</u>	<u>5,432</u>
Capital and reserves					
Called up share capital	22	1,045	1,045	1,045	1,045
Revaluation reserve	23	3,694	3,639	3,694	3,639
Other reserve	23	101	101	-	-
Retained earnings	23	945	986	893	748
Shareholders' funds		<u>5,785</u>	<u>5,771</u>	<u>5,632</u>	<u>5,432</u>
Minority interests		108	125	-	-
		<u>5,893</u>	<u>5,896</u>	<u>5,632</u>	<u>5,432</u>

These financial statements were approved by the board of directors on 21 April 1997 and signed on its behalf by:

M A Heller
R G W Mackilligin
Directors



Statement of total recognised gains and losses

for the year ended 31 December 1996

	The group	
	1996 £000	1995 £000
Profit for the financial year	141	95
Revaluation of investment properties	55	173
Exchange adjustments	(97)	-
Total gains and losses recognised in the year	99	268

Reconciliation of movement in shareholders' funds

year ended 31 December 1996

	The group	
	1996 £000	1995 £000
Profit for the financial year	141	95
Dividend	(85)	(78)
	56	17
Other movements in shareholders' funds:		
Exchange adjustments	(97)	-
Revaluation of investment properties	55	173
Net addition to shareholders' funds	14	190
Opening shareholders' funds	5,771	5,581
Closing shareholders' funds	5,785	5,771

Group cash flow statement

for the year ended 31 December 1996

	Notes	1996 £000	1995 £000
Net cash (outflow) / inflow from operating activities	24	<u>(168)</u>	<u>179</u>
Returns on investments and servicing of finance			
Interest received		10	5
Interest paid		<u>(135)</u>	<u>(38)</u>
		<u>(125)</u>	<u>(33)</u>
Taxation			
Corporation tax (paid)/received		<u>(14)</u>	<u>3</u>
Capital expenditure and financial investment			
Payments to acquire fixed assets		(395)	(783)
Payments to acquire current asset investments		(87)	(69)
Receipts from sale of properties		-	25
Receipts from sale of fixed assets		306	-
Receipts from sale of current asset investments		<u>230</u>	<u>110</u>
		<u>54</u>	<u>(717)</u>
Acquisitions and disposals			
Purchase of subsidiary undertaking		-	(387)
Cash acquired with subsidiary		-	35
		-	<u>(352)</u>
Equity dividends paid		<u>(78)</u>	<u>(74)</u>
Cash outflow before financing		<u>(331)</u>	<u>(994)</u>
Financing			
New loans		85	966
Decrease in cash in the year	25	<u>(246)</u>	<u>(28)</u>
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the year		(246)	(28)
Cash inflow from increase in debt		<u>(85)</u>	<u>(966)</u>
Movement in net debt in the year		<u>(331)</u>	<u>(994)</u>
Net debt at 1 January 1996		<u>(1,347)</u>	<u>(353)</u>
Net debt at 31 December 1996	25	<u>(1,678)</u>	<u>(1,347)</u>

Group accounting policies

for the year ended 31 December 1996

The following are the main accounting policies of the group:

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and are prepared in accordance with applicable accounting standards.

Basis of consolidation

The consolidated financial statements comprise:

- (a) The financial statements of the company and its subsidiaries made up to 31 December.
- (b) The group's share of the results of associated undertakings for the year ended 31 December.

On acquisition, the book value of tangible assets acquired is adjusted to bring the accounting policies of businesses acquired into alignment with those of the group. Goodwill, being the difference between the purchase price and the fair value of net assets acquired, is written off over its useful life.

Turnover

Turnover comprises the invoiced value of sales in respect of mining, trading operations and rental income, but excludes investment and other non-operating income and value added tax.

Dividends

Dividends, which include the associated tax credit, are credited to the profit and loss account when the dividends are received.

Depreciation

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

Plant and machinery	10-20 per cent
Motor vehicles	20 per cent
Office equipment	10-20 per cent

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies have been translated at the rates of exchange ruling at the balance sheet date. Revenue transactions completed during the year are stated at the rates obtained on conversion into sterling. In the consolidated accounts, translation differences arising on consolidation of the net investment in overseas subsidiaries are taken to reserves. All other exchange differences are taken to the profit and loss account.

Investment properties

The investment property portfolio is included in the financial statements at open market valuation. An external professional valuation is carried out at least every five years, but is generally done every year. Surpluses and deficits arising on valuations are taken direct to the investment revaluation reserve. No depreciation or amortisation is provided in respect of freehold and leasehold investment properties. The Directors consider that this accounting policy, which is not in accordance with the Companies Act 1985, results in the accounts giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Investments

- (a) Listed investments of the company are stated in the balance sheet as fixed assets at cost less provisions for permanent diminution. Profits or losses on the disposal of these investments and provisions for diminution in value are treated as exceptional.
- (b) Listed investments of the dealing subsidiary are stated in the balance sheet as current assets at the lower of cost or net realisable value, on a portfolio basis. The Directors consider this policy to be appropriate given the readily marketable nature of the assets concerned.

Net profits and losses on the realisation of these investments are included in the Consolidated Profit and Loss account as part of the profit on ordinary activities before taxation.

Stocks

Stock is valued at the lower of cost and estimated net realisable value. Cost includes attributable overheads where appropriate.

Deferred taxation

Provision is made for the potential liability which could arise if the investments held as current assets were realised at their balance sheet values. No provision is made for deferred taxation which might arise if investment properties were realised at their Balance Sheet valuations as the properties of the group are held as long-term investments. The potential liability is set out in the note relating to provisions for liabilities and charges.

Notes to the financial statements

for the year ended 31 December 1996

1 Turnover and net operating assets

	Turnover		Operating profit		Net operating assets	
	1996 £000	1995 £000	1996 £000	1995 £000	1996 £000	1995 £000
Mining	2,481	311	(159)	(57)	1,200	968
Property	575	453	217	193	5,643	5,484
Share dealing	273	133	54	44	351	442
Other investments	12	1	8	1	-	-
	<u>3,341</u>	<u>898</u>	<u>120</u>	<u>181</u>	<u>7,194</u>	<u>6,894</u>
Associated undertaking					405	378
Net non-operating liabilities					(1,706)	(1,376)
					<u>5,893</u>	<u>5,896</u>
Analysis by origin:						
United Kingdom	859	587	279	238	5,948	5,863
North America	-	-	-	-	56	99
Southern Africa	2,482	311	(159)	(57)	1,135	844
Australia	-	-	-	-	55	88
	<u>3,341</u>	<u>898</u>	<u>120</u>	<u>181</u>	<u>7,194</u>	<u>6,894</u>
Associated undertaking					405	378
Net non-operating liabilities					(1,706)	(1,376)
					<u>5,893</u>	<u>5,896</u>

The analysis of turnover by destination is not materially different to the analysis of turnover by origin.

Net non-operating liabilities represent cash, overdrafts and creditors not specifically allocated against the groups' operations and geographical markets.

2 Operating costs

	1996 £000	1995 £000
Mining	2,280	253
Royalties	165	14
Increase in inventories	(79)	(2)
Other operating income	(21)	-
Property expenses	290	189
Share dealing expenses	219	89
Cost of sales	<u>2,854</u>	<u>543</u>
Administration expenses	367	174
Net operating costs	<u>3,221</u>	<u>717</u>

Share dealing includes the cost of investments sold and other attributable expenses.

3 Administrative expenses	1996	1995
	£000	£000
Administrative expenses include:		
Directors' emoluments	21	18
Remuneration of auditors for audit services – UK	17	13
– South Africa	7	-
	<u> </u>	<u> </u>

4 Directors' emoluments		
Fees	8	8
Other emoluments	13	10
	<u>21</u>	<u>18</u>

Emoluments of the chairman	<u>2</u>	<u>2</u>
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Emoluments of the highest paid director	<u>9</u>	<u>7</u>
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Scale of directors' emoluments	Number	Number
Nil – £5,000	4	4
£5,001 – £10,000	1	1
	<u> </u>	<u> </u>

There were no pension costs in respect of directors.

5 Exceptional items	1996	1995
	£000	£000
Arising in respect of fixed asset disposals:		
– property	-	11
– investments	184	-
	<u>184</u>	<u>11</u>

No taxation has been provided on the surplus on the sale of fixed assets as it is covered by capital losses brought forward.

6 Investment income and interest receivable		
Interest from associated undertaking	(14)	14
Other interest receivable	10	7
	<u>(4)</u>	<u>21</u>

Interest receivable of £28,000 has been waived in respect of the associated undertaking.

7 Interest payable

	1996 £000	1995 £000
Overdrafts	49	55
Bank loans not wholly repayable within 5 years	76	17
Other loan (South Africa)	10	-
	<u>135</u>	<u>72</u>

8 Taxation

Based on the results for the year:

Corporation tax at 25% (1995: 25%)	13	21
Prior year adjustment	4	3
Deferred taxation	(13)	(1)
Attributable to franked investment income	8	1
Overseas tax	-	1
	<u>12</u>	<u>25</u>
Associated company	(1)	(3)
	<u>11</u>	<u>22</u>

9 Attribution of result to Bisichi Mining PLC

Dealt with in the financial statements of Bisichi Mining PLC	<u>230</u>	<u>97</u>
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In accordance with the exemption permitted by Section 230 of the Companies Act 1985, the parent company has not presented its own profit and loss account.

10 Dividend

	1996		1995	
	Per share	£000	Per share	£000
Proposed final dividend	<u>0.81p</u>	<u>85</u>	<u>0.75p</u>	<u>78</u>

11 Earnings per share

These have been calculated on 10,451,506 (1995 : 10,451,506) ordinary shares being the number of shares in issue during the year and the profit for the financial year attributable to holders of ordinary shares of £141,000 (1995 : £95,000).

12 Intangible fixed assets

	1996	1995
The group	£000	£000
Goodwill on acquisition of subsidiary:		
Cost as at 1 January	588	-
Prior year adjustment	63	-
Acquired during year	59	588
Cost as at 31 December	<u>710</u>	<u>588</u>
Amortised in year and at 31 December	<u>(36)</u>	<u>-</u>
Net book value as at 31 December	<u>674</u>	<u>588</u>

Goodwill will be written off over the estimated life of the mine as the coal is extracted.

As a result of a prior year adjustment within Black Wattle Colliery (Pty) Limited the goodwill purchased at the date of acquisition of the subsidiary has been increased by £63,000 to reflect a reduction in the fair value of trade debtors acquired of £27,000 and an increase in creditors acquired of £36,000. Following a rights issue a further £59,000 of goodwill was acquired.

13 Tangible fixed assets

The group	Investment properties					
	Total £000	Freehold £000	Long leasehold £000	Plant and machinery £000	Motor vehicles £000	Office equipment £000
Cost or valuation at 1 January 1996	6,186	3,025	2,810	321	2	28
Currency translation adjustment	(98)	-	-	(94)	(1)	(3)
Additions	380	5	-	347	24	4
Disposals	(28)	-	-	(26)	(2)	-
Revaluation	55	95	(40)	-	-	-
Cost or valuation at 31 December 1996	<u>6,495</u>	<u>3,125</u>	<u>2,770</u>	<u>548</u>	<u>23</u>	<u>29</u>
At valuation	5,895	3,125	2,770	-	-	-
At cost	600	-	-	548	23	29
	<u>6,495</u>	<u>3,125</u>	<u>2,770</u>	<u>548</u>	<u>23</u>	<u>29</u>
Accumulated depreciation at 1 January 1996	83	-	-	69	1	13
Currency translation adjustment	(21)	-	-	(20)	-	(1)
Charge for the year	66	-	-	62	1	3
Disposals	(6)	-	-	(5)	(1)	-
Accumulated depreciation at 31 December 1996	<u>122</u>	<u>-</u>	<u>-</u>	<u>106</u>	<u>1</u>	<u>15</u>
Net book value at 1 January 1996	6,103	3,025	2,810	252	1	15
Net book value at 31 December 1996	<u>6,373</u>	<u>3,125</u>	<u>2,770</u>	<u>442</u>	<u>22</u>	<u>14</u>

The company	Investment properties			
	Total £000	Freehold £000	Long leasehold £000	Office equipment £000
Cost or valuation at 1 January 1996	5,852	3,025	2,810	17
Additions	5	5	-	-
Revaluation	55	95	(40)	-
Cost or valuation at 31 December 1996	5,912	3,125	2,770	17
At valuation	5,895	3,125	2,770	-
At cost	17	-	-	17
	5,912	3,125	2,770	17
Accumulated depreciation at 1 January 1996	12	-	-	12
Charge for the year	-	-	-	-
Accumulated depreciation at 31 December 1996	12	-	-	12
Net book value at 1 January 1996	5,840	3,025	2,810	5
Net book value at 31 December 1996	5,900	3,125	2,770	5

Freehold and long leasehold properties were externally professionally valued at 31 December 1996 on an open market basis by:

	£'000
Allsop & Co, Chartered Surveyors	4,175
B P Towler & Co, Chartered Surveyors	1,720
	<u>5,895</u>

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

The historical cost of freehold investment properties is £1,142,000 (1995 : £1,137,000) and long leasehold investment properties is £1,059,000 (1995 : £1,059,000). Long leasehold properties are those for which the unexpired term at the balance sheet date is more than 50 years.

14 Investments held as fixed assets

The group	Total £000	Associated undertaking		
		Assets £000	Loans £000	Other £000
Cost at 1 January 1996	1,085	223	154	708
Additions	15	-	-	15
Disposals	(503)	-	-	(503)
Share of loss of associated undertaking	(3)	(3)	-	-
Transfer to debtors	(10)	-	(10)	-
Cost at 31 December 1996	584	220	144	220
Provision for diminution in value				
At 1 January 1996	(514)	-	-	(514)
Eliminated on disposals	381	-	-	381
At 31 December 1996	(133)	-	-	(133)
Net book value at 1 January 1996	571	223	154	194
Net book value at 31 December 1996	451	220	144	87

The company	Total £000	Subsidiaries		Associated undertaking		Other £000
		Shares £000	Loans £000	Shares £000	Loans £000	
Cost at 1 January 1996	1,715	833	-	20	154	708
Acquisitions	523	191	317	-	-	15
Disposals	(503)	-	-	-	-	(503)
Transfer to debtors	(10)	-	-	-	(10)	-
Cost at 31 December 1996	1,725	1,024	317	20	144	220
Provision for diminution in value						
At 1 January 1996	(514)	-	-	-	-	(514)
Eliminated on disposals	381	-	-	-	-	381
Charge in year	(37)	(37)	-	-	-	-
At 31 December 1996	(170)	(37)	-	-	-	(133)
Net book value at 1 January 1996	1,201	833	-	20	154	194
Net book value at 31 December 1996	1,555	987	317	20	144	87

Other investments comprise £75,000 shares and £12,000 loans.

The group and company	1996 £000	1995 £000
Cost of investments listed on overseas stock exchanges	140	164
Market value of the overseas listed investments	112	186

15 Associated undertaking

Unlisted associated company – Dragon Markets Limited

The company owns 50 per cent of the issued share capital of Dragon Markets Limited, which operates an indoor market. The remaining 50 per cent is held by London & Associated Properties PLC.

Dragon Markets Limited is incorporated in Great Britain and operates in England. It has issued share capital of 23,000 ordinary shares of £1 each.

	1996	1995
	£000	£000
Share of net assets at 31 December	220	223

In addition to the holding in the share capital, the company also holds loan stock of £144,000 (1995 : £154,000) in Dragon Markets Limited (included within Note 14).

16 Subsidiary companies

	Activity	Country of incorporation and principle country of operation	Percentage of share capital	Class of shares held
Mineral Products Limited	Share dealing	Great Britain	100.00%	Ordinary
Black Wattle Colliery (Pty) Limited	Coal mining	South Africa	62.50%	Ordinary
Bisichi Coal Mining (Pty) Ltd	Coal mining	South Africa	100.00%	Ordinary
Bisichi Mining (Exploration) Limited	Dormant	Great Britain	100.00%	Ordinary

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

17 Debtors

	The group		The company	
	1996 £000	1995 £000	1996 £000	1995 £000
Amounts falling due within one year:				
Trade debtors	120	-	-	-
Amount due from subsidiary undertakings	-	-	122	250
Amount due from associated undertaking	40	-	40	-
Other debtors	123	247	118	119
Prepayments and accrued income	70	98	41	73
Corporation tax recoverable	12	15	12	15
	<u>365</u>	<u>360</u>	<u>333</u>	<u>457</u>
Amounts falling due after more than one year:				
Advance corporation tax	7	-	16	15
	<u>372</u>	<u>360</u>	<u>349</u>	<u>472</u>

Other debtors includes a loan of £10,000 (1995 : £10,000) to the Trustee of the Employee Benefit Trust which was used to purchase shares in the company.

18 Investments held as current assets

	The group	
	1996 £000	1995 £000
Market value of listed investments:		
Listed in Great Britain	541	543
Listed outside Great Britain	53	89
	<u>594</u>	<u>632</u>
Original cost of listed investments	<u>350</u>	<u>464</u>
Unrealised surplus of market value over cost	<u>244</u>	<u>168</u>

19 Creditors

	The group		The company	
	1996 £000	1995 £000	1996 £000	1995 £000
Amounts falling due within one year:				
Bank overdraft (secured)	758	538	758	538
Bank loans (secured)	36	-	28	-
Short term loan (unsecured)	-	65	-	-
Trade creditors	97	-	-	-
Amount due from subsidiary undertakings	-	-	3	-
Corporation tax	30	41	17	32
Other taxation and social security	16	12	13	12
Proposed dividend	85	78	85	78
Other creditors	246	552	218	364
Accruals and deferred income	257	178	190	178
	<u>1,525</u>	<u>1,464</u>	<u>1,312</u>	<u>1,202</u>

The bank overdraft is secured by a charge over a long leasehold property.

20 Creditors

	The group		The company	
	1996 £000	1995 £000	1996 £000	1995 £000
Amounts falling due after more than one year:				
Other loan	65	-	-	-
Medium term bank loans	922	900	872	900
	<u>987</u>	<u>900</u>	<u>872</u>	<u>900</u>

Bank loan instalments by reference to the balance sheet date:

Within one year	36	-	28	-
From one to two years	56	28	56	28
From two to five years	219	169	169	169
Over five years	647	703	647	703
	<u>958</u>	<u>900</u>	<u>900</u>	<u>900</u>

The bank loans are secured by way of a first charge on certain fixed assets. The rates of interest vary based on LIBOR in the UK and PRIME in South Africa. The other loan is repayable from Black Wattle Colliery (Pty) Limited profits and interest is payable at PRIME in South Africa.

21 Provision for liabilities and charges

	The group £000	The company £000
Deferred taxation		
Balance at 1 January 1996	23	4
Transfer to profit and loss account	<u>(13)</u>	<u>(3)</u>
	note (a) 10	1
Less: unrelieved advance corporation tax on proposed dividend	<u>(10)</u>	<u>(1)</u>
	<u>-</u>	<u>-</u>
Note (a)		
Timing difference following the revaluation of current asset investments for taxation purposes	<u>10</u>	<u>1</u>

No provision has been made for the approximate taxation liability at 33% (1995 : 33%) of £830,000 (1995 : £813,000) which would arise if the investment properties were sold at the stated valuation.

22 Share capital

	1996 £000	1995 £000
Authorised: 13,000,000 ordinary shares of 10p each	<u>1,300</u>	<u>1,300</u>
Allotted and fully paid: 10,451,506 ordinary shares	<u>1,045</u>	<u>1,045</u>

23 Reserves

	Revaluation reserve £000	Capital reserve on consolidation £000	Retained earnings £000
The company			
Balance at 1 January 1996	3,639	-	748
Revaluation of investment property	55	-	-
Retained surplus for the year	-	-	<u>145</u>
Balance at 31 December 1996	<u>3,694</u>	<u>-</u>	<u>893</u>
Share in subsidiary and associated undertaking			
Balance at 1 January 1996	-	101	238
Exchange adjustment	-	-	(97)
Retained loss for the year	-	-	<u>(89)</u>
Balance at 31 December 1996	<u>-</u>	<u>101</u>	<u>52</u>
The group at 1 January 1996	<u>3,639</u>	<u>101</u>	<u>986</u>
The group at 31 December 1996	<u>3,694</u>	<u>101</u>	<u>945</u>

Retained earnings include an amount of £247,000 which relates to the group's share of a non-distributable reserves within an associated company.

24 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	1996 £000	1995 £000
Operating profit	120	181
Depreciation charges	66	12
Goodwill amortised	36	-
Profit on sale of current investments	(29)	(38)
(Increase) in stocks	(79)	(2)
(Increase) / decrease in debtors	(114)	43
(Decrease) in creditors	(168)	(17)
	<u>(168)</u>	<u>179</u>

25 Analysis of changes in net debt

	At 1 January 1996 £000	Cash flows £000	Exchange differences £000	Other changes £000	At 31 December 1996 £000
Bank balances	156	(26)	(27)	-	103
Overdrafts	(538)	(220)	-	-	(758)
	<u>(382)</u>	<u>(246)</u>	<u>(27)</u>	<u>-</u>	<u>(655)</u>
Debt due within one year	(65)	(36)	(1)	66	(36)
Debt due after one year	(900)	(49)	28	(66)	(987)
	<u>(1,347)</u>	<u>(331)</u>	<u>-</u>	<u>-</u>	<u>(1,678)</u>

26 Related party transactions

	At 31 December 1996		During the year	
	Amounts owed to related party £000	Amounts owed by related party £000	Costs recharged by related party £000	Cash advanced to related party £000
Related party:				
London & Associated Properties PLC (note (a))	158	-	230	-
Dragon Markets Limited (note (b))	-	40	-	30
	<u>158</u>	<u>40</u>	<u>230</u>	<u>30</u>

London & Associated Properties PLC are a substantial shareholder.

Dragon Markets Limited is an associated company and is treated as a fixed asset investment (details of the related party balance shown within investments is included in Note 15.)

(a) London & Associated Properties PLC

London & Associated Properties PLC provides office premises, general management, property management, accounting and administration services. The costs of providing these services are calculated on a proportional basis.

(b) Dragon Markets Limited

Dragon Markets Limited is 50 per cent owned by Bisichi Mining PLC and 50 per cent by London & Associated Properties PLC. During the year it was agreed not to charge interest on the loan stock and loan notes for the year ended 31 December 1996, and to waive the interest accrued for the year ended 31 December 1995. This interest amounted to £14,000 per annum for each shareholder.

27 Employees

The average weekly number of employees of the group during the year were as follows:

	1996 Number	1995 Number
Production	59	2
Administration	15	12
	<u>74</u>	<u>14</u>

Staff costs during the year were as follows:

	£000	£000
Salaries	252	133
Social security costs	5	14
	<u>257</u>	<u>147</u>

The increased number of employees in the year is due to the consolidation of the South African subsidiaries for the whole year.

28 Capital commitments

Commitments for capital expenditure contracted for at the year end

	<u>54</u>	<u>-</u>
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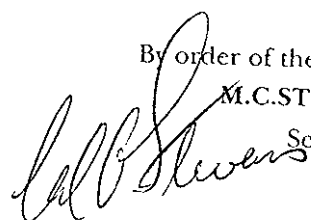
Notice of Annual General Meeting

NOTICE is hereby given that the Eighty Sixth Annual General Meeting of the company will be held at 8-10 New Fetter Lane, London EC4A 1NQ on Tuesday 10 June 1997 at 12 Noon for the transaction of the following business:

- 1 To receive and adopt the directors' report, annual accounts and auditors report for the year ended 31 December 1996. (Resolution 1)
- 2 To declare and approve a dividend of 0.81p per share. (Resolution 2)
- 3 To re-elect as a director Mr L C J Brown who has attained the age of 70 (special notice having been received that he is over 70) (Resolution 3)
- 4 To re-elect as a director Mr J A Sibbald who retires by rotation (Resolution 4)
- 5 To reappoint Pannell Kerr Forster as auditors. (Resolution 5)
- 6 To authorise the directors to determine the remuneration of the auditors. (Resolution 6)

8-10 New Fetter Lane
London EC4A 1NQ
Registered in England and Wales - Number 112155
21 April 1997

By order of the Board
M.C. STEVENS
Secretary



NOTES:

- 1 A member entitled to vote at the meeting may appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the company.
- 2 To be valid, the instrument appointing a proxy, together with the power of attorney or other authority, if any, under which it is signed (or a notorially certified copy of such power of authority) must be deposited at the company's registrars, Independent Registrars Group Limited, 390/398 High Road, Ilford, Essex IG1 1BR not later than 48 hours before the time fixed for the meeting or if the meeting is adjourned not later than 48 hours before the time fixed for the adjourned meeting.
- 3 Completion of a proxy form will not preclude shareholders from attending and voting at the meeting if they wish. A form of proxy is enclosed for use by shareholders.
- 4 The following document will be available for inspection at the registered office of the company on any weekday during normal business hours and will also be available from 11.45 am on the day of the meeting until the close of the meeting:
- A register in which are recorded all the transactions of each director and their family interests in the share capital of the company.

Bisichi Mining PLC

Form of proxy

I/We the undersigned, being the holder(s) of ordinary shares of the company, hereby appoint

.....
 or, failing him/her, the chairman of the meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Tuesday 10 June 1997 at 12 noon at 8-10 New Fetter Lane, London EC4A 1NQ and at any adjournment thereof. I/We direct that my/our vote(s) be cast on the resolutions as indicated by an X in the appropriate spaces below.

RESOLUTIONS Ordinary Business	FOR	AGAINST
1 To receive and adopt the directors' report, annual accounts and auditors' report for the year ended 31 December 1996		
2 To declare and approve a dividend.		
3 To re-elect as a director Mr L C J Brown.		
4 To re-elect as a director Mr J A Sibbald.		
5 To reappoint Pannell Kerr Forster as auditors.		
6 To authorise the directors to determine the remuneration of the auditors.		

NOTES:

- 1 Shareholders may appoint one or more proxies of his/her/their own choice. A proxy need not be a member of the company. The Chairman of the meeting will act as your proxy if you do not insert the name of a proxy of your choice.
- 2 Please indicate with an X how you wish your votes to be cast. Any alterations made to this form should be initialled.
- 3 Unless otherwise instructed the proxy will abstain or vote as he/she thinks fit. On any motion to amend any resolution, to propose a new resolution, to adjourn the meeting or any other motion put to the meeting the proxy will act at his/her discretion.
- 4 If the appointer is a corporation this proxy should be executed under the common seal of such corporation in accordance with Section 36A of the Companies Act 1985 or be signed by its attorney or by an authorised officer on behalf of the Corporation. In the case of an individual this proxy should be signed by the appointer or his attorney.
- 5 To be valid, the instrument appointing a proxy, together with the power of attorney or other authority, if any, under which it is signed (or a notorially certified copy of such power of authority) must be deposited at the company's registrars, Independent Registrars Group Limited, 390-398 High Road, Ilford, Essex IG1 1BR not later than 48 hours before the time fixed for the meeting, or if the meeting is adjourned not later than 48 hours before the time fixed for the adjourned meeting.
- 6 In the case of joint registered holders the signature of any one holder is sufficient but the vote of the senior holder who tenders a vote shall be accepted to the exclusion of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members.
- 7 Completion of this form will not preclude a shareholder from attending and voting in person.

Full Name (block capitals please)

Address

Signed this day of 1997 (Signature)