

**BLACK GINGER 461 PROPRIETARY LIMITED**  
**(Registration number 2007/027399/07)**

**CONSOLIDATED GROUP AND COMPANY**

**AUDITED ANNUAL FINANCIAL STATEMENTS**

**31 March 2016**

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**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**CONSOLIDATED GROUP AND COMPANY AUDITED ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2016

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**DIRECTORS' RESPONSIBILITY FOR THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS**

The directors acknowledge their responsibility for the adequacy of the accounting records, the effectiveness of risk management and the internal control environment, the appropriateness of accounting policies, and the basis of estimates and provisions. The directors also acknowledge their responsibility for preparing the consolidated group and company annual financial statements, adhering to applicable accounting standards, and preparing related information which fairly presents the state of affairs and the results of the group and company. The directors have implemented an internal control system designed to facilitate effective and efficient operation of the group and company and to ensure appropriate responses.

The internal, financial and operating controls provide reasonable assurance but not absolute assurance, regarding the safeguarding of assets from inappropriate use or from loss or fraud, compliance with statutory laws and regulations, the maintenance of proper accounting records and the adequacy and reliability of financial information.

The directors have satisfied themselves that these systems and procedures are implemented, maintained and monitored by appropriate trained personnel with suitable segregation of authority, duties and reporting lines.

**Risk management**

The management of risk and loss control is focused on identifying major risks, ascertaining the financial implications and insuring only those aspects that have the potential for serious and catastrophic consequences.

**Directors' approval of the group and company annual financial statements**

The group and company annual financial statements have been prepared on the historical cost basis.

The group and company annual financial statements are prepared on the going concern basis, since the directors have every reason to believe that the group and company have adequate resources in place to continue in operation for the foreseeable future.

Deloitte & Touche was given unrestricted access to all financial records and data, including minutes of all meetings of the board of directors. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate.

The group and company annual financial statements set out on pages 3 to 39 and as prepared under the supervision of Atish Mangal CA (Indian), have been approved by the directors on 10 June 2016 and are signed on its behalf by:

  
\_\_\_\_\_  
Director

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLACK GINGER 461 PROPRIETARY LIMITED

We have audited the annual financial statements of Black Ginger 461 Proprietary Limited set out on pages 5 to 39, which comprise the statement of financial position as at 31 March 2016, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

### *Directors' Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinion*

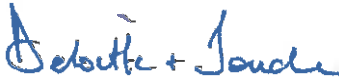
In our opinion, the financial statements present fairly, in all material respects, the financial position of Black Ginger 461 Proprietary Limited as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### *Emphasis of matter*

Without qualifying our opinion, we draw attention to the disclosures included under the going concern paragraph in note 13 of the Directors' Report in the annual financial statements. These conditions may indicate the existence of a material uncertainty which may cast doubt on the company's ability to continue as a going concern.

### *Other reports required by the Companies Act*

As part of our audit of the financial statements for the year ended 31 March 2016, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The report is the responsibility of the preparer. Based on reading the report we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited the report and accordingly do not express an opinion on it



Deloitte & Touche  
Registered Auditor

Per: Thega Murrday  
Partner  
10 June 2016

National Executive: \*LI Bam Chief Executive \*AE Swiegers Chief Operating Officer \*GM Pinnock Audit  
\*N Sing Risk Advisory \*NB Kader Tax TP Pillay Consulting S Gwala BPaas \*K Black Clients & Industries  
\*JK Mezzocco Talent & Transformation \*WJ Jarvis Finance \*M Jordan Strategy \*WJ Comber Reputation & Risk  
\*T Brown Chairman of the Board

A full list of partners and directors is available on request

\* Partner and Registered Auditor

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

**BLACK GINGER 461 PROPRIETARY LIMITED**  
**(Registration number 2007/027399/07)**  
**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2016**

The directors have pleasure in presenting their report on the activities of the group and company for the financial year ended 31 March 2016.

**1. GENERAL REVIEW**

The operating results and state of affairs of the group and company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

**Key performance indicators**

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Net profit/(loss) after tax	22,226,698	(96,976,505)	(8,610,518)	(7,959,430)
Total Assets	730,350,791	675,003,279	305,784,805	314,772,703
Current liabilities	225,490,795	173,507,001	66,986,915	51,532,037

**2. SHARE CAPITAL**

There is an authorised share capital of 59,001,000 ordinary shares of R1 each. The authorised share capital has not changed since the prior year.

The issued share capital is 59,000,200 ordinary shares of R1 each (2015: 59,000,200 ordinary shares of R1 each)

**3. NATURE OF THE BUSINESS**

The group and company is engaged in investing in mining operations in Africa. The company is the majority shareholder in Sedibeng Iron Ore Proprietary Limited, which commenced mining operations at the beginning of the 2012 financial year.

**4. DIVIDENDS**

No dividends were declared or paid to shareholders during the current or prior 12 months.

**5. SUBSIDIARY**

Black Ginger 461 Proprietary Limited has the following subsidiary:

- Sedibeng Iron Ore Proprietary Limited - 64% shareholding (2015: 64% shareholding)

**6. SHAREHOLDER**

The company is 100% owned by Tata Steel Global Minerals Holdings Private Limited, which is registered in Singapore. The company's ultimate holding company is Tata Steel Limited, which is registered in India.

**7. DIRECTORS**

The directors of the company during the 12 months and to the date of the financial statements are as follows:

- S. Banerjee\*
- S. Biswas\*
- R Singhal\*
- D Bose\*

\* Indian

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**REPORT OF THE DIRECTORS (continued)**  
for the year ended 31 March 2016

**8. SUBSEQUENT EVENTS**

No events material to the understanding of this report have occurred during the period between 31 March 2016 and the date of this report.

**9. RELATED PARTIES**

Ultimate holding company:	Tata Steel Limited (India)
Holding company:	Tata Steel Global Minerals Holding Private Limited (Singapore)
Tata Group companies:	Tata Steel Asia Hong Kong Pte Ltd Tata Steel Global Procurement Pte Limited
Subsidiary company:	Sedibeng Iron Ore Proprietary Limited
Fellow shareholders of subsidiary:	Cape Gannet Properties Proprietary Limited Industrial Development Corporation of South Africa Limited

**10. SECRETARY**

The secretary of the company is ARB Incorporated. ARB Incorporated continued in office for the full financial year.

Business address:  
34 Fricker Road  
Illovo  
2196

**11. AUDITOR**

Deloitte & Touche

Business address:  
The Woodlands Office Park  
20 Woodlands Drive  
Woodmead

Postal address:  
Private Bag X6  
Gallo Manor  
2052

**12. REGISTERED OFFICE**

Business address:  
39 Ferguson Road  
Illovo  
2196

Postal address:  
P.O. Box 55253  
Northlands  
2116

**BLACK GINGER 461 PROPRIETARY LIMITED**  
**(Registration number 2007/027399/07)**  
**REPORT OF THE DIRECTORS (continued)**  
**for the year ended 31 March 2016**

**13. GOING CONCERN**

The directors of Black Ginger Proprietary Limited have reviewed the going concern considerations of the group and company and have no reason to believe the business will not be a going concern in the year ahead.

The group earned a net profit after tax of R22.23 million (2015: loss after tax of R96.98 million), whilst the company incurred a net loss after tax of R8.61 million (2015: R7.96 million) for the year ended 31 March 2016, and as at that date the group's total assets exceeded the total liabilities by R130.05 million (2015: R81.16 million), whilst the company's total assets exceeded the total liabilities by R83.20 million (2015: R65.14 million).

The group's current assets exceeded the current liabilities by R2.95 million (current liabilities exceeded the current assets by R25.99 million), whilst the company's current assets exceeded the current liabilities by R6.55 million (2015: R31.44 million).

We draw your attention to the disclosures included under 'Key sources of estimations and uncertainty' under significant accounting policies.

The group and company annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business. Accordingly, these financial statements do not include any adjustment relating to the valuation of assets and the classification of liabilities that might be necessary if the group and company were unable to continue as a going concern.

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**STATEMENTS OF FINANCIAL POSITION**  
for the year ended 31 March 2016

		GROUP		COMPANY	
	Notes	2016	2015	2016	2015
		R	R	R	R
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	48,473,001	38,436,182	702,663	263,993
Intangible assets	6	394,777,340	424,423,287	-	-
Capital Work-in-progress		803,165	6,774,288	-	-
Goodwill	7	57,858,206	57,858,206	-	-
Investment in subsidiary	8	-	-	231,539,306	231,539,306
<b>Total non-current assets</b>		<b>501,911,712</b>	<b>527,491,963</b>	<b>232,241,969</b>	<b>231,803,299</b>
<b>Current assets</b>					
Inventory	9	83,353,798	53,835,885	-	-
Trade and other receivables	10	38,741,935	35,640,518	70,081,192	82,945,679
Cash and cash equivalents	11	106,343,346	58,034,913	3,461,644	23,725
<b>Total current assets</b>		<b>228,439,079</b>	<b>147,511,316</b>	<b>73,542,836</b>	<b>82,969,404</b>
<b>TOTAL ASSETS</b>		<b>730,350,791</b>	<b>675,003,279</b>	<b>305,784,805</b>	<b>314,772,703</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital	12	59,000,200	59,000,200	59,000,200	59,000,200
Share premium	12	51,089,989	51,089,989	51,089,989	51,089,989
Share application money	12	26,666,667	-	26,666,667	-
Retained earnings		(29,511,019)	(40,636,319)	(53,556,840)	(44,946,322)
Minority interest		22,806,500	11,705,102	-	-
<b>Total shareholders' funds</b>		<b>130,052,337</b>	<b>81,158,972</b>	<b>83,200,016</b>	<b>65,143,867</b>
<b>Non-current liabilities</b>					
Term Loan		6,220,000	-	-	-
Loans from shareholders	13	252,503,957	316,320,496	155,597,874	198,096,799
Deferred tax	14	104,017,178	90,886,286	-	-
Provision for rehabilitation	15	12,066,524	13,130,524	-	-
<b>Total non-current liabilities</b>		<b>374,807,659</b>	<b>420,337,306</b>	<b>155,597,874</b>	<b>198,096,799</b>
<b>Current liabilities</b>					
Loans from shareholders	13	80,249,399	-	57,077,971	-
Trade and other payables	16	145,241,396	173,507,001	9,908,944	51,532,037
<b>Total current liabilities</b>		<b>225,490,795</b>	<b>173,507,001</b>	<b>66,986,915</b>	<b>51,532,037</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>730,350,791</b>	<b>675,003,279</b>	<b>305,784,805</b>	<b>314,772,703</b>

**BLACK GINGER 461 PROPRIETARY LIMITED**  
**(Registration number 2007/027399/07)**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**for the year ended 31 March 2016**

	Notes	GROUP		COMPANY	
		2015 R	2015 R	2016 R	2015 R
Revenue	1	821,406,257	499,438,750	13,417,673	17,100,376
Cost of sales		(717,634,070)	(547,194,965)	-	-
Gross profit/(loss)		103,772,187	(47,756,215)	13,417,673	17,100,376
Profit/(Loss) on foreign currency transactions		189,814	(287,929)	(1,154,850)	-
Operating expenses		(48,229,151)	(66,981,867)	(9,690,157)	(14,256,649)
Profit/(Loss) before interest and taxation	2	55,732,850	(115,026,011)	2,572,666	2,843,727
Finance costs	3	(22,375,251)	(19,255,368)	(14,580,048)	(13,981,300)
Finance income		861,351	2,687,122	3,396,864	3,178,143
Profit/(Loss) before taxation		34,218,950	(131,594,257)	(8,610,518)	(7,959,430)
Taxation	4	(11,992,252)	34,617,752	-	-
Profit/(Loss) for the year		22,226,698	(96,976,505)	(8,610,518)	(7,959,430)
Other comprehensive income		-	-	-	-
<b>Total comprehensive profit/(loss)</b>		<b>22,226,698</b>	<b>(96,976,505)</b>	<b>(8,610,518)</b>	<b>(7,959,430)</b>
<b>Profit/(Loss) attributable to:</b>					
Equity holders of the parent		11,125,300	(64,930,358)	(8,610,518)	(7,959,430)
Minority interest		11,101,398	(32,046,147)	-	-
		<b>22,226,698</b>	<b>(96,976,505)</b>	<b>(8,610,518)</b>	<b>(7,959,430)</b>



**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**STATEMENTS OF CHANGES IN EQUITY**  
for the year ended 31 March 2016

<b>GROUP</b>	<b>Share capital and share premium</b>	<b>Retained earnings</b>	<b>Attributable to equity holders of the parent</b>	<b>Minority interests</b>	<b>Total</b>
Balance at 31 March 2014	110,090,189	24,294,039	134,384,228	43,751,249	178,135,477
Total comprehensive loss for the year	-	(64,930,358)	(64,930,358)	(32,046,147)	(96,976,505)
<b>Balance at 31 March 2015</b>	<b>110,090,189</b>	<b>(40,636,319)</b>	<b>69,453,870</b>	<b>11,705,102</b>	<b>81,158,972</b>
Total comprehensive loss for the year		11,125,300	11,125,300	11,101,398	22,226,698
Share application money received	26,666,667		26,666,667		26,666,667
<b>Balance at 31 March 2016</b>	<b>136,756,856</b>	<b>(29,511,019)</b>	<b>107,245,837</b>	<b>22,806,500</b>	<b>130,052,337</b>
<b>COMPANY</b>					
Balance at 31 March 2014	110,090,189	(36,986,892)	73,103,297	-	73,103,297
Total comprehensive loss for the year	-	(7,959,430)	(7,959,430)	-	(7,959,430)
<b>Balance at 31 March 2015</b>	<b>110,090,189</b>	<b>(44,946,322)</b>	<b>65,143,867</b>	<b>-</b>	<b>65,143,867</b>
Total comprehensive loss for the year	-	(8,610,518)	(8,610,518)	-	(8,610,518)
Share application money received	26,666,667	-	26,666,667	-	26,666,667
<b>Balance at 31 March 2016</b>	<b>136,756,856</b>	<b>(53,556,840)</b>	<b>83,200,016</b>	<b>-</b>	<b>83,200,016</b>

**BLACK GINGER 461 PROPRIETARY LIMITED**  
**(Registration number 2007/027399/07)**  
**STATEMENTS OF CASH FLOWS**  
**for the year ended 31 March 2016**

	Notes	GROUP		COMPANY	
		2016 R	2015 R	2016 R	2015 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash generated from/(utilised in) operations	17.1	47,284,600	66,661,032	(22,761,441)	(1,591,725)
Interest received		861,351	2,687,122	101,195	30,845
Interest paid	17.2	(4,938,018)	(2,260,444)	(1,002)	-
Taxation paid	17.3	1,138,641	-	-	-
<b>Net cash inflow/(outflow) from operating activities</b>		<b>44,346,574</b>	<b>67,087,710</b>	<b>(22,661,248)</b>	<b>(1,560,880)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Additions to property, plant and equipment		(26,921,160)	(30,241,023)	(567,500)	(21,669)
Additions to intangible assets		(2,003,648)	(4,213,584)	-	-
Decrease/(increase) in loan and advances to subsidiary		-	-	-	-
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(28,924,808)</b>	<b>(34,454,607)</b>	<b>(567,500)</b>	<b>(21,669)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Term Loan from State Bank of India		6,220,000	-	-	-
Share application money received		26,666,667	-	26,666,667	-
<b>Net cash (outflow)/inflow from financing activities</b>		<b>32,886,667</b>	<b>-</b>	<b>26,666,667</b>	<b>-</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>					
		<b>48,308,433</b>	<b>32,633,103</b>	<b>3,437,919</b>	<b>(1,582,549)</b>
Cash and cash equivalents at beginning of period		58,034,913	25,401,810	23,725	1,606,274
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>11</b>	<b>106,343,346</b>	<b>58,034,913</b>	<b>3,461,644</b>	<b>23,725</b>

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**ACCOUNTING POLICIES**  
for the year ended 31 March 2016

**BASIS OF PREPARATION**

**Accounting framework**

The group and company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa on the historical cost convention except for certain financial instruments that are stated at fair value and incorporate the following principal accounting policies.

The basis of preparation is consistent with the prior year.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interest of the group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

**Business combinations**

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal group) that are classified as held for sale in accordance with IFRS 5 non-current assets held for sale and discounted operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of assets, liabilities and contingent liabilities recognised.

**BLACK GINGER 461 PROPRIETARY LIMITED**  
 (Registration number 2007/027399/07)  
**ACCOUNTING POLICIES (continued)**  
 for the year ended 31 March 2016

**BASIS OF PREPARATION (continued)**

**Business combinations (continued)**

*Underlying concepts*

The group and company financial statements are prepared on the going concern basis using accrual accounting. Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

Financial assets and financial liabilities are offset and the net amount reported only when a legally enforceable right to set off the amounts exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Changes in accounting policies are accounted for in accordance with the transitional provisions in the standards. If no such guidance is given, they are applied retrospectively, unless it is impracticable to do so, in which case they are applied prospectively.

*Events after the reporting period date*

Recognised amounts in the group and company financial statements are adjusted to reflect events arising after the statement of financial position date that provide additional evidence of conditions that existed at such date. Events after the reporting period date that are indicative of conditions that arose after the reporting period date are dealt with by way of a note.

*Comparative figures*

Comparative figures are restated in the event of a change in accounting policy or a prior period error.

**NEW ACCOUNTING PRONOUNCEMENTS**

At the date of authorisation of these financial statements, there are Standards and Interpretations in issue but not yet effective. The directors are in the process of evaluating the disclosure requirements that the adoption of these standards will have in future periods when the relevant standards come into effect for the group and company.

Refer below for the comprehensive list of new Standards and Interpretations in issue but not yet effective.

<b>Standard</b>	<b>Title</b>	<b>Effective year beginning on or after:</b>
IFRS 7	Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IFRS 9	Financial Instruments - Finalised version incorporating requirements for classification and measurement impairment general hedge accounting and derecognition.	1 January 2018
IFRS 15	Revenue from Contracts with Customers - Original issue	1 January 2017
IAS 1	Presentation of Financial Statements - Amendments resulting from the disclosure initiative	1 January 2016
IAS 16	Property Plant and Equipment - Amendments bringing bearer plants into the scope of IAS 16	1 January 2016
IAS 19	Employee Benefits - Amendments resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**ACCOUNTING POLICIES (continued)**  
for the year ended 31 March 2016

**SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of the financial statements, which have been applied on a consistent basis, are as follows:

**Critical judgments and key sources of estimation uncertainty**

In the application of the group and company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

No critical judgements, apart from those involving estimations described below, have been made by the management.

**Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

*Useful lives and residual values of assets*

As described in the accounting policies below, the group and company reviews the estimated useful lives of plant and equipment at the end of each annual reporting period. During the financial year, the directors determined that no revision is required to the useful lives and residual values of plant and equipment based on the forecast commercial and economic realities and through benchmarking of accounting treatments in the industry.

*Impairment of assets*

An assessment for impairment of plant and equipment and financial assets is performed at each reporting period based on the technical, economic and business circumstances.

*Provisions*

Management has applied judgement in estimating various provisions raised in the operations.

*Valuation of intangible assets on acquisition of businesses*

At the date of acquisition of businesses and subsidiaries, the group performs an assessment of intangible assets which have been acquired, but which are not included on the statement of financial position of the acquiree. The intangible assets are then recognised as assets in the company. Various valuation techniques are used to determine the value at which these intangible assets are recognised. The assumptions used in these valuation techniques will determine the value at which the intangible assets are recognised.

*Amortisation of intangible assets*

Intangible assets acquired were accounted for at fair value at the date of acquisition. Fair value was determined based on valuation principles described above. The period over which these assets are amortised is subject to a high degree of estimation.

**BLACK GINGER 461 PROPRIETARY LIMITED**  
**(Registration number 2007/027399/07)**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 March 2016**

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Key sources of estimation uncertainty (continued)**

*Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the statement of financial position date was R57 858 206 (2014: R57 858 206). No impairment loss has been recognised on goodwill.

*Mineral reserves estimates and Life of Mine*

Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the group's properties. In order to calculate the reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and grade of the mineral reserves requires the size, shape and depth of ore-bodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

The group is required to determine and report on the mineral reserves in accordance with the South African Mineral Resource Committee ("SAMREC") Code. Estimates of mineral reserves may change from year to year due to the change in economic assumptions used to estimate ore reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable reserves may affect the group's financial results and position in a number of ways, including the following:

- Asset carrying values may be affected due to the changes in estimated cash flows;
- Depreciation and amortisation charges to profit or loss may change as these are calculated on the unit-of-production method, or where the useful economic lives of assets change;
- Deferred stripping costs recorded in the statement of financial position or charged to profit or loss may change due to changes in stripping ratios or the unit-of-production method of depreciation;
- Decommissioning site restoration and environmental provisions may change where changes in ore reserves affect expectations about the timing or cost of these activities; and

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Key sources of estimation uncertainty (continued)**

*Mineral reserves estimates and Life of Mine (continued)*

The calculation of the units-of-production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable mineral reserves. This would generally result from the extent that there are significant changes in any of the factors or assumptions used in estimating mineral reserves. These factors could include:

- Changes in proved and probable mineral reserves;
- Differences between actual commodity prices and commodity price assumptions;
- Unforeseen operational issues at mine sites;
- Changes in capital, operating, mining, processing costs, discount rates and foreign exchange rates; and
- Changes in mineral reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

*Closure and rehabilitation*

The mining, extraction and processing activities of the group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility commissioning and dismantling, removal or treatment of waste materials as well as site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of the Department of Mineral Resources ("DMR") and the group's environmental policies.

As a result of the group commencing mining operations during the 2012 financial year, a provision for rehabilitation costs at the end of the life of the mine is required to be raised. The group makes use of an independent expert to determine the value of the provision required. The provision is based on the rates suggested by the Department of Mining Resources, adjusted for inflationary increases. The provision required at the end of the life of a mine is discounted to the net present value using an appropriate discount rate.

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbances occur. When the extent of disturbances increases over the life of an operation, the provision is increased accordingly.

Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation and at the time of closure in connection with the disturbances at the reporting date.

Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

The timing of the actual closure and rehabilitation expenditure is dependent upon a number of factors such as the life and nature of the asset, the operating licence conditions, the principles of the group's charter and the environment in which the mine operates. Expenditure may occur before and after closure and can continue for an extended period of time dependent on closure and rehabilitation requirements. The majority of the expenditure is expected to be paid over a period of up to 30 years.

Closure and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Discount rates used are specific to South Africa and the group. Significant judgements and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements, which give rise to a legal obligation.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. Any subsequent expenditure or changes in estimates are recorded in profit or loss in the period in which they are incurred. The capitalised costs are amortised in profit or loss over the life of the mine.

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**ACCOUNTING POLICIES (continued)**  
for the year ended 31 March 2016

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Key sources of estimation uncertainty (continued)**

*Closure and rehabilitation (continued)*

The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognised in finance costs. Closure and rehabilitation provisions are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalised cost, except where the reduction in the provision is greater than the undepreciated capitalised cost of the related assets, in which case the capitalised cost is reduced to nil and the remaining adjustment is recognised in profit or loss.

In the case of closed sites, changes to estimated costs are recognised immediately in profit or loss. Changes to the capitalised cost result in an adjustment to future depreciation. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved.

Factors influencing those changes include:

- Revisions to estimated reserves, resources and lives of operations;
- Developments in technology;
- Regulatory requirements and environmental management strategies;
- Changes in the estimated extent and costs of anticipated activities, including the effects of inflation and movements in foreign exchange rates; and
- Movements in interest rates affecting the discount rate applied.

*Future iron ore prices*

The predicted future iron ore prices are used to calculate the cash flow forecasts for assessing potential impairment requirements. The price projections are based on experts' research reports. The price projections have a significant impact on the long term cash flow projections and therefore the group's future cash flows are highly sensitive to the fluctuation in iron ore prices.

*Future Exchange rates*

The predicted exchange rates (ZAR vs USD) are used to calculate the cash flow forecasts for assessing potential impairment requirements. The exchange rate projections are based on long term forward curve based on experts' reports. The exchange rate projections have a significant impact on the long term cash flow projections and therefore company's future cash flows are highly sensitive to the fluctuations in exchange rates.

**Change in accounting policies**

The group reassesses its accounting policies annually to ensure continued applicability of the chosen policies. In the event that a policy choice is no longer considered the most appropriate choice, a voluntary change in policy is adopted and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is applied.

**Impairments of tangible and intangible assets excluding goodwill**

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.

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

All impairment losses are recognised in 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 and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.



**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**ACCOUNTING POLICIES (continued)**  
for the year ended 31 March 2016

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial instruments**

Financial instruments are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

**Financial assets**

*Trade and other receivables*

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

*Investments*

Investments are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the

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

Investments other than held-to-maturity debt securities are classified as either investments held for trading or as available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in profit or loss for the period. Available-for-sale gains and losses are recognised in other comprehensive income. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

*Cash and cash equivalents*

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

**Financial liabilities and equity**

Financial liabilities and equity instruments issued by the group and company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

*Bank borrowings*

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

**BLACK GINGER 461 PROPRIETARY LIMITED**  
**(Registration number 2007/027399/07)**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 March 2016**

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Trade and other payables*

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

*Equity instruments*

Equity instruments issued by the group and company are recorded at the proceeds received, net of direct issue costs.

*Compound Instruments*

The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised in equity, net of income tax effect and is not subsequently re-measured.

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

**Income tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

**Deferred tax**

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**Cash and cash equivalents**

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 and company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flow.

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**ACCOUNTING POLICIES (continued)**  
for the year ended 31 March 2016

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Finance income and expenses**

Finance income comprises interest on funds invested, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues.

Finance expenses comprise interest on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs are capitalised to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and borrowing costs are being incurred. Capitalisation of borrowing costs may continue until the asset is substantially ready for its intended use. All other borrowing costs are recognised in profit and loss as they are incurred.

**Property, plant and equipment**

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

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

Property, plant and equipment, other than mineral properties, are initially measured at cost less accumulated depreciation and any impairment losses. Mineral properties are re-valued in accordance with the expected net realisable value of the asset.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it.

If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replacement part is derecognised.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment.

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

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**ACCOUNTING POLICIES (continued)**  
for the year ended 31 March 2016

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Intangible Assets**

The cost of an item of Intangible Assets is recognised as an asset when:

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

Intangible Assets, other than mineral properties, are initially measured at cost less accumulated amortisation and any impairment losses. Mineral properties are revalued in accordance with the expected net realisable value of the asset.

Cost includes costs incurred initially to acquire or construct an item of intangible assets and costs incurred subsequently to add to or replace part of it. Expenses on mine development, construction of mine roads, stripping cost, long term mine planning consultancy are recognised as Development expenses.

Mining properties and Development Expenses are amortised on unit of production basis.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The following rates of depreciation/amortisation are used:

Plant and equipment	25%
Furniture and fittings	17%
Motor vehicles	20%
Loose tools	33%
Computer software	33%
Office equipment	20%

**Translation of foreign currencies**

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of the transactions. Assets and liabilities in foreign currencies have been accounted for at the rate of exchange ruling at the statement of financial position date. At each statement of financial position date monetary items denominated in foreign currency are retranslated at the rates prevailing on the statement of financial position date. Exchange differences arising on translation are recognised on the statement of financial position date. Exchange differences arising on translation are recognised in the statement of comprehensive income in the period in which they occur.

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**ACCOUNTING POLICIES (continued)**  
for the year ended 31 March 2016

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenue**

Revenue is measured at the fair value of the consideration received/receivable. Revenue, excluding value added tax, comprises net invoiced sales to third parties of goods manufactured or purchased for resale.

Sale of goods is recognised when the goods are delivered and title has passed.

Other revenues earned by the group and company including interest income, are recognised as they are accrued taking into account the effective yield on the asset, unless collectability is in doubt.

**Provisions**

Provisions are recognised when the company has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be reliably estimated.

**Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of the inventories comprises all costs of purchases, conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

**Goodwill**

Goodwill arising on the acquisition of a subsidiary or business represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or business recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or business, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**BLACK GINGER 461 PROPRIETARY LIMITED**  
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**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2016

	GROUP		COMPANY	
	2016	2015	2016	2015
	R	R	R	R
<b>1. REVENUE</b>				
Revenue from sale of goods	821,406,257	499,438,750	13,417,673	17,100,376
	<b>821,406,257</b>	<b>499,438,750</b>	<b>13,417,673</b>	<b>17,100,376</b>
<b>2. PROFIT/(LOSS) BEFORE INTEREST AND TAXATION FOR THE YEAR IS STATED AFTER ACCOUNTING FOR THE FOLLOWING:</b>				
Audit fees	957,000	825,000	160,000	148,500
Bank Charges	3,617,635	2,299,373	21,771	22,311
Bank Guarantee Charges	537,426	538,071	-	-
Clinic Fee	2,921,933	1,858,547	-	-
Computer and Internet Expenses	1,057,515	944,378	29,244	48,239
Guest House Expenses	1,303,664	1,911,636	-	-
Insurance	1,147,295	1,065,718	-	-
Motor Vehicle Expenses	894,380	1,182,904	15,339	31,499
Rent	1,304,257	1,533,352	179,078	389,523
Royalty to SARS	4,974,673	931,498	-	-
Security Expenses	2,136,128	2,013,084	-	-
Travel Expenses	1,013,886	1,395,495	337,662	404,548
Training expenses	256,311	601,753	-	-
Purchase of Ore	2,026,620	96,662,324	-	-
Drilling Blasting and Haulage Expenses	98,525,885	33,051,607	-	-
Crushing and Screening Expenses	83,249,286	59,466,837	-	-
Consulting fees	11,572,791	10,485,106	26,524	21,847
Consumables	320,864	1,632,292	-	-
Depreciation and amortisation	45,638,337	30,037,501	128,830	124,556
Diesel and Fuel	35,624,583	23,820,280	-	-
Employee costs*	46,182,829	46,024,728	308,803	1,474,106
Freight and Handling	325,951,075	212,057,754	-	-
Loadout Fee	65,070,536	37,388,032	-	-
Port Charges	27,355,786	18,596,368	-	-
Repairs and Maintenance	10,082,539	12,617,281	-	-
Sampling and Analysis	6,326,513	5,462,297	-	-
Offtake Fee	8,453,359	11,451,055	8,453,359	11,451,055
Others	6,759,785	5,399,063	29,547	140,465
<b>Sub Total</b>	<b>795,262,891</b>	<b>621,253,334</b>	<b>9,690,157</b>	<b>14,256,649</b>
<b>Adjustment for Stock movement</b>				
Opening Stock	49,079,163	42,002,661	-	-
Closing Stock	(78,478,833)	(49,079,163)	-	-
<b>Charged to Income Statement</b>	<b>765,863,221</b>	<b>614,176,832</b>	<b>9,690,157</b>	<b>14,256,649</b>

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2016

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Disclosed as:				
Cost of Sales	(717,634,070)	(547,194,965)		
Operating Expenses	(48,229,151)	(66,981,867)	(9,690,157)	(14,256,649)
<b>Total</b>	<b>(765,863,221)</b>	<b>(614,176,832)</b>	<b>(9,690,157)</b>	<b>(14,256,649)</b>

\* Employee cost includes directors' emoluments

*Directors' Emoluments:*

*A. Sitting Fees*

Name of Director	No of Board Meeting Held	No of Board Meeting Attended	Sitting Fees Paid (R 10 000/per meeting)
Sandip Biswas	5	5	50 000
Somdeb Banerjee	5	5	50 000
Dibyendu Bose	5	5	50 000
Rajeev Singhal	5	5	50 000
Dharmendra Kumar	5	5	50 000
VSN Murty	5	4	40 000
Clyde Johnson	5	2	20 000
Tsung Hsien Lin*	5	5	50 000
Gerrit Kruyswijk	5	2	20 000

\* represented by Mr. Nicolas Loubser

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
<b>B. Remuneration:</b>				
Somdeb Banerjee(CEO)**	3,177,098	3,233,062	317,710	983,225

\*\*Mr Somdeb Banerjee is an employee of the holding company, Black Ginger 461 (Pty) Ltd, however 90% of his emoluments are charged to Sedibeng Iron Ore (Pty) Ltd in proportion of the time spent by him.

**3. FINANCE COSTS**

Interest on shareholders' loans	16,432,860	15,751,654	14,579,046	13,981,300
Finance cost unwinding on rehabilitation provision	1,004,373	1,243,270		-
State Bank of India	4,937,016	2,031,744		-
Other Interest	1,002	228,700	1,002	-
	<b>22,375,251</b>	<b>19,255,368</b>	<b>14,580,048</b>	<b>13,981,300</b>

**4. TAXATION**

Normal tax - refund for prior year (FY2014)	(1,138,641)			
Deferred tax - current year	13,130,893	(34,617,752)		
	<b>11,992,252</b>	<b>(34,617,752)</b>		

The company has no taxable income and accordingly, no provision has been made for income tax. The company has estimated tax losses of R53,556,841 (2015: R44,946,319).

**BLACK GINGER 461 PROPRIETARY LIMITED**

(Registration number 2007/027399/07)

**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 2016

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
<b>4. TAXATION (continued)</b>				
<b>Reconciliation of the taxation expense</b>				
Domestic statutory normal rate of taxation (28%)				
Taxation at standard rate	(9,581,306)	36,846,392	2,410,946	2,228,640
<i>Adjusted for:</i>				
Deferred taxation asset not raised	(2,410,946)	(2,228,640)	(2,410,946)	(2,228,640)
	<b>(11,992,252)</b>	<b>34,617,752</b>	<b>-</b>	<b>-</b>

**5. PROPERTY, PLANT AND EQUIPMENT**

**GROUP**

2016	Opening balance R	Additions R	Disposals R	Closing balance R
<b>Cost</b>				
Plant and machinery	56,691,142	24,486,988	-	81,178,130
Tools	505,416	94,152	-	599,568
Office equipment	1,868,161	250,593	-	2,118,754
Furniture and fittings	1,876,214	59,080	-	1,935,294
Motor vehicles	4,496,384	1,203,122	-	5,699,506
				<b>0</b>
<b>Total</b>	<b>65,437,317</b>	<b>26,093,935</b>	<b>-</b>	<b>91,531,252</b>
<b>Accumulated depreciation</b>				
		Depreciation R	Disposals R	Closing balance R
Plant and machinery	(23,824,884)	(14,063,878)	-	(37,888,762)
Tools	(157,814)	(174,665)	-	(332,479)
Office equipment	(681,699)	(539,734)	-	(1,221,433)
Furniture and fittings	(723,576)	(314,009)	-	(1,037,585)
Motor vehicles	(1,613,162)	(964,830)	-	(2,577,992)
<b>Total</b>	<b>(27,001,135)</b>	<b>(16,057,116)</b>	<b>-</b>	<b>(43,058,251)</b>
<b>Net book value</b>	<b>38,436,182</b>			<b>48,473,001</b>

A register containing the fixed assets is available for inspection at the registered office of the company.



**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2016

**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

<b>GROUP</b>				
<b>2015</b>	<b>Opening</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing</b>
	<b>balance</b>			<b>balance</b>
<b>Cost</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Plant and machinery	37,112,405	19,578,737	-	56,691,142
Tools	190,216	315,200	-	505,416
Office equipment	589,728	1,278,433	-	1,868,161
Furniture and fittings	1,427,113	449,101	-	1,876,214
Motor vehicles	2,651,120	1,845,264	-	4,496,384
<b>Total</b>	<b>41,970,582</b>	<b>23,466,735</b>	<b>-</b>	<b>65,437,317</b>
<b>Accumulated depreciation</b>	<b>Opening</b>	<b>Depreciation</b>	<b>Disposals</b>	<b>Closing</b>
	<b>balance</b>			<b>balance</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Plant and machinery	(11,869,364)	(11,955,520)	-	(23,824,884)
Tools	(24,782)	(133,032)	-	(157,814)
Office equipment	(268,521)	(413,178)	-	(681,699)
Furniture and fittings	(443,425)	(280,151)	-	(723,576)
Motor vehicles	(867,621)	(745,541)	-	(1,613,162)
<b>Total</b>	<b>(13,473,713)</b>	<b>(13,527,422)</b>	<b>-</b>	<b>(27,001,135)</b>
<b>Net book value</b>	<b>28,496,869</b>			<b>38,436,182</b>

A register containing the fixed assets is available for inspection at the registered office of the company.

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**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2016

**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

**COMPANY**

<b>2016</b>	<b>Opening balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing balance</b>
<b>Cost</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Furniture and fittings	279,423	-	-	279,423
Motor vehicles	544,997	567,500	-	1,112,497
<b>Total</b>	<b>824,420</b>	<b>567,500</b>	<b>-</b>	<b>1,391,920</b>
<b>Accumulated depreciation</b>	<b>Opening balance</b>	<b>Depreciation</b>	<b>Disposals</b>	<b>Closing balance</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Furniture and fittings	(196,644)	(36,372)	-	(233,016)
Motor vehicles	(363,783)	(92,458)	-	(456,241)
<b>Total</b>	<b>(560,427)</b>	<b>(128,830)</b>	<b>-</b>	<b>(689,257)</b>
<b>Net book value</b>	<b>263,993</b>			<b>702,663</b>

**COMPANY**

<b>2015</b>	<b>Opening balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing balance</b>
<b>Cost</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Furniture and fittings	257,754	21,669	-	279,423
Motor vehicles	544,997	-	-	544,997
<b>Total</b>	<b>802,751</b>	<b>21,669</b>	<b>-</b>	<b>824,420</b>
<b>Accumulated depreciation</b>	<b>Opening balance</b>	<b>Depreciation</b>	<b>Disposals</b>	<b>Closing balance</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Furniture and fittings	(160,181)	(36,463)	-	(196,644)
Motor vehicles	(275,690)	(88,093)	-	(363,783)
<b>Total</b>	<b>(435,871)</b>	<b>(124,556)</b>	<b>-</b>	<b>(560,427)</b>
<b>Net book value</b>	<b>366,880</b>			<b>263,993</b>

**BLACK GINGER 461 PROPRIETARY LIMITED**  
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**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2016

**6. INTANGIBLE ASSETS**

GROUP	Cost/ valuation		Accumulated amortisation		Carrying value		Cost/ valuation		Accumulated amortisation		Carrying value	
	2016 R	2016 R	2016 R	2016 R	2016 R	2016 R	2015 R	2015 R	2015 R	2015 R	2015 R	2015 R
Development costs	77,613,219	(9,770,541)	67,842,678	75,948,975	(4,589,078)	71,359,897						
Mineral rights	365,000,001	(45,948,972)	319,051,029	365,000,001	(22,054,460)	342,945,541						
Computer software	664,933	(382,466)	282,467	325,529	(321,511)	4,018						
Rehabilitation asset	8,695,868	(1,094,702)	7,601,166	10,764,241	(650,410)	10,113,831						
<b>Total</b>	<b>451,974,021</b>	<b>(57,196,681)</b>	<b>394,777,340</b>	<b>452,038,746</b>	<b>(27,615,459)</b>	<b>424,423,287</b>						
<b>Reconciliation of intangible assets:</b>												
	Opening balance		Closing balance		Opening balance		Closing balance		Amortisation		Closing balance	
	2016 R	2016 R	2016 R	2016 R	2015 R	2015 R	2015 R	2015 R	2015 R	2015 R	2015 R	2015 R
Development costs	71,359,897	(5,181,463)	67,842,678	70,009,554	70,009,554	4,211,274	(2,860,931)	71,359,897				
Mineral rights	342,945,541	(23,894,512)	319,051,029	356,207,226	356,207,226	2,310	(13,261,685)	342,945,541				
Computer software	4,018	(60,955)	282,467	29,187	29,187	2,310	(27,479)	4,018				
Rehabilitation asset	10,113,831	(2,068,373)	7,601,166	11,765,534	11,765,534	(1,291,719)	(359,984)	10,113,831				
<b>Total</b>	<b>424,423,287</b>	<b>(29,581,722)</b>	<b>394,777,340</b>	<b>438,011,501</b>	<b>438,011,501</b>	<b>2,921,865</b>	<b>(16,510,079)</b>	<b>424,423,287</b>				

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**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
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**6. INTANGIBLE ASSETS (continued)**

COMPANY	Cost/ Valuation	Accumulated amortisation	Carrying value	Cost/ Valuation	Accumulated amortisation	Carrying value
	2016 R	2016 R	2016 R	2015 R	2015 R	2015 R
Computer software	194,950	(194,950)	-	194,950	(194,950)	-
<b>Total</b>	<b>194,950</b>	<b>(194,950)</b>	<b>-</b>	<b>194,950</b>	<b>(194,950)</b>	<b>-</b>

**Reconciliation of intangible assets:**

Computer software	Opening balance	Additions	Amortisation	Closing balance	Opening balance	Additions	Amortisation	Closing balance
	2016 R	2016 R	2016 R	2016 R	2015 R	2015 R	2015 R	2015 R
Computer software	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The provision has been determined by an independent expert using the rates suggested by the Department of Mineral Resources, adjusted for inflation. An appropriate discount rate has been used to determine the net present value of these expected cash flows. This represents management's best estimate of the costs required to rehabilitate the mine at the end of its life. The major assumptions used to calculate the provision are as below:

Life of mine: 8 years (2015: 9 years)  
Discount rate: 11.6% (2015: 11.6%)  
Inflation rate: 6% (2015: 6%)

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**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2016

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
<b>7. GOODWILL</b>				
Arising on acquisition of Sedibeng Iron Ore (Pty) Ltd	57,858,206	57,858,206	-	-
	<u>57,858,206</u>	<u>57,858,206</u>	-	-
<b>8. INVESTMENT IN SUBSIDIARY</b>				
Interest free loans		172,277,481	172,277,481	
Investment in shares		59,261,825	59,261,825	
Total investment in subsidiary		<u>231,539,306</u>	<u>231,539,306</u>	
Cost of investment		231,539,306	231,539,306	
% shareholding		64%	64%	
Cost of investment (including interest on deferred payment)		240,169,306	240,169,306	
Consideration paid		(240,169,306)	(213,502,639)	
Deferred payment portion (net of receivable from Cape Gannet and IDC)		-	26,666,667	
Amount receivable from Cape Gannet and IDC		-	10,833,333	
Remaining consideration payable		-	37,500,000	
Deferred payment portion at fair value		-	<u>26,666,667</u>	

Effective 28 February 2011, Black Ginger 461 Proprietary Limited acquired a majority stake amounting to 64% in Sedibeng Iron Ore Proprietary Limited. Sedibeng Iron Ore Proprietary Limited is the legal owner of a mining permit, and commenced mining operations in the beginning of the 2013 financial year.

**9. INVENTORY**

Raw materials	99,546,357	103,987,555	-	-
Less: Provision for net realisable value	(21,067,524)	(54,908,392)	-	-
Stores and Spares	4,874,965	4,756,722	-	-
	<u>83,353,798</u>	<u>53,835,885</u>	-	-

Inventory is valued at the lower of cost or net realisable value.

**BLACK GINGER 461 PROPRIETARY LIMITED**

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**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2016**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>10. TRADE AND OTHER RECEIVABLES</b>				
Deposits	103,388	137,238	30,000	30,000
Value Added Tax	13,547,781	8,482,365	-	-
Taxation in advance	-	5,130	-	-
Employee advance	10,825	7,689	803	2,303
Advances to suppliers	15,601,628	6,767,137	-	-
Trade receivables	8,965,699	8,774,335	13,761,294	19,086,617
Prepayments	512,614	633,291	-	-
Receivable from Cape Gannet and IDC	-	10,833,333	-	10,833,333
Loan to Sedibeng Iron Ore (subsidiary)	-	-	56,289,095	52,993,426
	<b>38,741,935</b>	<b>35,640,518</b>	<b>70,081,192</b>	<b>82,945,679</b>

The directors consider that the carrying amount of trade and other receivables approximate their fair value.

**11. CASH AND CASH EQUIVALENTS**

Petty cash	1,710	16,398	334	3,750
Bank balances	106,341,636	58,018,515	3,461,310	19,975
	<b>106,343,346</b>	<b>58,034,913</b>	<b>3,461,644</b>	<b>23,725</b>

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for the year ended 31 March 2016

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
<b>12. SHARE CAPITAL</b>				
<b>Authorised and issued</b>				
59,000,200 ordinary shares of R1 each (2015: 59,000,200 ordinary shares of R1 each)	59,000,200	59,000,200	59,000,200	59,000,200
Share premium	51,089,989	51,089,989	51,089,989	51,089,989
Share Application Money pending allotment	26,666,667	-	26,666,667	-
<b>13. LOANS FROM SHAREHOLDERS</b>				
<b>Interest Free Loans:</b>				
Cape Gannet Properties Pty Ltd	69,987,727	69,987,727	-	-
Industrial Development Corporation	26,918,356	26,918,356	-	-
	<b>96,906,083</b>	<b>96,906,083</b>	-	-
<b>Interest Bearing Loans:</b>				
Tata Steel Global Minerals Holdings	155,597,874	155,597,874	155,597,874	155,597,874
Cape Gannet Properties Pty Ltd	13,934,024	13,934,024	-	-
Industrial Development Corporation	5,359,240	5,359,240	-	-
	<b>174,891,138</b>	<b>174,891,138</b>	<b>155,597,874</b>	<b>155,597,874</b>
<b>Interest Payable on Loans:</b>				
Tata Steel Global Minerals Holdings	57,077,971	42,498,925	57,077,971	42,498,925
Cape Gannet Properties Pty Ltd	2,800,897	1,462,031	-	-
Industrial Development Corporation	1,077,267	562,319	-	-
	<b>60,956,135</b>	<b>44,523,275</b>	<b>57,077,971</b>	<b>42,498,925</b>
<b>Total loans from shareholders</b>	<b>332,753,356</b>	<b>316,320,496</b>	<b>212,675,845</b>	<b>198,096,799</b>
Less: Current portion of shareholders loans	<b>80,249,399</b>	-	<b>57,077,971</b>	-
<b>Non-current portion of shareholders loans</b>	<b>252,503,957</b>	<b>316,320,496</b>	<b>155,597,874</b>	<b>198,096,799</b>

The loan from Tata Steel Global Minerals Holdings Pte Ltd is unsecured and bears interest at a rate of JIBAR + 2% (2015: JIBAR + 2%). The interest payments were agreed between the parties to only commence on 01 July 2016. The interest free loans have no fixed terms of repayment and in terms of the shareholders' agreement the shareholders have assessed the annual business plan and approved not to demand repayment within the next twelve months until sufficient funding is available. An agreement has been signed to defer any loan repayments until 1 July 2017.

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**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2016**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>14. DEFERRED TAX</b>				
Accelerated capital allowances for tax purposes	25,722,215	23,668,965	-	-
Mining rights	89,334,288	96,024,752	-	-
Provision for rehabilitation	(1,250,300)	(844,674)	-	-
Provision for write down of inventory	(5,898,907)	(15,374,350)	-	-
Other provisions	(3,890,118)	(12,588,407)	-	-
	<b>104,017,178</b>	<b>90,886,286</b>	<b>-</b>	<b>-</b>

A deferred tax asset in the holding company was not raised due to the uncertainty of estimated tax losses to be utilised against future taxable income. The value of the deferred tax asset not raised amounts to R2,410,946 (2015: R2,228,640).

**15. PROVISION FOR REHABILITATION**

Opening balance	13,130,524	13,178,973	-	-
Provision created during the year	(2,068,373)	(1,291,719)	-	-
Finance cost unwinding	1,004,373	1,243,270	-	-
<b>Closing balance</b>	<b>12,066,524</b>	<b>13,130,524</b>	<b>-</b>	<b>-</b>

The company makes use of an independent expert to determine the value of the future cash flows required to rehabilitate the mine at the end of its useful life. These cash flows were discounted using a WACC rate of 11.6% (2015: 11.6%).

The major assumptions used to calculate the provision are as below:

Life of mine: 8 years (2015: 9 years)  
Discount rate: 11.6% (2015: 11.6%)  
Inflation rate: 6% (2015: 6%)



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**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2016

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
<b>16. TRADE AND OTHER PAYABLES</b>				
Trade payables	21,558,332	16,767,743	9,226,611	11,965,870
Accruals	109,484,604	74,925,104	-	-
Purchase consideration payable on Investment (Refer to note 8)		37,500,000	-	37,500,000
Advance from customer (credit note provision)	12 619 999	41,526,505		
VAT payable	560,024	1,895,037	560,024	1,895,037
PAYE payable	961,051	892,612	122,309	171,130
Interest payable on Term Loan (SBI)	57,386	-	-	-
	<b>145,241,396</b>	<b>173,507,001</b>	<b>9,908,944</b>	<b>51,532,037</b>

The directors consider that the carrying amount of trade and other payables approximates their fair value.

The average credit period on the purchase of materials and products is approximately 30 days. No interest is charged on trade payables. The company has financial risk management policies in place to ensure all payables are paid within the credit timeframe.

**17. NOTES TO THE STATEMENT OF CASH FLOWS**

**17.1 CASH GENERATED FROM/(UTILISED IN) OPERATIONS**

(Loss)/profit before taxation	34,218,950	(131,594,257)	(8,610,518)	(7,959,430)
<i>Adjustment for:</i>				
Finance income	(861,351)	(2,687,122)	(3,396,864)	(3,178,143)
Finance costs	21,370,878	18,012,098	14,580,048	13,981,300
Finance cost unwinding on rehabilitation	1,004,373	1,243,270	-	-
Depreciation and amortisation	45,638,337	30,037,501	128,830	124,556
Provision for write down inventory to NRV	(33,840,868)	54,908,392	-	-
	<b>67,530,319</b>	<b>(30,080,118)</b>	<b>2,701,496</b>	<b>2,968,283</b>
<i>Changes in working capital:</i>				
Decrease/(increase) in trade and other Receivables	15,585,214	91,370,754	16,160,157	(17,943,957)
Increase in trade and other payables	(40,153,887)	71,914,012	(41,623,094)	13,383,949
Decrease/(increase) in inventory	4,322,954	(66,543,616)		-
<b>Cash generated from/(utilised in) operations</b>	<b>47,284,600</b>	<b>66,661,032</b>	<b>(22,761,441)</b>	<b>(1,591,725)</b>

**BLACK GINGER 461 PROPRIETARY LIMITED**

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**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 2016

	GROUP		COMPANY	
	2016	2015	2016	2015
	R	R	R	R
<b>17. NOTES TO THE STATEMENT OF CASH FLOWS (continued)</b>				
<b>17.2 INTEREST PAID</b>				
Balance at the beginning of the year	44,523,275	28,771,621	42,498,925	28,517,625
Interest charged to comprehensive income (excl. Int. on prov. for rehabilitation)	21,370,878	18,012,098	14,580,048	13,981,300
Balance at the end of the year	(60,956,135)	(44,523,275)	(57,077,971)	(42,498,925)
<b>Interest paid</b>	<b>4,938,018</b>	<b>2,260,444</b>	<b>1,002</b>	<b>-</b>
<b>17.3 TAXATION PAID</b>				
Balance at the beginning of the year	5,130	5,130	-	-
Non cash movement	(5,130)	-	-	-
Taxation charged to income	1,138,641	-	-	-
Balance owing at the end of the year	-	(5,130)	-	-
<b>Taxation paid</b>	<b>1,138,641</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. RELATED PARTY TRANSACTIONS</b>				
<b>Interest paid to related parties:</b>				
- Tata Steel Global Mineral Holdings	14,579,046	13,981,300	14,579,046	13,981,300
- Cape Gannet Properties (Pty) Ltd	1,338,866	1,278,590	-	-
- Industrial Development Corporation	514,948	491,765	-	-
- Tata Steel Asia Hong Kong Pte Limited	-	-	-	-
<b>Expenses reimbursed by:</b>				
- Sedibeng Iron Ore Pty Limited	-	-	6,004,509	6,433,777
<b>Sales:</b>				
- Tata Steel Global Procurement Co. Pte Limited	-	39,297,497	-	-
- Tata Steel Asia Hong Kong Pte Limited	-	-	-	-
<b>Related party payables:</b>				
- Tata NYK Shipping	-	-	-	-
- Tata Steel Limited	-	-	-	-
- Tata Steel Asia Hong Kong Pte Limited	5,124,166	2,890,594	5,124,166	2,890,594
<b>Related party receivable:</b>				
- Tata Steel Limited	-	-	-	-
<b>Marketing Commission Received:</b>				
- Sedibeng Iron Ore (Pty) Ltd	-	-	13,417,673	17,100,376
<b>Marketing Commission Paid:</b>				
- Tata Steel Asia Hong Kong Pte Limited	4,964,671	11,451,055	4,964,671	11,451,055

Related party transactions are conducted on an arm's length basis.

Refer to Note 13 for loans and interest payable to related parties at the end of the year.

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**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2016

**18. RELATED PARTY TRANSACTIONS (continued)**

Ultimate Holding Company:	Tata Steel Limited (India)
Holding company:	Tata Steel Global Minerals Holdings Private Limited (Singapore)
Fellow subsidiary:	Tata Steel Asia Hong Kong Pte Limited
Subsidiary company:	Sedibeng Iron Ore Proprietary Limited
Fellow shareholders of subsidiary (related parties):	Cape Gannet Properties Proprietary Limited Industrial Development Corporation of South Africa Limited
Members of key management:	Somdeb Banerjee (CEO)

**19. SUBSEQUENT EVENTS**

No events material to the understanding of this report have occurred during the period between 31 March 2016 and the date of this report.

**20. FINANCIAL INSTRUMENTS**

*Treasury risk management*

Exposure to interest rate, credit and liquidity risks arises in the normal course of the company's business.

*Interest rate risk*

The company adopts a policy of ensuring that its borrowings are at market-related rates to address its interest rate risk.

*Credit risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Reputable financial institutions are used for investing and cash-handling purposes.

*Liquidity risk*

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

*Fair values*

The fair values of all financial instruments are substantially identical to the carrying values reflected in the statement of financial position.

*Foreign currency management*

This is the risk of losses arising from the effects of adverse movements in exchange rates on net foreign currency asset or liability positions. In terms of the company policy, material foreign currencies held with banks are monitored for fluctuations in exchange rates.

*Foreign currency sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to exchange rates at balance sheet date. A 15% increase or decrease represents management's assessment of the possible changes in exchange rates. If exchange rates had been 15% higher and all other variables were held constant, the group's profit after tax would have been R6.47 million (2015: R1.37 million) higher and vice versa if the exchange rates had been 15% lower. The net forex exposure as at 31st March 2016 is USD 2.90 million (2015: USD - 0.75 million)

*Interest rates sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure of fluctuating interest rates at balance sheet date. A 1% increase or decrease represents management's assessment of the possible changes in the interest rates. If interest rates had been 1% higher or lower and all other variables were held constant, the group's profit after tax would decrease/increase by R1.68 million (2015: R1.44 million) and the company's profit after tax would decrease/increase by R1.12 million (2015: R1.12)

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(Registration number 2007/027399/07)

**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 2016

**Financial assets**

<b>GROUP</b>	<b>Carry amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>&gt; 1 year</b>
<b>2016</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	
Trade and other receivables	38,741,935	38,741,935	38,741,935	-	-
Receivables from related parties	-	-	-	-	-
Cash and cash equivalents	106,343,346	106,343,346	106,343,346	-	-
	<b>145,085,281</b>	<b>145,085,281</b>	<b>145,085,281</b>	<b>-</b>	<b>-</b>
<b>2015</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	
Trade and other receivables	15,678,710	15,678,710	15,678,710	-	-
Receivables from related parties	10,833,333	10,833,333	10,833,333	-	-
Cash and cash equivalents	58,034,913	58,034,913	58,034,913	-	-
	<b>84,546,956</b>	<b>84,546,956</b>	<b>84,546,956</b>	<b>-</b>	<b>-</b>
<b>COMPANY</b>	<b>Carry amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>&gt; 1 year</b>
<b>2016</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	
Trade and other receivables	30,803	30,803	30,803	-	-
Receivables from related parties	70,050,388	70,050,388	-	70,050,388	-
Investment in subsidiary	231,539,306	231,539,306	-	-	231,539,306
Cash and cash equivalents	3,461,644	3,461,644	3,461,644	-	-
	<b>305,082,141</b>	<b>305,082,141</b>	<b>3,492,447</b>	<b>70,050,388</b>	<b>231,539,306</b>
<b>2015</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	
Trade and other receivables	19,116,617	19,116,617	19,116,617	-	-
Receivables from related parties	63,826,759	63,826,759	63,826,759	-	-
Investment in subsidiary	231,539,306	231,539,306	-	-	231,539,306
Cash and cash equivalents	23,725	23,725	23,725	-	-
	<b>314,506,407</b>	<b>314,506,407</b>	<b>82,967,101</b>	<b>-</b>	<b>231,539,306</b>

\*No receivables are past due or impaired. All receivables are current and within their credit terms.

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2016

**Financial liabilities**

<b>GROUP</b>	<b>Carry amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6 – 12 months</b>	<b>&gt; 1 year</b>
<b>2016</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Loans from shareholders	(332,753,356)	(332,753,356)		(80,249,399)	(252,503,957)
Trade and other payables	(145,241,396)	(145,241,396)	(132,601,279)	(12,640,117)	-
	<b>(477,994,752)</b>	<b>(477,994,752)</b>	<b>(132,601,279)</b>	<b>(92,889,516)</b>	<b>(252,503,957)</b>
<b>2015</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Loans from shareholders	316,320,496	316,320,496	=	=	316,320,496
Trade and other payables	170,719,352	170,719,352	170,719,352	-	-
	<b>487,039,848</b>	<b>487,039,848</b>	<b>170,719,352</b>	<b>-</b>	<b>316,320,496</b>
<b>COMPANY</b>	<b>Carry amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6 – 12 months</b>	<b>&gt; 1 year</b>
<b>2016</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Loans from shareholders	212,675,845	212,675,845		57,077,971	155,597,874
Trade and other payables	9,908,944	9,908,944	9,908,944	-	-
	<b>222,584,789</b>	<b>222,584,789</b>	<b>9,908,944</b>	<b>57,077,971</b>	<b>155,597,874</b>
<b>2015</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Loans from shareholders	198,096,799	198,096,799	-	-	198,096,799
Trade and other payables	49,465,870	49,465,870	49,465,870	-	-
	<b>247,562,669</b>	<b>247,562,669</b>	<b>49,465,870</b>	<b>-</b>	<b>198,096,799</b>

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2016

**21. FINANCIAL INSTRUMENTS MATURITY ANALYSIS (continued)**

**GROUP**

**Fair value**

The levels are classified as follows:

Level 1 - fair value is based on quoted prices in active markets for identical financial assets or

Level 2 - fair value is determined using directly observable inputs other than Level 1 inputs

Level 3 - fair value is determined on inputs not based on observable market data

<b>31 March 2016</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Fair value disclosures</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<i>Financial assets at fair value</i>				
Trade and other receivables	38,741,935	-	-	38,741,935
Receivables from related parties	-	-	-	-
Cash and cash equivalents	106,343,346	-	-	106,343,346
	<b>145,085,281</b>	<b>-</b>	<b>-</b>	<b>84,546,956</b>
<i>Financial liabilities at fair value</i>				
Trade and other payables	(145,241,396)	-	-	(145,241,396)
Loans from shareholders	(332,753,356)	-	-	(332,753,356)
	<b>(477,994,752)</b>	<b>-</b>	<b>-</b>	<b>(477,994,752)</b>

<b>31 March 2015</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Fair value disclosures</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<i>Financial assets at fair value</i>				
Trade and other receivables	15,678,710	-	-	15,678,710
Receivables from related parties	10,833,333	-	-	10,833,333
Cash and cash equivalents	58,034,913	-	-	58,034,913
	<b>84,546,956</b>	<b>-</b>	<b>-</b>	<b>84,546,956</b>
<i>Financial liabilities at fair value</i>				
Trade and other payables	170,719,352	-	-	170,719,352
Loans from shareholders	316,320,496	-	-	316,320,496
	<b>487,039,848</b>	<b>-</b>	<b>-</b>	<b>489,039,848</b>

*The valuation techniques used to value the financial instruments were as follows:*

Trade and other receivables are carried at face value less specific related provisions.

Trade and other payables reflect the expected settlement value.

The directors consider that the carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximates their fair value due to the short-term maturities of these assets and liabilities.

The fair value of financial liabilities is determined by reference to quoted market prices for similar issues, where applicable, otherwise the carrying value is considered to approximate to the fair value.

The fair values of financial assets represent the market value of quoted instruments and other traded instruments. For non-listed investments and other non-traded financial assets fair value is calculated using discounted cash flows with market assumptions, unless the carrying value is considered to approximate fair value.

**BLACK GINGER 461 PROPRIETARY LIMITED**  
(Registration number 2007/027399/07)  
**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
for the year ended 31 March 2016

**21. FINANCIAL INSTRUMENTS MATURITY ANALYSIS (continued)**

**COMPANY**

**Fair value**

The levels are classified as follows:

Level 1 - fair value is based on quoted prices in active markets for identical financial assets or

Level 2 - fair value is determined using directly observable inputs other than Level 1 inputs

Level 3 - fair value is determined on inputs not based on observable market data

<b>31 March 2016</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Fair value disclosures</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<i>Financial assets at fair value</i>				
Trade and other receivables	30,803			30,803
Receivables from related parties	70,050,388			70,050,388
Investment in subsidiary	231,539,306			231,539,306
Cash and cash equivalents	3,461,644			3,461,644
	<b>305,082,141</b>			<b>305,082,141</b>
<i>Financial liabilities at fair value</i>				
Loans from shareholder	212,675,845			212,675,845
Trade and other payables	9,908,944			9,908,944
	<b>222,584,789</b>			<b>222,584,789</b>
<b>31 March 2015</b>				
<b>Fair value disclosures</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<i>Financial assets at fair value</i>				
Trade and other receivables	19,116,617	-	-	19,116,617
Receivables from related parties	63,826,759	-	-	63,826,759
Investment in subsidiary	231,539,306	-	-	231,539,306
Cash and cash equivalents	23,725	-	-	23,725
	<b>314,506,407</b>	-	-	<b>314,506,407</b>
<i>Financial liabilities at fair value</i>				
Trade and other payables	49,465,870	-	-	49,465,870
Loans from shareholder	198,096,799	-	-	198,096,799
	<b>247,562,669</b>	-	-	<b>247,562,669</b>

*The valuation techniques used to value the financial instruments are the same as for the Group on page 34.*

**BLACK GINGER 461 PROPRIETARY LIMITED**  
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**NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2016**

**22. GOING CONCERN**

The directors of Black Ginger Proprietary Limited have reviewed the going concern considerations of the group and company and have no reason to believe the business will not be a going concern in the year ahead.

The group earned a net profit after tax of R22.23 million (2015: loss after tax of R96.98 million), whilst the company incurred a net loss after tax of R8.61 million (2015: R7.96 million) for the year ended 31 March 2016, and as at that date the group's total assets exceeded the total liabilities by R130.05 million (2015: R81.16 million), whilst the company's total assets exceeded the total liabilities by R83.20 million (2015: R65.14 million).

The group's current assets exceeded the current liabilities by R2.95 million (current liabilities exceeded the current assets by R25.99 million), whilst the company's current assets exceeded the current liabilities by R6.55 million (2015: R31.44 million).

We draw your attention to the disclosures included under 'Key sources of estimations and uncertainty' under significant accounting policies.

The group and company annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business. Accordingly, these financial statements do not include any adjustment relating to the valuation of assets and the classification of liabilities that might be necessary if the group and company were unable to continue as a going concern.

**23. CONTINGENT LIABILITIES**

As at 31 March 2016, Black Ginger 461 Proprietary Limited and its subsidiary had no contingent liabilities.