

3C. REASONS FOR THE OFFER AND THE USE OF PROCEEDS

Not applicable.

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3D. RISK FACTORS

In conducting our business, we face many risks that may interfere with our business operations and adversely affect our financial performance. These risks relate to our business environment. It is important to understand the nature of these risks and the impact they may have on our business, financial condition and operating results.

Some of the most relevant risks are summarized below and have been organized into the following categories:

- Risks related to our business and operations;
- Risks related to the gold mining industry;
- Risks related to doing business in South Africa, Papua New Guinea and Fiji; and
- Risks related to ownership in our ordinary shares, American Depositary shares, or ADSs.

Risks related to our business and operations

A strong Rand and a weak gold price negatively affect our operations.

As the majority of our production costs in South Africa are in Rand, while gold is generally denominated in U.S. dollars, we have been materially harmed in the future by an appreciation in the value of the Rand. For our South African Operations, the continuing appreciation of the Rand since December 2001 has resulted in a sustained reduction in revenue received by us in Rands. These circumstances most adversely affected the North West Operations during fiscal 2005. After undergoing various restructuring activities and no high underground operating costs, in addition to reporting a net loss of \$48.9 million over the six months ended December 31, 2004, compounded by the collective negative impact of a series of events that culminated in a devastating earthquake, Buffelsfontein Gold Mines Limited (a wholly owned subsidiary of the Company and operator of the Buffelsfontein and Hartley operations) in the market price for gold, which Westphalia has fixed based on the exchange rate between the U.S. dollar and the South African Rand, the cash flows generated by those operations.

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We have a history of losses and may continue to incur losses in the future.

We incurred net losses of \$81.8 million for fiscal 2005, \$58.9 million for fiscal 2004 and we may still incur net losses in the future. Our profits and cash flows of the South African operations are directly exposed to the strength of the Rand and higher input costs as we generally do not hedge against currency fluctuations. These mines are also regarded as older, generally higher cost gold producers. In addition to our ability to identify Ore Reserves that can be mined economically and to maintain sufficient controls on production and other costs, exchange rate fluctuations will have a material effect on our ability to meet our cash requirements because of a number of factors, many of which are beyond our control.

Management's estimates on future cash flows are subject to risks and uncertainties. If we are unable to meet cash flows generated from our operations, we would need to fund our cash requirements from alternative financing and we cannot guarantee that any such financing would be on acceptable terms, or would be permitted under the terms of our existing financing arrangements. In the absence of such financing, our ability to respond to changing business and economic conditions, make future acquisitions, react to adverse operating results, meet our debt service obligations and fund the failure to discover or acquire new Ore Reserves, particularly outside South Africa, could have a material adverse effect on our financial condition.

Our future cash flow, results of operations and financial condition are directly related to the success of our exploration and development activities to replace depleted South African reserves with reserves offshore. In fiscal 2005, our Ore Reserves decreased by 49.1% from 11.0 million ounces at June 30, 2004 to 5.6 million ounces at June 30, 2005, primarily as a result of placing the North West Operations into provisional liquidation and losing access to its ore reserves and because the strength of the Rand caused a decline in the Rand gold price. Mining higher grade reserves in our South African mines is likely to be more difficult in the future and could result in increased production costs and reduced profitability. A failure to discover or acquire new Ore Reserves through acquisitions, particularly outside South Africa, may be a significant factor in the future level of our reserves will negatively affect our future cash flow, results and financial condition.

Our objective is to grow our business by improving our operational performance and result in increased cash flow. We may be able to acquire new mining assets through acquisitions of mining assets including Ore Reserves, development properties, operating mines or mining companies. Successfully acquiring mining assets may be hindered by the following:

- the market for acquisitions is competitive and we may not always be successful in identifying and purchasing assets that fit
- the ability to conduct a comprehensive due diligence analysis could be restricted due to the limited availability of information
- we may be unable to obtain a combination of historical and projected data in order to evaluate the financial and operational feasibility of the target assets. These analyses are based on a variety of factors including historical operating results, estimates of and assumptions about future reserves, cash and other operating costs, metal prices and projected economic returns and evaluations of existing or potential liabilities associated with the property and its operations
- the ability to make timely acquisitions at an appropriate price could adversely affect our ability to pursue our business and development plans
- the estimates and assumptions could differ significantly from the estimates and assumptions used in the company's financial statements
- we may not be able to obtain necessary approvals from regulatory authorities; and
- acquisitions financed through the issue of shares may result in a dilution in the value of our shares if the value of the business
- we may experience a financial loss through costs incurred in evaluating and pursuing failed acquisitions or overpayment for an acquisition; and

- an acquisition may not have a positive effect on our results if we do not:
 - assimilate the operations of an acquired business in a timely and efficient manner;
 - maintain our financial and strategic focus while integrating the acquired business;
 - implement uniform standards, controls, procedures and policies at the acquired business with our existing standards and
 - efficiently conduct and manage the new operations in a new operating environment, particularly if the acquisition is

We do not control the operations at CGR, including the Crown and ERP Sections, the Porgera Emperor Section or the

We do not control Crown Gold Recoveries, or CGR, the Porgera Joint Venture or Emperor Mines. We do not control these entities to adopt a particular budget, pay dividends or repay indebtedness, including debt held by us. Because we do not control these entities, current management may not continue to manage these entities in a manner that is favorable to us. With a minority interest stake in these entities, our ability to raise funding is dependent on access to capital from their shareholders, joint venture partners or third party financiers. Decisions which reduce gold production, revenues or production costs may have an adverse effect on our results of operations. Our production costs may fluctuate and have an adverse effect on our results of operations. control, may serve to reduce our cash flows and decrease our profitability.

Our historical production costs have varied significantly and we cannot predict what our production costs will be in the future. The following are the factors that may affect our production costs:

- labor stability, lack of productivity and increases in labor costs;
- unforeseen changes in ore grades and recoveries;
- unexpected changes in the quality or quantity of reserves;
- unstable or unexpected ground conditions and seismic activity;
- technical production issues;
- environmental and industrial accidents;
- gold theft;
- environmental factors;
- pollution; and
- oil prices.

Increased production costs would affect profitability.

The majority of our production costs consist of labor, steel, electricity and water. The majority of our production costs are expected to increase at rates in excess of our annual expected inflationary increase and result in the restructuring of these operations at substantial cost. The majority of our South African labor force is unionized and their wage increase demands are usually above the then prevailing rates of inflation. In October 2005, we entered into a two year wage agreement for the Blyvoor Section with the National Union of Mine Workers, or NUM, that provided wage increases of 6% as of July 1, 2005 and 6.5% as of July 1, 2006. Similar agreements for the Crown and ERP Sections are currently being negotiated. In addition, we have received notification of price increases, far in excess of the current rate of inflation, to be imposed by our South African steel suppliers and parastatal electricity supply companies. The increase in the price of steel and electricity will increase our production costs. Approximately 15% of production costs relate to the purchase of gold. Discussions with suppliers to moderate the price of gold have not been successful. In the event that the increase in crude oil prices continues, this will increase the cost of transportation and other oil and petroleum based products have increased. The current high price of power generation represents approximately 28% of the operating costs at the Emperor Section. Increasing production costs at this Section will negatively impact on the profitability of the company. Our production costs may not be sufficient to offset the increases imposed on our business and operating negatively affect

Our operations are subject to increasingly extensive laws and regulations governing the various aspects of environmental and health, laws which regulate air and water quality, hazardous waste management and environmental rehabilitation and reclamation. Our mining and related activities impact the environment, including land, habitat, streams and environment near the mining sites. Delays in obtaining, or failures to obtain government permits and approvals may adversely impact our operations. In addition, the regulatory environment in which we operate could change in ways that could impact our operations.

Our operations are subject to increasingly extensive laws and regulations governing the various protective provisions and laws, which regulate air and water quality, hazardous waste management and environmental rehabilitation and reclamation. Our mining and related activities impact the environment, including land, habitat, streams and environment near the mining sites. Delays in obtaining, or failures to obtain government permits and approvals may adversely impact our operations. The regulatory environment in which we operate could change in ways that could have major and expensive impacts in the future, expenditures to comply with these laws and these regulations are expected to increase in the \$2.2 billion to \$2.6 billion range for the group's environmental

that could substantially increase the G.U.T. and the U.S. EPA's environmental remediation costs. The closure of the 22 adverse effects on the above environmental costs on our balance sheet as at June 30, 2005. However the ultimate amount of rehabilitation costs may in the future exceed the current estimates due to influences beyond our control, such as changing legislation or unidentified rehabilitation costs. The closure of mining

operations, without sufficient financial provision for the funding of rehabilitation liabilities, or unavailable funds, other natural disasters could impact the going concern of our operations. Including pollution or environmental degradation, may expose us and our directors to litigation and potential financial liabilities. The seismic activity and/or other natural disasters could cripple the economy of the United States, as was the case in 1995, when the North West Operations suffered the effects of an earthquake of 5.3 on the Richter scale.

As a consequence of the extensive damage caused by the earthquake, the No 5 Shaft of the North West

Operations was closed. There was continuing seismic activity in the area and on March 16, 2005, the Company closed the No. 2 Shaft because of concerns for the safety of employees. ~~Our Papua New Guinea operations are subject to environmental risks associated with tailings discharge.~~

The Tolukuma and Pogera Sections in Papua New Guinea have site specific environmental risks associated with their operations. Effluents are routinely discharged into the surrounding river systems in accordance with approved environmental water

discharge permits issued by the Papua New Guinea Department of the Environment and Conservation under the Papua New Guinea Environmental Act 2000 and Regulations 2000. The Papua New Guinea Government has approved disposal into certain natural rivers as the most appropriate method for treated tailings and soft incompetent waste rock because the mines are located in extremely rugged terrain.

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However, should we be unable to control the levels of lead, mercury, arsenic or cyanide, it could pose potential adverse health risks to the surrounding communities; and may result in us violating our environmental water discharge permit and may expose us to civil or criminal liability. While our Papua New Guinea Anacardium currently complies with the applicable license conditions accented by the Papua New Guinea

Government in granting approval, the eventual, cumulative environmental impacts could be greater than the estimates in, or contemplated by, the environmental plans and

environmental management. The following government approved by the Policy New Fundatoyeddischarges such
operatethatthePDRChangespandpreselyinif the government changes the method it requires for us to test
thePDRChangespandmayhavea to remedy such consequences and the costs of such remediation

4. **Environmental damage.** Environmental damage caused by the operation of the plant may cause us to incur liabilities for environmental damage. This

Flooding of underground mining areas is an inherent risk at all our operations. If the rate from our workings is so high that it potentially exceeds the surface or decant into surrounding underground workings or natural underground water

sources. Due to the withdrawal of Government pumping subsidies at the Durban Deep and West Wits Sections, we have ceased active pumping of underground water at these sections. We expect that progressive flooding could

eventually cause the discharge of polluted water to the surface and to local water sources.

Estimates of the probable rate of water rise in those mines are contradictory and lack sound scientific support, however, should the subterranean equilibrium, and in the event that underground water rises to the surface, we may face claims relating to environmental damage and pollution of ground water, streams and wetlands. In addition, our underground and opencast mines in Papua New Guinea may experience flooding due to excessive annual rainfall.

We have ageing assets in South Africa, which exposes us to greater risk of our infrastructure costs and potentially higher maintenance, safety and environmental liabilities.

Our South African assets are made up predominantly of mature assets, which we acquired after planned divestiture by the previous owners, and our strategy has been to revive these assets through specialist planning and mining techniques. The ageing infrastructure and installations typical of these operations require constant maintenance and continuing capital expenditure. This materially increases our operational costs. The mature state of these assets, coupled with the technology applied in many of our installations was not regularly updated and accordingly has become obsolete compared to the technology used in more recent years. Due to the nature of the business, particularly in South Africa where our marginal mines are in regions of high seismicity, the risk of exposure to greater health, safety and environmental liabilities which we closely monitor but are not always able to fully mitigate.

Due to the nature of our business, our employees face health and safety risks.

Regrettably 10 people died in work-related incidents during fiscal year 2005. These fatalities were closely monitored and seismic monitoring continues to be an invaluable tool in the management of seismicity, there is still risk of seismic induced fatalities occurring which we may not be able to prevent. Preventing occupational diseases such as tuberculosis and noise-induced hearing loss is a priority and is addressed through close adherence to legislated requirements. However, there has been an increase year on year in employees suffering from these kinds of conditions. Mine and safety regulations of the countries in which we conduct our operations impose various duties on us at our mines and grant the authorities broad powers. If we are unable to attract and retain key personnel our business may be harmed. Unsafe mines and other corrective action relating to health and safety matters. In the event of any future incidents arising from our business will depend, in large part, upon the skills and efforts of a personnel in the past management and safety team. Our Chief Executive Officer and our Deputy Chief Executive Officer (as of September 5, 2005). Factors critical to retaining our present staff and attracting additional highly qualified personnel include our ability to provide these individuals with competitive compensation arrangements, equity participation and other benefits. If we are not successful in retaining or attracting highly qualified individuals in key management positions, our business may be harmed. We do not maintain "key person" life insurance policies on any members of our executive team. The loss of any of our key personnel could prevent us from executing our business plans, which may result in decreased production, increased costs and decreased profitability.

Underground and opencast mines in Papua New Guinea may experience pit wall failures, excessive landslides and flooding. The transport of supplies and employees to and from the mine site may be inhibited by incessant rain and damage to roads. In addition, land movement caused by excessive rain may destabilize existing buildings and plant infrastructure and restrict access into the mines. States with high sea levels caused by the greenhouse effect are a major concern. Natural disasters of this type could potentially disrupt our business for an extended period of time and this is of particular concern in Fiji due to the island's exposure to such disasters in the past. Tropical cyclone Ami hit Fiji on January 13, 2003, killing at least 15 people and leaving thousands more devastated.

Political or economic instability in the regions in which we operate may reduce our production and profitability.

We are incorporated and own operations in South Africa. As a result, political and economic risks associated with South Africa could affect our operations. Large parts of the South African population are unemployed and do not have access to adequate education, health care, housing and other services, including water and electricity. Government policies aimed at alleviating and redressing the disadvantages suffered by the majority of citizens under previous governments may increase our costs and reduce our profitability. In recent years, South Africa has experienced high levels of crime. These problems have impeded fixed inward investment into South Africa and have soured the country's economy. As a result, we have a relatively slow rate of growth. In addition, foreign currency reserves have been low relative to other emerging market countries. In the late 1980s and early 1990s, inflation in South Africa reached record highs of 20.6%. This increase in inflation resulted in considerable year on year increases in operational costs. In recent years, the inflation rate has decreased and as of June 2005, the Consumer Price Inflation Index, or CPIX, stood at 3.5%, down from 4.8% since June 2004. Analysts expect inflation to increase over the next few months. In Papua New Guinea, there is a greater level of political and economic risk than in South Africa. In 2002, open pit operations at Porgera were suspended from August 27, 2002 to October 1, 2002, or increase in the price of gold, could result in an increase in our costs when the price of gold falls. There is also a risk that social unrest and government intervention could be exacerbated during the mine closure process. Mine infrastructure, including power, water and fuel, may be subject to disruption. In the area, whose interests are consolidated with those of Papua New Guinea's Mineral Resources Enga, or MRE, had an expectation of receiving from us a 5% stake in the Porgera Joint Venture. This expectation arose from an undertaking we gave at the time of acquiring our interest in Porgera, to sell a 5% stake to MRE on commercial terms, which was subsequently cancelled as MRE failed to meet certain conditions precedent. In addition, we also on a number of occasions experienced delays receiving operating licenses and other government approvals. At any time in the future, permits essential to our operations are not obtained, or exemptions not granted, there is a risk that the Porgera mine may not be able to operate for a period of time. Future government actions, or actions of other quasi-government or landowner groups, cannot be predicted but may impact on the operations and regulation of mines including the Porgera Joint Venture. Any suspension of operations at the Porgera Joint Venture would reduce economic growth has historically been very volatile. Growth has been restrained by low GDP, depressed investment, political instability, prohibitive regulation, and poor human and physical capital. Additionally, Fiji has also experienced periodic political volatility in recent years. The country experienced a coup d'etat in March 2000, and whilst the country's political environment has stabilized since 2000 following the first free and fair general election held in late 2001, potential legislative reform under the new government could be imminent. The next elections in Fiji are expected to be held in August 2006. Changes to the country's constitution or government regulations could affect the political or economic climate in Fiji.

Acquired Immune Deficiency Syndrome, or AIDS, and tuberculosis which is closely associated with the disease, are of concern to the mining industry. Human Immunodeficiency Virus, or HIV, is the virus that causes AIDS and South Africa has one of the highest HIV infection rates in the world. It is estimated that approximately 30% - 40% of the mining industry workforce in South Africa are HIV positive. The exact extent to which our mining workforce both within and outside South Africa is infected with HIV/AIDS is unknown at this stage. Papua New Guinea has recently been identified as a high risk country for the HIV/AIDS pandemic and this could have a direct impact on our workforce and productivity in that country. The exact impact of increased mortality rates due to HIV-related deaths on the costs of our operations is as yet undefined. The only available treatments for HIV/AIDS are anti-retroviral drugs, which have not been shown to prevent the disease but may adversely impact our operations and profits of the disease but do not present a complete cure for the disease. The cost and availability of anti-retroviral drugs could inhibit the introduction of treatment programs at our mines in South Africa and Papua New Guinea to reduce the impact of HIV/AIDS on our workforce. South Africa has extensively regulated through legislation and the application of codes of practice and other measures, its mining operations in respect of health and safety, the mining and exploration methods, and managing the impact of mining operations on the environment. A variety of permits and authorities are required to mine lawfully, and government enforces its requirements through the various government departments.

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Possible taxation reform and mining royalties

The South African government has declared its intention to revisit the taxation regime of the South African gold mining and diamond companies, taxed under the gold taxation formula which recognizes the high level of capital expenditure required to sustain a mining operation over the life of the mine. This results in an additional tax benefit not afforded to other commercial companies. In addition, the South African Government has indicated that it is looking at a revenue based royalty for mining companies, as outlined in the draft Mineral and Petroleum Royalty Bill, 2003, or Royalty Bill, which was released in March 2003 for comment. The Royalty Bill proposed a three percent royalty on gross revenue for gold mining companies. In conjunction with the South African Mining Development Association we have made submissions to the government outlining our concerns about a revenue based royalty and recommended a broad based socio-economic empowerment charter. In his budget speech in February 2004, the South African Finance Minister acknowledged the need for a revenue based royalty for the South African mining industry, or government proposed a revenue based form equity participation in the mining industry in the form of a shareholding in the mining company as of 2009. As at October 31, 2005, these issues were still under review. The introduction of the proposed revenue based royalty would have an adverse effect on the mining companies ability to achieve 50 percent of a 2004-2005-2006-2007-2008-2009-2010-2011-2012-2013-2014-2015-2016-2017-2018-2019-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100-2101-2102-2103-2104-2105-2106-2107-2108-2109-2110-2111-2112-2113-2114-2115-2116-2117-2118-2119-2120-2121-2122-2123-2124-2125-2126-2127-2128-2129-2130-2131-2132-2133-2134-2135-2136-2137-2138-2139-2140-2141-2142-2143-2144-2145-2146-2147-2148-2149-2150-2151-2152-2153-2154-2155-2156-2157-2158-2159-2160-2161-2162-2163-2164-2165-2166-2167-2168-2169-2170-2171-2172-2173-2174-2175-2176-2177-2178-2179-2180-2181-2182-2183-2184-2185-2186-2187-2188-2189-2190-2191-2192-2193-2194-2195-2196-2197-2198-2199-2200-2201-2202-2203-2204-2205-2206-2207-2208-2209-2210-2211-2212-2213-2214-2215-2216-2217-2218-2219-2220-2221-2222-2223-2224-2225-2226-2227-2228-2229-2230-2231-2232-2233-2234-2235-2236-2237-2238-2239-2240-2241-2242-2243-2244-2245-2246-2247-2248-2249-2250-2251-2252-2253-2254-2255-2256-2257-2258-2259-2260-2261-2262-2263-2264-2265-2266-2267-2268-2269-2270-2271-2272-2273-2274-2275-2276-2277-2278-2279-2280-2281-2282-2283-2284-2285-2286-2287-2288-2289-2290-2291-2292-2293-2294-2295-2296-2297-2298-2299-2300-2301-2302-2303-2304-2305-2306-2307-2308-2309-2310-2311-2312-2313-2314-2315-2316-2317-2318-2319-2320-2321-2322-2323-2324-2325-2326-2327-2328-2329-2330-2331-2332-2333-2334-2335-2336-2337-2338-2339-2340-2341-2342-2343-2344-2345-2346-2347-2348-2349-2350-2351-2352-2353-2354-2355-2356-2357-2358-2359-2360-2361-2362-2363-2364-2365-2366-2367-2368-2369-2370-2371-2372-2373-2374-2375-2376-2377-2378-2379-2380-2381-2382-2383-2384-2385-2386-2387-2388-2389-2390-2391-2392-2393-2394-2395-2396-2397-2398-2399-2400-2401-2402-2403-2404-2405-2406-2407-2408-2409-2410-2411-2412-2413-2414-2415-2416-2417-2418-2419-2420-2421-2422-2423-2424-2425-2426-2427-2428-2429-2430-2431-2432-2433-2434-2435-2436-2437-2438-2439-2440-2441-2442-2443-2444-2445-2446-2447-2448-2449-2450-2451-2452-2453-2454-2455-2456-2457-2458-2459-2460-2461-2462-2463-2464-2465-2466-2467-2468-2469-2470-2471-2472-2473-2474-2475-2476-2477-2478-2479-2480-2481-2482-2483-2484-2485-2486-2487-2488-2489-2490-2491-2492-2493-2494-2495-2496-2497-2498-2499-2500-2501-2502-2503-2504-2505-2506-2507-2508-2509-2510-2511-2512-2513-2514-2515-2516-2517-2518-2519-2520-2521-2522-2523-2524-2525-2526-2527-2528-2529-2530-2531-2532-2533-2534-2535-2536-2537-2538-2539-2540-2541-2542-2543-2544-2545-2546-2547-2548-2549-2550-2551-2552-2553-2554-2555-2556-2557-2558-2559-2560-2561-2562-2563-2564-2565-2566-2567-2568-2569-2570-2571-2572-2573-2574-2575-2576-2577-2578-2579-2580-2581-2582-2583-2584-2585-2586-2587-2588-2589-2590-2591-2592-2593-2594-2595-2596-2597-2598-2599-2600-2601-2602-2603-2604-2605-2606-2607-2608-2609-2610-2611-2612-2613-2614-2615-2616-2617-2618-2619-2620-2621-2622-2623-2624-2625-2626-2627-2628-2629-2630-2631-2632-2633-2634-2635-2636-2637-2638-2639-2640-2641-2642-2643-2644-2645-2646-2647-2648-2649-2650-2651-2652-2653-2654-2655-2656-2657-2658-2659-2660-2661-2662-2663-2664-2665-2666-2667-2668-2669-2670-2671-2672-2673-2674-2675-2676-2677-2678-2679-2680-2681-2682-2683-2684-2685-2686-2687-2688-2689-2690-2691-2692-2693-2694-2695-2696-2697-2698-2699-2700-2701-2702-2703-2704-2705-2706-2707-2708-2709-2710-2711-2712-2713-2714-2715-2716-2717-2718-2719-2720-2721-2722-2723-2724-2725-2726-2727-2728-2729-2730-2731-2732-2733-2734-2735-2736-2737-2738-2739-2740-2741-2742-2743-2744-2745-2746-2747-2748-2749-2750-2751-2752-2753-2754-2755-2756-2757-2758-2759-2760-2761-2762-2763-2764-2765-2766-2767-2768-2769-2770-2771-2772-2773-2774-2775-2776-2777-2778-2779-2780-2781-2782-2783-2784-2785-2786-2787-2788-2789-2790-2791-2792-2793-2794-2795-2796-2797-2798-2799-2800-2801-2802-2803-2804-2805-2806-2807-2808-2809-2810-2811-2812-2813-2814-2815-2816-2817-2818-2819-2820-2821-2822-2823-2824-2825-2826-2827-2828-2829-2830-2831-2832-2833-2834-2835-2836-2837-2838-2839-2840-2841-2842-2843-2844-2845-2846-2847-2848-2849-2850-2851-2852-2853-2854-2855-2856-2857-2858-2859-2860-2861-2862-2863-2864-2865-2866-2867-2868-2869-2870-2871-2872-2873-2874-2875-2876-2877-2878-2879-2880-2881-2882-2883-2884-2885-2886-2887-2888-2889-2890-2891-2892-2893-2894-2895-2896-2897-2898-2899-2900-2901-2902-2903-2904-2905-2906-2907-2908-2909-2910-2911-2912-2913-2914-2915-2916-2917-2918-2919-2920-2921-2922-2923-2924-2925-2926-2927-2928-2929-2930-2931-2932-2933-2934-2935-2936-2937-2938-2939-2940-2941-2942-2943-2944-2945-2946-2947-2948-2949-2950-2951-2952-2953-2954-2955-2956-2957-2958-2959-2960-2961-2962-2963-2964-2965-2966-2967-2968-2969-2970-2971-2972-2973-2974-2975-2976-2977-2978-2979-2980-2981-2982-2983-2984-2985-2986-2987-2988-2989-2990-2991-2992-2993-2994-2995-2996-2997-2998-2999-3000-3001-3002-3003-3004-3005-3006-3007-3008-3009-3010-3011-3012-3013-3014-3015-3016-3017-3018-3019-3020-3021-3022-3023-3024-3025-3026-3027-3028-3029-3030-3031-3032-3033-3034-3035-3036-3037-3038-3039-3040-3041-3042-3043-3044-3045-3046-3047-3048-3049-3050-3051-3052-3053-3054-3055-3056-3057-3058-3059-3060-3061-3062-3063-3064-3065-3066-3067-3068-3069-3070-3071-3072-3073-3074-3075-3076-3077-3078-3079-3080-3081-3082-3083-3084-3085-3086-3087-3088-3089-3090-3091-3092-3093-3094-3095-3096-3097-3098-3099-3100-3101-3102-3103-3104-3105-3106-3107-3108-3109-3110-3111-3112-3113-3114-3115-3116-3117-3118-3119-3120-3121-3122-3123-3124-3125-3126-3127-3128-3129-3130-3131-3132-3133-3134-3135-3136-3137-3138-3139-3140-3141-3142-3143-3144-3145-3146-3147-3148-3149-3150-3151-3152-3153-3154-3155-3156-3157-3158-3159-3160-3161-3162-3163-3164-3165-3166-3167-3168-3169-3170-3171-3172-3173-3174-3175-3176-3177-3178-3179-3180-3181-3182-3183-3184-3185-3186-3187-3188-3189-3190-3191-3192-3193-3194-3195-3196-3197-3198-3199-3200-3201-3202-3203-3204-3205-3206-3207-3208-3209-3210-3211-3212-3213-3214-3215-3216-3217-3218-3219-3220-3221-3222-3223-3224-3225-3226-3227-3228-3229-3230-3231-3232-3233-3234-3235-3236-3237-3238-3239-3240-3241-3242-3243-3244-3245-3246-3247-3248-3249-3250-3251-3252-3253-3254-3255-3256-3257-3258-3259-3260-3261-3262-3263-3264-3265-3266-3267-3268-3269-3270-3271-3272-3273-3274-3275-3276-3277-3278-3279-3280-3281-3282-3283-3284-3285-3286-3287-3288-3289-3290-3291-3292-3293-3294-3295-3296-3297-3298-3299-3300-3301-3302-3303-3304-3305-3306-3307-3308-3309-3310-3311-3312-3313-3314-3315-3316-3317-3318-3319-3320-3321-3322-3323-3324-3325-3326-3327-3328-3329-3330-3331-3332-3333-3334-3335-3336-3337-3338-3339-3340-3341-3342-3343-3344-3345-3346-3347-3348-3349-3350-3351-3352-3353-3354-3355-3356-3357-3358-3359-3360-3361-3362-3363-3364-3365-3366-3367-3368-3369-3370-3371-3372-3373-3374-3375-3376-3377-3378-3379-3380-3381-3382-3383-3384-3385-3386-3387-3388-3389-3390-3391-3392-3393-3394-3395-3396-3397-3398-3399-3400-3401-3402-3403-3404-3405-3406-3407-3408-3409-3410-3411-3412-3413-3414-3415-3416-3417-3418-3419-3420-3421-3422-3423-3424-3425-3426-3427-3428-3429-3430-3431-3432-3433-3434-3435-3436-3437-3438-3439-3440-3441-3442-3443-3444-3445-3446-3447-3448-3449-3450-3451-3452-3453-3454-3455-3456-3457-3458-3459-3460-3461-3462-3463-3464-3465-3466-3467-3468-3469-3470-3471-3472-3473-3474-3475-3476-3477-3478-3479-3480-3481-3482-3483-3484-3485-3486-3487-3488-3489-3490-3491-3492-3493-3494-3495-3496-3497-3498-3499-3500-3501-3502-3503-3504-3505-3506-3507-3508-3509-3510-3511-3512-3513-3514-3515-3516-3517-3518-3519-3520-3521-3522-3523-3524-3525-3526-3527-3528-3529-3530-3531-3532-3533-3534-3535-3536-3537-3538-3539-3540-3541-3542-3543-3544-3545-3546-3547-3548-3549-3550-3551-3552-3553-3554-3555-3556-3557-3558-3559-3560-3561-3562-3563-3564-3565-3566-3567-3568-3569-3570-3571-3572-3573-3574-3575-3576-3577-3578-3579-3580-3581-3582-3583-3584-3585-3586-3587-3588-3589-3590-3591-3592-3593-3594-3595-3596-3597-3598-3599-3600-3601-3602-3603-3604-3605-3606-3607-3608-3609-3610-3611-3612-3613-3614-3615-3616-3617-3618-3619-3620-3621-3622-3623-3624-3625-3626-3627-3628-3629-3630-3631-3632-3633-3634-3635-3636-3637-3638-3639-3640-3641-3642-3643-3644-3645-3646-3647-3648-3649-3650-3651-3652-3653-3654-3655-3656-3657-3658-3659-3660-3661-3662-3663-3664-3665-3666-3667-3668-3669-3670-3671-3672-3673-3674-3675-3676-3677-3678-3679-3680-3681-3682-3683-3684-3685-3686-3687-3688-3689-3690-3691-3692-3693-3694-3695-3696-3697-3698-3699-3700-3701-3702-3703-3704-3705-3706-3707-3708-3709-3710-3711-3712-3713-3714-3715-3716-3717-3718-3719-3720-3721-3722-3723-3724-3725-3726-3727-3728-3729-3730-3731-3732-3733-3734-3735-3736-3737-3738-3739-3740-3741-3742-3743-3744-3745-3746-3747-3748-3749-3750-3751-3752-3753-3754-3755-3756-3757-3758-3759-3760-3761-3762-3763-3764-3765-3766-3767-3768-3769-3770-3771-3772-3773-3774-3775-3776-3777-3778-3779-3780-3781-3782-3783-3784-3785-3786-3787-3788-3789-3790-3791-3792-3793-3794-3795-3796-3797-3798-3799-3800-3801-3802-3803-3804-3805-3806-3807-3808-3809-3810-3811-3812-3813-3814-3815-3816-3817-3818-3819-3820-3821-3822-3823-3824-3825-3826-3827-3828-3829-3830-3831-3832-3833-3834-3835-3836-3837-3838-3839-3840-3841-3842-3843-3844-3845-3846-3847-3848-3849-3850-3851-3852-3853-3854-3855-3856-3857-3858-3859-3860-3861-3862-3863-3864-3865-3866-3867-3868-3869-3870-3871-3872-3873-3874-3875-3876-3877-3878-3879-3880-3881-3882-3883-3884-3885-3886-3887-3888-3889-3890-3891-3892-3893-3894-3895-3896-3897-3898-3899-3900-3901-3902-3903-3904-3905-3906-3907-3908-3909-3910-3911-3912-3913-3914-3915-3916-3917-3918-3919-3920-3921-3922-3923-3924-3925-3926-3927-3928-3929-3930-3931-3932-3933-3934-3935-3936-3937-3938-3939-3940-3941-3942-3943-3944-3945-3946-3947-3948-3949-3950-3951-3952-3953-3954-3955-3956-3957-3958-3959-3960-3961-3962-3963-3964-3965-3966-3967-3968-3969-3970-3971-3972-3973-3974-3975-3976-3977-3978-3979-3980-3981-3982-3983-3984-3985-3986-3987-3988-3989-3990-3991-3992-3993-3994-3995-3996-3997-3998-3999-4000-4001-4002-4003-4004-4005-4006-4007-4008-4009-4010-4011-4012-4013-4014-4015-4016-4017-4018-4019-4020-4021-4022-4023-4024-4025-4026-4027-4028-4029-4030-4031-4032-4033-4034-4035-4036-4037-4038-4039-4040-4041-4042-4043-4044-4045-4046-4047-4048-4049-4050-4051-4052-4053-4054-4055-4056-4057-4058-4059-4060-4061-4062-4063-4064-4065-4066-4067-4068-4069-4070-4071-4072-4073-4074-4075-4076-4077-4078-4079-4080-4081-4082-4083-4084-4085-4086-4087-4088-4089-4090-4091-4092-4093-4094-4095-4096-4097-4098-4099-4100-4101-4102-4103-4104-4105-4106-4107-4108-4109-4110-4111-4112-4113-4114-4115-4116-4117-4118-4119-4120-4121-4122-4123-4124-4125-4126-4127-4128-4129-4130-4131-4132-4133-4134-4135-4136-4137-4138-4139-4140-4141-4142-4143-4144-4145-4146-4147-4148-4149-4150-4151-4152-4153-4154-4155-4156-4157-4158-4159-4160-4161-4162-4163-4164-4165-4166-4167-4168-4169-4170-4171-4172-4173-4174-4175-4176-4177-4178-4179-4180-4181-4182-4183-4184-4185-4186-4187-4188-4189-4190-4191-4192-4193-4194-4195-4196-4197-4198-4199-4200-4201-4202-4203-4204-4205-4206-4207-4208-4209-4210-4211-4212-4213-4214-4215-4216-4217-4218-4219-4220-4221-4222-4223-4224-4225-4226-4227-4228-4229-4230-4231-4232-4233-4234-4235-4236-4237-4238-4239-4240-4241-4242-4243-4244-4245-4246-4247-4248-4249-4250-4251-4252-4253-4254-4255-4256-4257-4258-4259-4260-4261-4262-4263-4264-4265-4266-4267-4268-4269-4270-4271-4272-4273-4274-4275-4276-4277-4278-4279-4280-4281-4282-4283-4284-4285-4286-4287-4288-4289-4290-4291-4292-4293-4294-4295-4296-4297-4298-4299-4300-4301-4302-4303-4304-4305-4306-4307-4308-4309-4310-4311-4312-4313-4314-4315-4316-4317-4318-4319-4320-4321-4322-4323-4324-4325-4326-4327-4328-4329-4330-4331-4332-4333-4334-4335-4336-4337-4338-4339-4340-4341-4342-4343-4344-4345-4346-4347-4348-4349-4350-4351-4352-4353-4354-4355-4356-4357-4358-4359-4360-4361-4362-4363-4364-4365-4366-4367-4368-4369-4370-4371-4372-4373-4374-4375-4376-4377-4378-4379-4380-4381-4382-4383-4384-4385-4386-4387-4388-4389-4390-4391-4392-4393-4394-4395-4396-4397-4398-4399-4400-4401-4402-4403-4404-4405-4406-4407-4408-4409-4410-

Our financial flexibility could be materially constrained by South African currency restrictions.

South African law provides for exchange control regulations, which restrict the export of capital from South Africa. The Exchange Control Department of the South African Reserve Bank, or SARB, is responsible for the administration of exchange control regulations. In particular, South African companies:

- are generally not permitted to export capital from South Africa or to hold foreign currency with the exception of repatriate, to South Africa, profits of foreign operations; and
- are limited in their ability to utilize profits of one foreign business to finance operations of a different foreign business.

These restrictions could hinder our corporate functioning and acquisition strategy, because plus 1 share interest of less than 5% would be subject to exchange approval. As at June 30, 2005, we hold 45.33% of Emperor and accordingly SARB may require us to divest our interest in Emperor if we do not acquire 50% plus 1 share interest in the future. While the South African Government has relaxed exchange controls in recent years, it is will future exchange control measures in the future. For further information see Item 10D.: "Exchange Controls."

Risks related to ownership of our ordinary shares or ADSs

Your ability to sell a substantial number of ordinary shares may be restricted by the limited liquidity of our ordinary shares

The primary listings for our ordinary shares are the JSE and the Australian Stock Exchange, market of ASX. Our ADSs are listed on the Nasdaq Capital Market (formerly the Nasdaq SmallCap Market). On a historical basis, the trading volumes and liquidity of shares listed on the JSE have been low in comparison with the Nasdaq Capital Market. For the 12 months ended June 30, 2005, only 16% of our ordinary shares were publicly traded on the JSE. The limited liquidity of our ordinary shares

traded on the JSE could limit your ability to sell a substantial number of our ordinary shares on the JSE. Sales of large volumes of our ordinary shares or ADSs or the perception that these sales may be made by means of a large block sale.

The market price of our ordinary shares or ADSs could fall if substantial amounts of ordinary shares or ADSs are sold by perception in the marketplace that such sales could occur. Current holders of our ordinary shares or ADSs may decide to sell them at any time. Sales of our ordinary shares or ADSs, if substantial, or the perception that these sales may occur and be substantial, could exert downward pressure on the prevailing market prices for our ordinary shares or ADSs, causing their market prices to decline. Trading activity of hedge funds and the ability to borrow script in the market. Your rights as a shareholder are governed by South African law, which differs in material respects from the rights of shareholders of companies incorporated in the United States.

Our Company is a public limited liability company incorporated under the laws of the Republic of South Africa and therefore many of the rights of our ADS holders, are governed by our memorandum and articles of association and by South African law. These rights differ in material respects from the rights of shareholders in companies incorporated elsewhere, such as in the United States. In particular, South African law significantly limits the circumstances under which shareholders of South African companies may institute litigation on behalf of a company.

It may not be possible for you to effect service of legal process, enforce judgments of bring actions outside of South Africa, or of jurisdictions other than South Africa against us or against members of our board.

Our Company, certain members of our board of directors and executive officers are residents cash proceeds outside the United States and a major portion of the assets of members of our board of directors and executive officers are either wholly or substantially located outside the United States. As a result, it may not be possible for you to effect service of legal process, within the United States or elsewhere outside South Africa, upon most of our directors or officers.

Moreover, it may not be possible for you to enforce against us or the members of our board of directors or officers judgments of courts outside South Africa, including the United States, based on the civil liability provisions of the securities laws of those countries, including those of the United States. A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts provided that:

- the court which pronounced the judgment had jurisdiction to entertain the case according to the principles recognized by South Africa;
- the judgment is final and conclusive; and
- the judgment has not lapsed;
- the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice which require that no award is enforceable unless the defendant was duly served with documents initiating proceedings, that he was given a fair opportunity to be heard and that he enjoyed the right to be legally represented in a fair and impartial trial before an impartial tribunal; and
- the enforcement of the judgment is not otherwise precluded by the provisions of the Protection of Business Act, 1978 (as amended), of South Africa.

It is the policy of South African courts to award compensation for the loss or damage the compensation awarded by the court. Although the award of punitive damages is generally unknown to the South African legal system that does not mean that such awards are necessarily contrary to public policy. Whether a judgment was contrary to public policy depends on the facts of each case. Exorbitant, unconscionable, or excessive awards will generally be contrary to public policy. South African courts cannot enter into the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law. It is doubtful whether an original action based on United States federal securities laws may be brought before South African courts. A plaintiff who is not resident in South Africa may be required to provide security for costs in the event of proceedings being initiated in South Africa. Furthermore, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for the purpose of use in South African courts. It is not possible therefore for an investor to seek to impose criminal liability on us in a South African court arising from a violation of United States federal securities laws.