

Abridged Audited Annual Financial Results for the year ended 31 August 2008

HIGHLIGHTS

- Successful completion of second capital raising of R20.7 million through the private placement of 28 million shares
- Completed an upgrade of group coal resources to 158 million tonnes, incorporating issue of 5 CPR's
- Further consolidation of KwaZulu Natal coal interests
- Imminent granting of mining right on Sesikhona coal project
- Awarded Amajuba coal tender consisting of 4 coal prospecting permits
- Maintained director's valuation of R284 million for Rozynenbosch base mineral project

- Exploration on diamond project in North West Province intensified
- Award of two additional exploration permits in Botswana adjacent to existing Mochudi diamond project
- First phase drilling completed on Uitval clay project in the North West Province
- Attributable loss for the year at 4.5 cents per share ("cps") (2007: loss of 1.0 cps)
- Net asset value ("NAV") at 157 cps (2007: 175 cps), including tangible NAV of 9.5 cps (2007: 5.8 cps)

BALANCE SHEETS

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
ASSETS				
Non-current assets	323,852	317,180	30,797	31,744
Property, plant and equipment	6,639	231	81	20
Goodwill	10,609	10,109	-	-
Intangible assets	306,832	306,832	-	-
Investment in subsidiaries	-	-	30,716	31,716
Investment in associates	(228)	-	-	-
Other financial assets	-	8	-	8
Current assets	21,387	12,182	37,639	18,049
Inventories	-	77	-	-
Loans to group companies	-	-	17,343	5,945
Trade and other receivables	905	85	-	85
Cash and cash equivalents	20,482	12,020	20,296	12,019
Total Assets	345,239	329,362	68,436	49,793
EQUITY AND LIABILITIES				
Equity (attributable to equity holders of parent)	337,817	327,731	66,344	47,242
Share capital	74,645	54,961	74,645	54,961
Reserves	284,522	284,522	-	-
Retained earnings	(20,799)	(11,679)	(8,301)	(7,719)
Minority interest	(551)	(73)	-	-
Non-current liabilities				
Finance lease obligations	3,614	-	-	-
Current liabilities	3,808	1,631	2,092	2,551
Loans from group companies	-	-	1,884	2,001
Other financial liabilities	1,004	1,004	-	-
Finance lease obligation	1,614	-	-	-
Trade and other payables	1,190	627	208	550
Total Equity and Liabilities	345,239	329,362	68,436	49,793
Closing number of shares in issue ('000)	215,131	187,131		
Net asset value per share (cents)	157.0	175.1		
Net tangible asset value per share (cents)	9.5	5.8		

INCOME STATEMENT

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Revenue	372	2,000	-	-
Cost of sales	(298)	-	-	-
Gross profit	74	2,000	-	-
Other income	548	-	-	-
Operating expenses	(11,674)	(4,220)	(2,462)	(707)
Operating loss	(11,052)	(2,220)	(2,462)	(707)
Investment revenue	2,108	441	2,109	441
Income from equity accounted investments	(229)	-	-	-
Finance costs	(423)	-	(229)	-
Loss for the year	(9,596)	(1,779)	(582)	(266)
Attributable to:				
Equity holders of the parent	(9,119)	(1,706)	(582)	(266)
Minority interest	(477)	(73)	-	-
Weighted average number of shares in issue ('000)	203,547	175,948		
Earnings/(loss) per share (cents)	(4.5)	(1.0)		
Headline earnings/(loss) per share (cents)	(4.5)	(1.0)		

CASH FLOW STATEMENT

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Cash flows from operating activities				
Cash used in operations	(10,789)	(3,206)	(2,695)	(760)
Interest income	2,108	440	2,108	440
Finance costs	(422)	-	(229)	-
Net cash from operating activities	(9,103)	(2,766)	(816)	(320)
Cash flows from investing activities				
Purchase of property, plant and equipment	(6,854)	(13)	(85)	-
Acquisition of businesses (incl subs JVs & assoc)	(500)	(1,000)	-	(1,000)
Loans advanced to group companies	-	-	(10,514)	(2,555)
Sale of financial assets	8	269	8	520
Net cash from investing activities	(7,346)	(744)	(10,591)	(3,035)
Cash flows from financing activities				
Proceeds on share issue	19,684	15,373	19,684	15,373
Repayment of shareholders loan	-	132	-	-
Finance lease payments	5,227	-	-	-
Net cash from financing activities	24,911	15,505	19,684	15,373
Total cash movement for the year	8,462	11,995	8,277	12,018
Cash at the beginning of the year	12,020	25	12,019	1
Total cash at end of the year	20,482	12,020	20,296	12,019

COMMENTARY

1. OPERATIONAL REVIEW

The year under review has seen the group mature and move aggressively into full scale advanced exploration mode on its prioritised coal projects. The submission of the group's first Mining Right application to the Department of Minerals and Energy ("DME") during the financial year represented a significant milestone for the group. The anticipated successful granting of the mining right, on the KZN Sesikhona Kliprand coal project, in the last quarter of the 2008 calendar year will be the culmination of nearly 18 months of work.

Strategically, the group has refocused its exploration assets into four resource classes, namely Coal, Diamonds, Gold and Industrial Minerals. This has enabled management to co-ordinate the group's exploration strategy in a focused and disciplined manner, allocating resources to each project based on that particular project's merits.

Coal Division

The company completed a detailed core drilling programme on the KwaZulu-Natal ("KZN") properties which resulted in the publication of four Competent Persons Reports* ("CPR's") confirming a resource of 120 million tonnes ("mt") of anthracite and bituminous coal with excellent coking properties. The first phase drilling programme was conducted on the Amajuba project and an initial CPR has been completed identifying a resource of approximately 38 mt. This brought Miranda's total coal resources in KZN under CPR to 158 mt. * (PC Meyer: Pr.Sci.Nat. (Reg. no. 40025/03), MGSSA, MFFF).

The production lead time on Sesikhona is not expected to be more than six weeks and, depending on the timing of the execution of the Sesikhona mining permit, production should kick off during the first quarter of calendar year 2009. The group has also commenced with the preparation of mining right applications on the Amajuba and Uithoek projects, respectively.

Diamond Division

Diamond exploration remains an important part of the group's strategy and will make a significant contribution to the group's future earnings once these projects come on line. During the period under review, the group was awarded two additional prospecting permits adjacent to the existing Mochudi project in Botswana.

The group recently completed a closely spaced electro-magnetic survey on the Turffontein and Blaaubank diamond properties in the North West Province. The initial results have been very encouraging and have also identified nine blocks as potential target areas that will require further exploration.

Gold and Industrial Minerals

Although the primary focus has been to develop the group's coal assets, the company will continue to conduct further work on identified projects in its gold and industrial mineral portfolio. Exploration conducted during the period under review include drilling completed on the Uitval clay project in the North West Province, where the results have been encouraging. The strategy is to develop a number of these projects further up the value curve so as to allow the group to subsequently enter into a joint venture with a partner seeking to develop these projects further.

2. FINANCIAL REVIEW

Financial results

For the year ended 31 August 2008, the net asset value and net tangible asset value of the company increased to R338 million and R20 million, respectively (2007: R327 million and R11 million). This was equivalent to 157 cents per share ("cps") and 9.5 cps (2007: 175.1 cps and 5.8 cps).

Revenue amounted to R372,000 (2007: R2 million). Operating expenses amounted to R11.7 million (2007: R4.2 million). The resultant net loss for the period was R9.6 million (2007: R1.8 million), equivalent to a loss of 4.5 cps (2007: loss of 1.0 cps). This was a direct result of the increased expenditure on the coal exploration. The board is confident that the imminent cash flows from the Sesikhona project will enable the company to speed up the transition from prospecting to mining on at least two of the most advanced projects.

Private placing

In line with its strategy of "just-in-time" capital raising, the company successfully completed its second capital raising exercise during the period under review. An amount of R20.7 million was raised through the issue of 28 million shares at a price of 74 cps. The shares were issued under the board's general authority. The proceeds of the private placing will enable the company to significantly advance its exploration objectives on the coal projects referred to above and detailed in the annual report.

Valuation of Rozynenbosch base metal project

In terms of International Financial Reporting Standards ("IFRS") the board is required to regularly test for any impairment in the value of the company's assets. At the end of the current financial reporting date, the two main variables affecting value, namely the exchange rate and commodity prices, had shown an upward movement. Given these short-term changes, the indicative value of the project in Rand terms had increased to R462 million. Consistent with the approach taken in the 2007 annual results, and given the uncertainty of the long-term sustainability of current commodity prices, the board is still of the opinion that the previously reported value of R284 million is more realistically achievable over the life of the project. The value of the project was therefore not adjusted at the reporting date (2007: R284 million). At the time of publication of these results the new order prospecting permit had not yet been granted by the DME, however the company has lodged a formal appeal with the department and the board is confident that this permit will be granted shortly.

3. PROSPECTS

The company is satisfied with the results and expenditure to date. The success of the private placing and the potential revenue to be generated from the Sesikhona project have placed the group in a position to fast-track certain coal and diamond projects, which are expected to yield positive results in the next 12 to 18 months.

With regard to the current financial market turmoil, the board is of the opinion that Miranda has sufficient resources to continue with its planned exploration programme. The development of the core coal assets is not expected to be materially affected (even if a worst case scenario were to force a delay in the exploration activities on some non-core prospects). At an operational level, the group is therefore simply continuing to lay the building blocks of its business development plan. Market crises deliver their own opportunities and Miranda is certainly viewing its future in this light.

4. STATEMENT ON GOING CONCERN

The financial statements have been prepared on the going-concern basis since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future. The funds raised by the private placing will be used to complete the exploration program detailed in the annual report and to provide for the company's operational cash flow requirements for the next twelve months. The company will continue with its strategy of "just-in-time" capital raising as and when required. Additional cash flow requirements will be funded internally from future revenue generated from joint venture projects.

5. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The abridged financial statements have been prepared in accordance with International Financial Reporting Standards, IAS 34, the Companies Act, 1973 (Act 61 of 1973) as amended and the disclosure requirements of the listing requirements of the JSE Limited. The financial statements have been prepared under the historical cost convention and the accounting policies are consistent with those of the previous year.

6. DIVIDENDS

No dividends were recommended or declared for the financial year under review (2007: nil).

7. AUDIT OPINION

The abridged results have been audited by the company's auditors PKF (Pretoria) Inc whose unqualified audit report is available for inspection at the groups' registered address.

For and on behalf of the Board

AR Thompson
Chairman

RJ Nel
Chief Executive Officer

24 November 2008
Pretoria

STATEMENT OF CHANGES IN EQUITY

Group	Share capital R'000	Share premium R'000	Total share capital R'000	Revaluation reserve R'000	Accumulated loss R'000	Total Attributable to equity holders of the group/company R'000	Minority interest R'000	Total equity
Balance at 01 September 2006	1 537	29 952	31 489	-	(9 974)	21 515	-	21 515
Financial assets	-	-	-	284 522	-	284 522	-	284 522
Loss for the year	-	-	-	-	(1 705)	(1 706)	(73)	(1 779)
Issue of shares	334	23 138	23 472	-	-	23 472	-	23 472
Balance at 01 September 2007	1 871	53 090	54 961	284 522	(11 679)	327 803	(73)	327 730
Loss for the year	-	-	-	-	(9 119)	(9 119)	(477)	(9 596)
Issue of shares	280	20 440	20 720	-	-	20 720	-	20 720
Share issue costs	-	(1 036)	(1 036)	-	-	(1 036)	-	(1 036)
Business combinations	-	-	-	-	-	-	(1)	(1)
Balance at 31 August 2008	2 151	72 494	74 645	284 522	(20 798)	338 368	(551)	337 817