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MMH - Miranda Mineral Holdings Limited - Reviewed condensed consolidated financial results for the six months ended 28 February 2011

Miranda Mineral Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1998/001940/06)

Share code: MMH ISIN: ZAE000074019

("Miranda" or "the Group")

Reviewed condensed consolidated financial results for the six months ended 28 February 2011

\* Capital raising is currently being reviewed

\* Sesikhona mining and offtake partner has been conditionally appointed

\* Uithoek Mining Right has been granted

\* Miranda Coal`s shareholding in Glencoe coal properties increased

Condensed Consolidated Statement of Financial Position

(Figures in R `000)

six months	six months	year	Reviewed ended 28 Feb 2011	Unaudited ended 28 Feb 2010	Audited ended 31 Aug 2010
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment			18,792	8,018	14,368
Intangible assets			339,735	338,136	339,612
Other financial assets			2,541	2,664	2,468
			361,068	348,818	356,448
<b>Current Assets</b>					
Trade and other receivables			1,223	1,377	2,905
Cash and cash equivalents			4,137	5,503	24,553
			5,360	6,880	27,458
<b>Total Assets</b>			<b>366,428</b>	<b>355,698</b>	<b>383,906</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
<b>Equity Attributable to Equity</b>					
<b>Holdings of Parent</b>					
Share capital			115,050	91,812	115,050
Reserves			-	1,793	-
Retained income			228,139	248,249	239,139
			343,189	341,854	354,189
Non-controlling interest			(905)	(382)	(863)
342,284	341,472	353,326			
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Finance lease obligation			1,294	2,316	1,815
Deferred tax			221	907	221
Environmental rehabilitation provisions			8,280	8,164	9,220
			9,795	11,387	11,256
<b>Current Liabilities</b>					
Loans from shareholders			2,928	100	2,928
Finance lease obligation			1,012	912	964
Operating lease liability			22	35	22
Trade and other payables			10,387	1,792	15,410
			14,349	2,839	19,324
<b>Total Liabilities</b>			<b>24,144</b>	<b>14,226</b>	<b>30,580</b>
<b>Total Equity and Liabilities</b>			<b>366,428</b>	<b>355,698</b>	<b>383,906</b>
<b>Net asset value per share (cents)</b>			<b>120.3</b>	<b>138.0</b>	<b>124.2</b>

Net tangible asset value per share (cents)	0.9	1.3	4.8
Shares in issue - closing number	284,511	247,400	284,511
Condensed Consolidated Statement of Comprehensive Income			
(Figures in R `000)	Reviewed	Unaudited	Audited
	six months	six months	year
	ended	ended	ended
28 Feb 2011	28 Feb 2010	31 Aug	2010
Operating loss before interest and tax	(11,203)	(7,286)	(17,593)
Investment revenue	201	410	478
Fair value adjustment	73	-	131
Finance costs	(113)	(445)	(319)
Loss before taxation	(11,042)	(7,321)	(17,303)
Taxation	-	(84)	(95)
Loss for the period	(11,042)	(7,405)	(17,398)
Other comprehensive income:			
Loss on aircraft revaluation	-	(357)	(2,847)
Taxation related to components of other comprehensive income	-	100	797
Other comprehensive loss for the year net of taxation	-	(257)	(2,050)
Total comprehensive loss	(11,042)	(7,662)	(19,448)
Loss attributable to:			
Equity holders of the parent	(11,000)	(7,192)	(16,704)
Non-controlling interest	(42)	(213)	(694)
Total comprehensive loss attributable to:	(11,042)	(7,405)	(17,398)
Equity holders of the parent	(11,000)	(7,449)	(18,754)
Non-controlling interest	(42)	(213)	(694)
	(11,042)	(7,662)	(19,448)
Weighted average number of shares in issue	284,511	247,400	247,502
Loss per share (cents)	(3.87)	(2.99)	(7.03)
Headline loss per share (cents)	(3.87)	(2.99)	(6.73)
No dilution effect			
Condensed Consolidated Statement of Cash Flows			
(Figures in R `000)	Reviewed	Unaudited	Audited
	six months	six months	year
	ended	ended	ended
28 Feb 2011	28 Feb 2010	31 Aug	2010
Cash used in operations	(13,496)	(5,931)	(2,562)
Interest income	201	410	478
Finance costs	(113)	(174)	(319)
Net cash from operating activities	(13,408)	(5,695)	(2,403)
Net cash from investing activities	(6,534)	(3,409)	(13,269)
Net cash from financing activities	(474)	(523)	25,095
Total cash movement for the period	(20,416)	(9,627)	9,423
Cash at the beginning of the period	24,553	15,130	15,130
Total cash at end of the period	4,137	5,503	24,553
Condensed Consolidated Statement of Changes in Equity			
(Figures in R `000)	Share	Share	Re-
	capital	premi	Valua-
		um	tion
			reser
			ed
			income
			Non-
			contro
			l-
			ling
			Total
			equity
ve	intere		st

Balance at August 2009	31	2,474				(169)	348,778
			89,338	2,050	255,085		
Total comprehensive loss for the 6 months		-	-	(257)	(7,192)	(213)	(7,662)
Revaluation reserve realised		-	-	-	356	-	356
Total changes		-	-	(257)	(6,836)	(213)	(7,306)
Balance at February 2010	28	2,474				(382)	341,472
			89,338	1,793	248,249		
Balance at August 2009	31	2,474				(169)	348,778
			89,338	2,050	255,085		
Total comprehensive loss for the year		-	-	(2,050)	(16,704)	(694)	(19,448)
Issue of shares		371				-	23,238
			22,867				
Revaluation reserve realised		-	-	-	758	-	758
Total changes		371				(694)	4,548
		22,867	(2,050)	(15,947)			
Balance at August 2010	31	2,845				(863)	353,326
			112,205	-	239,136		
Balance at August 2010	31	2,845				(863)	353,326
			112,205	-	239,139		
Total comprehensive loss for the 6 months		-	-	-	(11,000)	(42)	(11,042)
Total changes		-	-	-	(11,000)	(42)	
		(11,042)					
Balance at February 2011	28	2,845				(905)	342,284
			112,205	-	228,139		

#### Group Segmental Analysis

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segments and to assess their performance. The chief operating decision-maker has been identified as the Executive Committee that makes strategic decisions. The Group has identified its operating segments based on its main exploration divisions and aggregated them into coal, diamonds, gold, base metals and industrial minerals and other. These values have been reconciled to the consolidated financial results. The measures reported on by the Group are in accordance with the accounting policies adopted for preparing and presenting the consolidated annual financial statements.

Segment operating expenses comprise all operating expenses of the different reportable segments and are either directly attributable to the reportable segment, or can be allocated to the reportable segment on a reasonable basis. The segment assets and liabilities comprise all assets and liabilities of the different segments that are employed by the reportable segments and are either directly attributable to the reportable segments, or can be allocated to the reportable segment on a reasonable basis.

Reviewed six months 28 February 2011						
(Figures in R`000)	Coal	Diamonds	Gold	Base Metals & Minerals	Other	Group
Segment result:						
Loss before taxation	4,392	1,532	382	688	4,048	11,042
Taxation	-	-	-	-	-	-
Loss after taxation	4,392	1,532	382	688	4,048	11,042
Segment assets	53,692	637	143	307,238	4,718	366,428
Mining properties	14,882	-	-	-	-	14,882
Capital work-in-progress	13,153	-	-	-	-	13,153
Exploration and evaluation asset	10,388	282	72	79	-	10,821
Mineral rights	8,929	-	-	306,832	-	315,761
Other assets	6,340	355	71	327	4,718	11,811
Segment liabilities	(17,638)	(627)	(126)	(188)	(5,565)	(24,144)
Other material non-cash items included in segment loss						
Depreciation on property, plant and equipment	691	74	15	22	16	818
Unaudited six months 28 February 2010						
Segment result:						
Loss before taxation	3,787	552	105	159	2,718	7,321
Taxation	71	8	2	3	-	84
Loss after taxation	3,858	560	107	162	2,718	7,405
Segment assets	40,734	1,249	216	307,353	6,146	355,698
Mining properties	-	-	-	-	-	-
Capital work-in-progress	12,791	-	-	-	-	12,791
Exploration and evaluation asset	8,960	487	64	72	-	9,583
Mineral rights	8,929	-	-	306,833	-	315,762
Other assets	10,054	762	152	448	6,146	17,562
Segment liabilities	(11,871)	(704)	(141)	(211)	(1,299)	(14,226)
Other material non-cash items included in segment loss						
Depreciation on property, plant and equipment	974	110	22	33	26	1,165
Audited for the year ended 31 August 2010						

Segment result:							
Loss before taxation	10,373	1,576	367	659	4,328	17,303	
Taxation	80	10	2	3	-	95	
Loss after taxation	10,453	1,586	369	662	4,328	17,398	
Segment assets	50,245	927	155	307,256	25,323	383,906	
Mining properties	9,665	-	-	-	-	9,665	
Capital work-in-progress	13,153	-	-	-	-	13,153	
Exploration and evaluation asset	10,042	506	71	78	-	10,697	
Mineral rights	8,929	-	-	306,832	-	315,761	
Other assets	8,456	421	84	346	25,323	34,630	
Segment liabilities	(22,236)	(1,025)	(205)	(307)	(6,807)	(30,580)	
Other material non-cash items included in segment loss							
Depreciation on property, plant and equipment	2,031	230	46	69	62	2,438	

#### Commentary

The Board of Directors welcomes this opportunity to update the shareholders of Miranda on some of the exciting developments impacting on their investment during the first six months of the 2011 financial year.

The condensed consolidated interim financial results of the Group for the six month period ended 28 February 2011 are a summary of the Group's reviewed interim financial statements and comprise the Company and its subsidiaries. As a result of the restructured Board mentioned below, it was decided that in terms of good corporate governance, the interim financial results would be reviewed. The group's auditors, Deloitte & Touche, have reviewed these results and a copy of their unmodified review opinion on this set of condensed financial information is available for inspection at the Group's registered office.

#### 1. PRESENTATION OF CONDENSED CONSOLIDATED INTERIM RESULTS

The condensed consolidated interim results have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board and the information as required by IAS 34: Interim Financial Reporting, Listing Requirements of the JSE Limited, and the Companies Act of South Africa (Act 61 of 1973), as amended. In the preparation of these interim financial results, the Group has applied key assumptions concerning the future and other indeterminate sources in recording various assets and liabilities.

The Group's principal accounting policies and assumptions have been applied consistently over the current and prior financial period.

#### 2. STRATEGIC AND CORPORATE REVIEW

At a strategic and corporate level, the period under review has largely been one of consolidation, review and restructuring for Miranda.

Shareholders are referred to the SENS announcements dated 7, 19 and 21 April 2011, as well as 9 and 24 May 2011, in which it stated that the Company is presently reviewing all possible implications associated with the re-launch of the capital raising, which process is expected to be conclude by no later than the first week of June 2011.

The plans to list the Group's coal assets separately have been placed on hold pending the capital raising.

The Board has been restructured to reflect the change in its shareholder base and the new challenges the Company will face. This process of establishing the right balance between expertise and independence is ongoing. The Board and its sub committees are in the process of reconstitution following the retirement of two directors at the annual general meeting held on 7 April 2011.

### 3. OPERATIONAL REVIEW

The operational highlights of the Coal Division's activities during the last six months include:

\* Miranda Coal has appointed its new preferred partner in its Sesikhona Klipbrand Colliery (Pty) Ltd ("Sesikhona"), an approximately 3.7 million tonne ("mt") anthracite project, subject to the delivery of acceptable financial guarantees. Miranda has returned to its original model for Sesikhona, namely to outsource all mining, processing, logistics and offtake to an outsider and to secure an annuity income stream for the Group over the life of the project. An announcement on the timeline and roll-out of the project will be made as soon as all agreements have been concluded and the offtake becomes unconditional.

\* The long-awaited Mining Right for Miranda Coal's second coal development property, Uithoek, has been granted and executed with the Department of Mineral Resources ("DMR"). The open pit sections of Uithoek and the adjacent Burnside property (whose Mining Right application lags that of Uithoek by approximately six months), have been targeted as the first mining phase in the Group's larger Glencoe complex of properties. Management has decided to fast-track the development of this 13.5 mt open pit resource and has planned to embark on an exploration programme designed to refine the resource and obtain additional information sufficient for a pre-feasibility study.

\* During April 2011, Miranda Coal increased its stakes in the following subsidiaries, which are all the holders of coal Prospecting Rights in the KZN Klip River coal field. The transactions were funded out of existing cash holdings.

Street Spirit Trading 54 (Pty) Ltd (Burnside project) - by 17% to 77%;

Applewood Trading 3 (Pty) Ltd (Boschoek project) - by 20% to 72%;

Nungu Trading 695 (Pty) Ltd (Wasbank project) - by 12% to 74%; and

Point Blank Trading 104 (Pty) Ltd (Learydale project) - by 12% to 64%.

The first three projects all form part of Miranda Coal's strategic portfolio of coking coal properties in the Glencoe complex. Learydale is adjacent to the Group's Yarl underground project in its Newcastle project area, which currently holds an approximately 16.9 mt SAMREC inferred coal resource.

Management's focus in the other operating divisions has been, and will continue to be, to work towards a resolution with the Department of Mineral Resources in respect of its disputed Prospecting Rights.

Other than as disclosed in these interim financial results, there have been no material changes during the six months ended 28 February 2011 to the information as disclosed in the 2010 Annual Report in respect of the Company's exploration activities and results.

#### Contingencies

As previously reported, Sesikhona is still involved in an arbitration process with Stefanutti Stocks Mining Services ("SSMS") regarding outstanding amounts and claims in respect of a mining contract with SSMS. Sesikhona rejected the SSMS claim of R31.3 million in its entirety and has instituted a counterclaim against SSMS for the damages suffered by Sesikhona at the mining site. The Group's legal advisers consider the likelihood of any action against the Company in this matter being successful as unlikely, and the case should be resolved within the foreseeable future.

The damage to the mining property of Sesikhona, with a capitalised value of

R15.8 million in Property, Plant and Equipment at February 2011 (2010: R nil), became evident following rain in the Dannhauser area during the months of December 2010 and early January 2011. The site establishment had been completed at the time of the incident and Sesikhona is still investigating whether the proper establishment and development of the site by the previous mining contractors could have prevented or limited the damages.

The Board has received confirmation from the DMR that its appeal against the refusal of a prospecting right for its Rozynenbosch lead, silver and zinc deposit is part of a large inherited backlog and is receiving urgent attention. As a consequence, the Company has put its appeal process against Government on hold pending further information. The Board is monitoring the situation on an ongoing basis and will make further announcements to shareholders as soon as any of the facts related to the matter change. In the event of this right not being granted to Miranda, it could result in a derecognition of the full mineral asset value currently carried at R284 million.

Given the uncertainty on title, tenure and the current depressed market for clay bricks, the board is currently reviewing information pertaining to the prospects and potential economic benefits of the Rozynenbosch mineral asset and Turffontein clay deposit, including the company's strategic intents and intended programmes to realise the embedded economic value within these assets, in order to arrive at an informed view of whether to impair or not to impair these assets. The Board expects to finalise the assessment for impairment on these assets in the foreseeable future. In the unlikely event of these assets proving to be impaired, it could result in a recognition of the full impairment loss of up to R307 million.

#### 4. Financial Review

On 28 February 2011, the net asset value and net tangible asset value of the company amounted to R342.3 million and R2.5 million respectively (2010: R341.5 million and R3.3 million). This was equivalent to 120.3 cents per share ("cps") and 0.9 cps (2010: 138.0 cps and 1.3 cps), which represents a decline of 13% and 31%, respectively. The group has incurred material expenditure in the period as a direct result of its ongoing exploration program and the preparation of new exploration and mining right applications. The resultant net loss for the period was R11.0 million (2010: R7.4 million).

#### 5. Events Subsequent to Balance Sheet Date

An extraordinary general meeting of shareholders was held on 9 May 2011. Shareholders passed the requisite resolutions to facilitate the Group's capital raising activities by placing the authorised, unissued shares of the Company under the control of the directors.

#### 6. Changes to the Board

During the financial period reported on:

\* Mr Parawut Kobboon and Mr Glen William Poff were appointed as Non-executive Directors, and Mr Daniel Choon Beng Lian as an Independent Non-executive Directors, all effective from 13 December 2010; and

\* Mr Moses Tshitangano, was appointed as a Non-executive Director effective 14 February 2011.

Subsequent to 28 February 2011:

\* Mr Glen Poff, previously a non-executive director was appointed as the Chief Executive Officer effective 14 March 2011;

\* Alan R Thompson, previously Non-executive Chairman, and Adriaan M Botha, previously Financial Director, both retired from the board on 7 April 2011;

\* Mr Daniel Lian's designation changed to that of a Non-independent Non-executive Director with effect from 20 April 2011; and

\* Ms Lulama Mokhobo, previously an Independent Non-executive Director of the Company, was appointed as the Chairperson of the Board with effect from 20 April 2011.

#### 7. Group Prospects

The Board is focused on implementing its strategy of fast-tracking and bringing to account Miranda Coal's most advanced coal projects in KZN.

#### 8. Statement on going concern

The condensed consolidated interim results 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 obligations and commitments will occur in the ordinary course of business. The short to medium-term going concern outlook of the Group will be enhanced by the ability of the company to implement its stated policy of capital raising. Accordingly, the interim results have been prepared on the basis of accounting policies applicable to going concern.

#### 9. Dividends

No dividends were recommended or declared for the period under review (2010: nil).

For and on behalf of the Board

LP Mokhobo  
Chairperson

GW Poff  
Chief Executive Officer

Centurion  
31 May 2011

#### Sponsor:

PricewaterhouseCoopers Corporate Finance (Proprietary) Ltd,  
2 Eglin Road, Sunninghill, 2157  
(Private Bag X36, Sunninghill, 2157)

#### Corporate Adviser:

Touchstone Capital (Proprietary) Ltd, Ground Floor, Pecanwood Building, The Greens Office Park, Charles de Gaulle Crescent, Highveld Techno Park, Centurion (PO Box 36254, Menlo Park, 0102)

#### Transfer Secretaries:

Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001

(PO Box 61051, Marshalltown, 2107) Telephone number: 011 370 5000

#### Company Secretary and place where registers are kept:

Fusion Corporate Secretarial Services (Pty) Ltd, represented by Melinda van den Berg, Nr 56 Regency Road, Route 21 Corporate Park, Nellmapius Drive, Irene, Centurion (PO Box 68528, Highveld, 0169)

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