

**Weatherly Announces Maiden Profit of \$12.4 million or \$0.04 per basic share for the Financial Year Ended 30 June, 2007****26 November 2007****Financial Highlights**

- Turnover of US\$63.1 million
- Operating gross profit of US\$9.71 million
- Net profit of US\$12.4 million or US\$0.04 per basic share
- Cash at bank US\$13.3 million, as at 30 June 2007
- Tangible asset valuation of US\$96.4 million.
- Net asset per share increased from 11.93 US cents to 23.62 US cents year on year

**Corporate and Operational Highlights**

- Acquisition of Ongopolo for US\$35.1 million
- Total production of 22,711 tonnes of blister copper, with 6,307 tonnes belonging to Weatherly
- Successful smelter refurbishment of No 1 furnace on time and within budget
- Successful rehabilitation of four existing mines and completed commissioning of the new Tschudi mine, making five mines now in production.
- US\$8 million placement to fund doubling of annual smelter capacity to 50,000 tonnes

Weatherly International plc, the AIM listed integrated base metals producer with copper mining and smelting operations in Namibia, is pleased to announce a profit of US\$12.4 million, or US\$0.04 per basic share, on turnover of US\$63.1 million and group production of 22,711 tonnes of copper for the financial year ended 30 June 2007.

Rod Webster, CEO of Weatherly International, commented "Weatherly has had an outstanding year, culminating in a maiden profit of US\$12.4 million. Since our acquisition of the distressed Ongopolo assets, we have successfully rehabilitated the mines and refurbished the smelter.

We are in sound position with US\$13.3 million cash in the bank, no material debt and a balance sheet which more accurately reflects our assets, following its restructuring. This provides Weatherly with a solid base going forward.

The outlook for 2008 is positive for Weatherly. We have a clearly defined production strategy, are fully funded for our immediate growth projects, and will be focusing our attention during 2008 on regional exploration and completing the Berg Aukas and Tschudi Open Pit feasibility studies."

**Chairman's statement**

Dear Shareholder

It gives me great pleasure to present Weatherly's first full-year accounts incorporating the results of our Namibian operations, and to announce our maiden profit of US\$12.42 million.

It has been an exceptional year for Weatherly, starting with the acquisition of the failing Namibian copper mining and smelting company, Ongopolo, in July 2006 for a total consideration of US\$35.1 million. At the time of acquisition, Ongopolo was on the brink of insolvency with just one mine operating well below its capacity, a smelter in disrepair, substantial debts, and a demoralised workforce. However, we saw tremendous potential in the assets and our confidence has been justified by the progress achieved during the past year.

On the mining side, we successfully rehabilitated four existing mines and commissioned the new Tschudi mine, with five mines now in production. At the same time we improved safety practices, revised the mine planning, identified our priority growth projects and further refined our medium-term production strategies.

The Tsumeb smelter was rebuilt within schedule and budget and is currently being expanded to 50,000 tonnes. The project is expected to be completed in two stages, with commissioning of the Ausmelt furnace in 2008 and start-up of the oxygen plant by mid-2009. The smelter expansion was funded by a US\$8 million placement to Dundee Precious Metals at a price of 25p per share. We will continue to process our own in-country concentrates, while also processing a growing quantity of imported concentrates.

All outstanding commercial liabilities to the Government of the Republic of Namibia inherited with the acquisition have been resolved, and unsecured creditors are being repaid in accordance with the undertakings given.

In the Chairman's interim statement in March 2007, I indicated that the company would review the value of its Namibian assets. The process was completed during this accounting period and more appropriate values are now reflected in the consolidated balance sheet, which gives Weatherly a stronger balance sheet and greater flexibility with respect to its future financing options. Going forward, the financial statements will be prepared under IFRS (International Financial Reporting Standards) to conform with reporting requirements.

In July 2007, Ongopolo was renamed Weatherly Mining Namibia. In addition, an Ongopolo subsidiary housing the smelter company was renamed Namibia Custom Smelters and transferred to a new holding company. We believe this restructuring will allow an appropriate differentiation of risk in the market between Weatherly's mining and smelting operations in Namibia. The new corporate arrangement will also allow both companies to access appropriate finance.

In August 2007, Weatherly raised £9.28 million (net of expenses) through the issue of 48,000,000 shares at 21 pence. The proceeds will allow for the continuing rehabilitation of existing mines, regional exploration and the feasibility studies of our growth projects.

In line with the rapid growth of our operations and plans for further development, we have strengthened our management team with the appointment of four highly experienced managers to lead our business in Namibia. At the corporate level, Paul Craven joined Weatherly in April 2007 and was appointed Chief Financial Officer and a member of the Board in June 2007.

Weatherly is now a major employer in Namibia, with a workforce of over 1,000 including more than 120 new jobs created in the past year. We continue to restructure the workforce to improve productivity through an increase in the wage levels of our employees, the introduction of modern mining techniques by contracting a wide range of mining specialists, and the transfer of skills and training programmes for young Namibians.

Weatherly looks forward to meeting the challenge of consolidating and further strengthening the sound financial position we have established in our first year of operations in Namibia by enhancing the resource base and continuing to develop the company as an integrated base metals producer.

I would like to end by thanking everyone who has a stake in Weatherly International – our shareholders, our employees, our fellow London and Namibian Board members, and the people of Namibia. I greatly value your contributions to making the Weatherly group a profitable, growing and sustainable integrated metals producer.

Wolf Martinick  
Chairman  
26 November 2007

## Chief Executive's review

### Overview

At the time of acquisition, Ongopolo was a company in severe distress with only one mine, Otjihase, in production. Immediately accessible ore reserves across all mines were generally depleted, most plant and equipment was inoperative, and the workforce and management demoralised. This was the challenge facing Weatherly in late July 2006.

Since then Weatherly has invested some US\$44 million in regenerating the business, with most of this spent on rehabilitating and re-equipping the operations. By the financial year-end three mines were operational, a further two mines were in development and the No 1 reverberatory furnace had been rebuilt. Although the increase in production was too late to be substantially reflected in this set of financials, it does confirm that an operational turnaround is well underway.

It is now some 16 months after the acquisition and Weatherly now has five mines in production and is evaluating a range of expansion options for all the sites. The Ongopolo name has disappeared and two new companies, Weatherly Mining Namibia ("WMN") and Namibia Custom Smelters ("NCS"), have emerged. Each of these companies has its own clearly defined growth strategy, performance targets and management structure.

### Weatherly Mining Namibia

WMN currently operates five mines feeding three concentration plants located in the central and the northern regions of Namibia. Combined milling capacity is approximately two million tonnes of ore per annum, of which less than two thirds is currently being utilised. The short to medium term strategy is to expand the production of the existing mines and to develop new satellite mines to fully utilise the available capacity.

The table below summarises the current mine/concentrator relationships. The reserves and resources for each of the mines are contained in Table A on page 9 of this report.

<u>Mine</u>	<u>Status as at Nov '07</u>	
<b>Central Operations</b>		
Otjihase	production	Otjihase Concentrator (nameplate capacity 1,000,000tpa)
Matchless	production	
<b>Kombat Operations</b>		
Kombat No 1 shaft	production	Kombat Concentrator (nameplate capacity 400,000tpa)
Kombat No 3 shaft (lead)	evaluation	
Kombat Central Open Pit	evaluation	
Gross Otavi	evaluation	
Asis Far West	future evaluation	

### **Northern Operations**

Tsumeb West	production	Tsumeb Concentrator
Tschudi Underground	production	(nameplate capacity 500-700,000tpa)
Tschudi Open Pit	evaluation	
Tsumeb De Wet Shaft	future evaluation	

### **Central Operations**

Otjihase is an underground mining operation recovering pillars left by previous mining. This is achieved by filling the voids with a cement sand fill and cable bolting the roof to ensure stability and support. Much of the work during the past year was aimed at preparing the Karuma block for extraction, which will underpin production for the next five years. Key achievements were the successful commissioning of the backfill plant and the commencement of cable bolting operations in May 2007. The first ore from this block was extracted in the fourth quarter 2007, although the full benefits are not anticipated until second quarter 2008.

Matchless is a shallow underground mine some 80 kilometres south west of Otjihase, exploiting the most westerly shoot associated with the Matchless mineralisation. The mine was semi-operational at the time of acquisition but required a major upgrade of the power, ventilation and mobile equipment to become fully operational. This was achieved in the fourth quarter of 2006. As mining progresses, it is anticipated that the Western shoot will eventually link back to the existing deeper workings (River shoots), with potential for a larger operation.

Production from Otjihase (including Matchless) was 462,442 tonnes of ore grading 1.15% copper, 5.5 grams per tonne of silver and 0.3 grams per tonnes of gold. Mill recovery for copper was 91%. Copper production attributable to Otjihase was 4,856 tonnes.

### **Kombat Operations**

Kombat is a historically significant underground mine some 440 kilometres north of Windhoek. The mine was flooded in 2005 and has been the subject of limited production and evaluation since then. Initially the focus was at Asis Far West, where a new 800-metre shaft had been sunk by the previous owners at a cost of US\$30 million. Subsequent drilling revealed that the best mineralisation lay a further 150 metres below the bottom shaft level. The decision was taken in January 2007 to place the shaft on care and maintenance in favour of dewatering the flooded No 1 Shaft, and concentrating on retrieving high grade reserves that were lost in the 2005 flooding. Despite a number of setbacks, the pumping system has been upgraded and sufficient progress has been made for mining to resume, which it did in November 2007.

In addition to the No 1 Shaft ore-bodies, there is considerable potential for alternative sources of ore from the areas surrounding Kombat. These areas can be mined as either supplementary ore or, in the event of a dewatering setback, as an alternative mill feed. Two areas were investigated during 2006/07.

The first, Kombat Open Pit, was an area extending some four kilometres east of No 1 Shaft that had the potential to support a series of open pits. A comprehensive drilling program together with some trial open pitting was carried out across two of the more promising zones. The drilling and metallurgical results are being analysed by consultants RSG Global, with the final reports expected early in 2008.



The second area drilled was the Gross Otavi Central ore-body which lies some 14 kilometres east along the main road to Otavi. A total of 13 confirmation holes were completed and results were generally consistent with the previous drilling on which the “historical” resource of 158,000 tonnes at 1.5% copper and 6% lead was based. Encouraged by the current high lead price, combined with the ability of the Kombat concentrator to treat both lead and copper ores, Weatherly is conducting a feasibility study to examine the potential of Gross Otavi as a small satellite mine using the Kombat concentrator.

## Northern Operations

The Tsumeb West mine, located south west of the town of Tsumeb, is the first of a number of mines being developed to feed the Tsumeb concentrator. Previously in operation until 2004, the mine was successfully recommissioned in May 2007 along with the concentrator. Although the proven resource is small, the mine is expected to be a reliable low-cost contributor for some time as the ore-bodies all continue at depth.

Tschudi refers to a large area of mineralisation occurring along the geological contact of a major syncline some 20 kilometres west of Tsumeb. A small part of this contact (2 kilometres of strike) was extensively drilled by Goldfields in the 1970s and 1980s, and this forms the basis of Weatherly’s underground and open pit developments. The initial focus has been on bringing a small underground mine into production ahead of a larger open pit development. Most of the underground access tunnels and infrastructure were completed in the financial year, with the mine subsequently achieving first production in October 2007. Tschudi Underground and Tsumeb West are expected to provide 500,000 tonnes of ore annually to the Tsumeb concentrator.

## Mine production

Total mine production for the financial year was 5,726 tonnes of copper contained in concentrates. The majority of production was from the Otjihase and Matchless mines, supplemented by small tonnages from development work at Kombat and Tsumeb West, prior to a full resumption of activities.

The actual breakdown was as follows:

Mine	Tonnes of copper
Otjihase including Matchless	4,856
Kombat	694
Tsumeb West	176
Total	<u>5,726</u>

Group average cash cost of copper (C1) US\$ 4,190/tonne.

## Namibia Custom Smelters

The Tsumeb smelter is one of only four commercial smelters currently operating in Africa. It is linked by rail to the Otjihase and Kombat mines, and to the Atlantic port of Walvis Bay. The smelter comprises two reverberatory furnaces, one of which is currently inactive, and three converters. The active reverberatory furnace runs on coal, with the waste heat being used to generate approximately 60% of the plant's internal power requirements. The complex also contains the remains of the lead sinter plant, lead blast furnaces and refinery, which are no longer operable. Lead products recovered as part of the copper smelting process are collected and sold as high grade dusts. The plant also incorporates four arsenic roasters that produce arsenic trioxide powder which is sold under long-term contracts to the wood preservative industry.

One of the first tasks undertaken following the acquisition was to rebuild the smaller No 1 reverberatory furnace. Work started in August 2006 and was completed at the end of the same month, well within budget and ahead of schedule. During 2006/07, the smelter treated a range of concentrates from Weatherly's own mines as well as concentrates from the Democratic Republic of Congo, Zambia, Mauritania and Bulgaria under tolling agreements. Despite the array of concentrates being treated, the smelter performed above expectations, achieving an overall copper recovery of 96.4%.

Smelter production for 2006/07 totalled 22,711 tonnes of blister copper, of which 6,307 tonnes belonged to Weatherly.

	Cu (t)	Ag (kg)	Au(kg)
Weatherly blister (mine production plus purchases)	6,307	5,757	98
Tolling (Republic House)	<u>16,404</u>	<u>16,381</u>	<u>231</u>
Total	22,711	22,138	329

The focus for the coming year will be to further expand the smelter's capability to treat complex concentrates through the incorporation of an Ausmelt furnace and associated oxygen plant. This will improve overall profitability and significantly reduce operating costs. Details of this are contained in the "Identifying longer term growth" section below.

## Marketing, sales and treasury

All blister copper produced by Weatherly during the year was sold at the smelter gate to the trading group Republic House, pricing normally a function of the 4-month forward LME (London Metals Exchange) price. The average weighted copper price achieved by Weatherly was US\$6,821 per tonne. Weatherly produces a blister copper product containing 98.6% copper, plus significant silver and gold.

Copper prices during the year were volatile, reflecting the continued strong demand by China and India, and a number of supply bottlenecks relating to existing and developing mines. Spot prices ranged from US\$5,426 to US\$8,220 per tonne of copper.

The concentrate market was equally choppy as the market moved to an increased supply of cathode and a shortage of concentrates. The benchmark treatment/refining charges for most of the year were US\$60 per tonne and 6 cents per pound and moving down. This trend is expected to continue in 2007/08, but will have minimal effect on Weatherly as the prices for the coming year have already been locked in under the purchase agreement with Dundee Precious Metals (Chelopech).

Costs associated with transport and shipping also rose in 2006/07, but were more than offset by increasing prices for the gold and silver contained in the blister copper. In general, improvement in the value of the gold and silver offset the transport, refining and other realisation charges associated with sales. Operating costs were also affected by the volatility in US\$/Rand fluctuations which ranged from a low of 6.77 to a high of 7.91, averaging 7.22 (source OANDA.com).

As at 30 June 2007, the company held cash reserves equivalent to US\$13 million, of which 30% was held in sterling and the remainder in US dollars.

Weatherly remained unhedged both in metal prices and currency during the year, but the company has put in place some downside copper price protection for the coming year.

### **Identifying longer term growth**

#### **Tsumeb Smelter Expansion**

In June 2007, Weatherly concluded a deal with Dundee Precious Metals to process up to 50,000 tonnes of concentrate per annum from the Chelopech mine in Bulgaria. As part of the deal, Weatherly is expanding the smelter and will eventually double its annual capacity to 50,000 tonnes of blister copper. The expansion is underway and the first stage, commissioning of the Ausmelt furnace, is due in the first quarter of 2008. The second stage, which incorporates an oxygen plant, is expected to be completed 12 months later. This second stage will significantly reduce treatment costs, thereby putting the smelter on an internationally competitive footing.

#### **Berg Aukas Zinc Mine**

The Berg Aukas Mine, located approximately 80 kilometres from the Tsumeb smelter, historically produced lead, zinc and vanadium before the mine was closed and flooded in 1978. At that time, the remaining "historical" reserves were calculated at 1.7 million tonnes grading at 17% zinc, 5% lead and 0.6% vanadium pentoxide (recalculated and verified by RSG Global). Basic above-ground infrastructure remains in place at the decommissioned mine.

Weatherly believes there is an opportunity to resume production at Berg Aukas and has initiated a feasibility study. During the coming year, the mine workings will be dewatered as part of an underground evaluation program to verify the reserves and resources and obtain metallurgical samples for the design of a new concentrator. Completion of the feasibility study is expected before the end of 2008.



### Tschudi Open Pit

The ore-body characteristics at Tschudi indicate support for an open pit mining method, potentially with subsequent underground operations below the open pit workings. Based on the global resources of 43 million tonnes at 0.8% Cu and 11 grams per tonne Ag, an open pit scoping study was undertaken by Tony Cameron and Associates in 2006. The study concluded that open pitting of the top 120 meters was viable 3.2 million tonnes grading 1.2% copper and 19 grams per tonne of silver on a stripping ratio of 8.5:1. The programme for the coming year is to infill-drill the ore west of the underground operation to JORC classification as a prerequisite for completing a feasibility study.

### Tsumeb Tailing Retreatment

During 2006/07, Weatherly entered into a joint venture with Applied Intellectual Capital ("AIC"), another AIM-quoted company, to investigate the feasibility of recovering copper, lead, zinc and silver from the Tsumeb tailings dam. AIC has developed a number of innovative technologies for recovering base and precious metals from alkaline environments. Under the agreement, AIC paid Weatherly US\$1 million, and agreed to commit a further US\$3.6 million in establishing a pilot plant on site as part of completing a bankable feasibility study. If it proves viable, the project would then proceed to development on a 50/50 fully contributing basis.

This technology could potentially also be applied to Weatherly's other tailings dams at Kombat and Luanshya in Zambia.

### **Divestments**

During 2006/07, Weatherly disposed of its remaining 10% shareholding in the Valencia uranium deposit for US\$9.5 million and its Otavi limestone deposit for US\$1.2 million. It also agreed to sell the Tsumeb office block for US\$0.5 million. Proceeds from the sales were used to pay outstanding taxes to the government and loans to unsecured creditors agreed as part of the Ongopolo acquisition.

### **Exploration**

Weatherly holds some 2,770 square kilometres of exploration tenements containing a large number of advanced targets. "Historical" (see Table B on page 9) and current (see Table A on page 9) ore resources and reserves comprise over 950,000 tonnes of contained copper metal as well as significant amounts of lead, zinc, gold and silver in Namibia. Priorities during 2006/07 were to drill out mineralisation that had the potential to become producing satellites within trucking distance of existing concentrators (Tschudi, Kombat Open Pit and Gross Otavi). This will continue to be the main thrust in the medium term.

Elsewhere, Weatherly is keen to advance its regional exploration program and spent most of the 2006/07 year collating the vast amount of information arising from some 40 years of field work carried out by Goldfields and Newmont. A number of targets have been identified and it is planned to begin a regional exploration program in 2008.

### **Strengthening our management team**

We were pleased to welcome three experienced and talented new members to our team in Namibia: Ron Clarke as Country Manager, Craig Rix as Chief Financial Officer in Namibia, and Deon Garbers as Managing Director of Weatherly Mining Namibia. We are also pleased to announce the promotion of Hans Nolte to Managing Director of Namibia Custom Smelters.

In all, over 20 new management appointments have been made to increase the capability of the organisation and prepare for future profitable growth. Towards the end of the year, a new Namibian head office was established in Windhoek to replace the former office located in Tsumeb.

### **Engaging our workforce**

Weatherly is one of the largest private employers in Namibia with over 1,000 people engaged at the various sites. The company's financial success ultimately depends on having a highly capable and committed workforce. In order to ensure this, a comprehensive restructuring program has been initiated involving the reassessment of all positions in the smelter and at the new Tsumeb West and Kombat mines. At Otjihase, change management consultants have been engaged to assist in improving productivity at all levels. In all, some 123 new jobs were created and 114 new people employed during the period.

In June 2007, the company reached a new substantive wage agreement with the Namibian Mine Workers Union that led to significant wage increases for most of the workforce. For many employees, this was the first pay increase for more than three years. Importantly, a key component of the increases is in the form of productivity payments that are directly linked for the first time to output. The new wage structure, together with a greater emphasis on training, has brought about significant improvements in both morale and performance.

### **Commitment to safety**

Weatherly is determined to eliminate job-related injuries throughout its operations. Sadly, there were two fatalities during the year - one resulting from a rock fall at Kombat, and the other a vehicle accident at Otjihase. Both these accidents were symptomatic of the low level of safety awareness and poor work practices that are a legacy of the past and which we are committed to eradicate. Weatherly has implemented a number of initiatives to ensure greater safety, including basic tag-in procedures and self-rescuers as standard issue. The introduction of mechanical scalers at Otjihase is also expected to have a big impact in reducing accidents arising from rockfalls during the process of making areas safe.

Safety statistics for 2006/07 and 2005/06 years were as follows:

<b>Type of injury</b>	<b>2006/07</b>	<b>2005/06</b>
Fatality	2	0
Reportable	5	9
Disabling	16	10
Minor	<u>36</u>	<u>39</u>
<b>Total</b>	<b><u>59</u></b>	<b><u>58</u></b>

### **Community involvement.**

Weatherly supports and funds a number of community-based projects. The two most important projects for 2006/07 were assisting the National Institute for Mining and Metallurgy in establishing a new campus in Tsumeb, and the Ondundu Farm Project. In the case of the Institute, Weatherly donated a number of buildings, lathes, welding machines and materials to be used by the apprentices. The company also agreed to sell a number of flats to assist with the housing of people being relocated.

Weatherly continued to finance the community Ondundu Farm Project, which trains local Namibians in basic farming skills. The objective is to assist the project in becoming a self-funding enterprise. The company also made contributions to AIDS awareness campaigns and to the Copper Festival which is held annually in Tsumeb.

### **Environment**

Weatherly carried out a detailed due diligence of all environmental liabilities prior to acquiring the assets of Ongopolo and these were assessed as being minimal, the current provision being US\$ 4.2 million. Weatherly, as the successor of Ongopolo, has no responsibility for any liabilities that pre-existed the formation of Ongopolo as the Namibian Government wrote off existing liabilities at the time Ongopolo acquired the Goldfields assets from the liquidator.

Weatherly is committed to maintaining the highest environmental standards as part of its overall business philosophy. The mining operations are mostly underground and so have relatively little impact on the surrounding environment. The smelter constantly monitors its gaseous emissions and remains fully compliant with government and statutory requirements. The company has been proactive in initiating a clean-up of a number of areas which were neglected under the previous management.

During the forthcoming year, Weatherly will be reviewing its environmental monitoring, management and reporting systems to ensure it continues to implement the highest possible standards. The company also expects to begin construction of a new hazardous waste disposal site which has been fully permitted by the appropriate authorities.

### **Luanshya**

It is disappointing to report that there has been no further progress in resolving the dispute relating to exploration licence PLLS 239 in Zambia. Weatherly is still awaiting a date to be set for the High Court to hear the matter. In the meantime, the Zambian Government has applied to the courts to have Luanshya Copper Mines Limited joined with the government as co-defendants. It is anticipated that there will be some resolution to the matter in the coming year. This dispute does not affect Weatherly's nearby PLLS 252 license or its ability to treat the tailings on license PLLS 240 for the recovery of copper.

## **Outlook**

The business outlook for the forthcoming financial year is positive. We now have five operating mines, clearly identified growth prospects, a smelter expansion underway to double capacity, and a strong and committed management team. The key priorities during the 2008 calendar year will be to commission the smelter expansion, to ensure a successful ramp-up of production at the recently commissioned Kombat, and Tschudi mines, to complete the feasibility studies for the Berg Aukas zinc mine and the Tschudi open pit, and to start regional exploration.

Rod Webster  
Chief Executive Officer  
26 November 2007

**TABLE A**  
**WEATHERLY MINING NAMIBIA, SUMMARY OF MINERAL RESOURCES AS AT 24 APRIL 2006**

DEPOSIT	RESOURCE CATEGORY	INSITU TONNES AND GRADES				INSITU METAL		
		Tonnes	Cu %	Ag g/t	Au g/t	Cu metal tonnes	Ag metal kg	Au metal kg
OTJIHASE	Measured	3,773,033	2.34	9.03	0.43	88,289	34,062	1,612
	Indicated	4,636,447	1.92	7.64	0.31	88,834	35,422	1,455
	Inferred	4,203,805	1.36	5.06	0.21	57,172	21,255	875
	<b>TOTAL</b>	<b>12,613,285</b>	<b>1.86</b>	<b>7.19</b>	<b>0.31</b>	<b>234,295</b>	<b>90,738</b>	<b>3,942</b>
TSCHUDI	Measured	13,573,000	0.82	9.75	-	110,857	132,324	-
	Indicated	26,312,000	0.83	10.85	-	217,863	285,446	-
	Inferred	3,531,000	0.84	11.01	-	29,625	38,875	-
	<b>TOTAL</b>	<b>43,416,000</b>	<b>0.83</b>	<b>10.52</b>	<b>-</b>	<b>358,346</b>	<b>456,645</b>	<b>-</b>
TSUMEB WEST	Measured	34,644	2.65	13.00	-	918	450	-
	Indicated	648,769	2.29	18.73	-	14,857	12,154	-
	Inferred	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>683,413</b>	<b>2.31</b>	<b>18.62</b>	<b>-</b>	<b>15,775</b>	<b>12,605</b>	<b>-</b>
MATCHLESS WESTERN EXTENSION	Measured	-	-	-	-	-	-	-
	Indicated	988,618	3.00	-	-	29,659	-	-
	Inferred	47,635	2.48	-	-	1,181	-	-
	<b>TOTAL</b>	<b>1,036,253</b>	<b>2.98</b>	<b>-</b>	<b>-</b>	<b>30,840</b>	<b>-</b>	<b>-</b>
KOMBAT ASIS WEST (19-22 LEVEL)	Measured	-	-	-	-	-	-	-
	Indicated	104,600	2.49	28.00	-	2,605	2,929	-
	Inferred	235,000	3.77	50.00	-	8,855	11,750	-
	<b>TOTAL</b>	<b>339,600</b>	<b>3.37</b>	<b>43.22</b>	<b>-</b>	<b>11,460</b>	<b>14,679</b>	<b>-</b>
KOMBAT ASIS FAR WEST	Measured	-	-	-	-	-	-	-
	Indicated	1,641,864	2.29	-	-	37,599	-	-
	Inferred	572,775	2.29	-	-	13,117	-	-
	<b>TOTAL</b>	<b>2,214,639</b>	<b>2.29</b>	<b>-</b>	<b>-</b>	<b>50,715</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>		<b>60,303,190</b>	<b>1.16</b>	<b>10.07</b>	<b>0.31</b>	<b>701,431</b>	<b>574,667</b>	<b>3,942</b>

**Note:**

Resources based on "Ongopolo's Mineral Properties and Mines, Competent Persons Report and Technical Valuation, 24 April 2006", prepared by RSG Global on behalf of Weatherly International plc and found in the Acquisition, Placing and Admission to trading on Aim document, 22 June 2006 .



**TABLE B  
HISTORICAL RESOURCES**

	INSITU TONNES AND GRADES								INSITU METAL					
Deposit	Tonnes	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Au (g/t)	Ge (ppm)	V.O. (%)	Cu metal tonnes	Pb metal tonnes	Zn metal tonnes	Ag metal kg	Au metal kg	Remarks
WEATHERLY MINING NAMIBIA HISTORICAL RESOURCES														
Kombat Lead Deposit	500,000	0.30	1.99	-	15.00	-	-	-	1,500	9,950	-	7,500	-	Remaining resource/reserve calculated by Goldfields in 1984
Gross Otavi Central Mine	160,000	1.54	5.85	-	15.40	-	-	-	2,464	9,360	-	2,464	-	Historical resource calculated by Goldfields
Harasib Deposit	1,240,000	-	1.66	2.67	-	-	-	-	-	20,584	33,108	-	-	Historical resource calculated by Goldfields
Berg Aukas Mine	1,650,000	-	4.60	17.40	-	-	-	0.60	-	75,900	287,100	-	-	Remaining resource/reserve calculated by Goldfields in 1987
Elbe A Gossan Deposit	5,910,000	1.20	-	0.97	8.30	0.45	-	-	70,920	-	57,327	49,053	2,660	Resource calculated by Gold Fields in 1989
Old Matchless Mine	1,060,000	2.50	-	-	-	-	-	-	26,500	-	-	-	-	Remaining resource/reserve calcuate by Goldfields in 1984
Tsumeb Mine Open Pit	150,000	2.96	-	-	61.00	-	-	-	4,440	-	-	9,150	-	Remaining resource/reserve calculated by Goldfields in 1984
Uris Mining Area	180,000	2.27	-	-	-	-	-	-	4,086	-	-	-	-	Remaining resource/reserve calculated by Goldfields in 1984
Kombat Asis West (12-15 Level)	228,070	2.18	-	-	6.36	0.12	-	-	4,972	-	-	1,451	27	Calculated by Weatherly in 2007
	Kombat Tailings	10,600,000	0.21	0.19	-	-	2.00	-	-	22,260	20,140	-	-	21,200
Tsumeb Tailings	16,000,000	0.71	-	-	-	-	-	-	113,600	-	-	-	-	Remaining resource/reserve calculated by Goldfields in 1994
Tsumeb Slag Dumps	2,000,000	-	-	9.03	-	-	262	-	-	-	180,600	-	-	Zinc Ox feasibility 2003
TOTAL	39,678,070	0.72	0.96	5.17	10.02	1.43	262	0.60	250,742	135,934	558,135	69,618	23,887	
PUKU MINERALS (ZAMBIA) LIMITED														
'Old dump'	48,100,000	0.45	-	-	-	-	-	-	216,450	-	-	-	-	Resource calculated by ZCCM
Akotiti	44,100,000	0.25	-	-	-	-	-	-	110,250	-	-	-	-	Resource calculated by ZCCM
Chongo dam	61,960,000	0.14	-	-	-	-	-	-	86,744	-	-	-	-	Resource calculated by ZCCM
TOTAL	154,160,000	0.27	-	-	-	-	-	-	413,444	-	-	-	-	

**Note:**

Reserves outlined in Table B are estimated according to SAMREC standards in force at the time of the analysis. Management expects minimal material differences between these historic resource estimates and JORC compliant estimates. The Company is in the process of updating these historic estimates.

**Consolidated profit and loss account  
For the year ended 30 June 2007**

		Year ended 30 June 2007 US\$,,000	Six months ended 30 June 2006 US\$,,000
	Note		
<b>Group turnover</b>		63,158	-
Cost of sales		(53,453)	-
<b>Gross profit</b>		9,705	-
Administrative expenses		(7,583)	(1,266)
Other operating income	2	1,608	324
<b>Operating profit/(loss)</b>	2	<b>3,730</b>	<b>(942)</b>
Interest receivable		350	208
<b>Interest payable and other similar charges</b>			-
Charge for environmental provision		(592)	
Profit on sales of assets		9,530	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>13,018</b>	<b>(734)</b>
Tax on profit/(loss) on ordinary activities		-	-
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>13,018</b>	<b>(734)</b>
Minority interest		(599)	-
<b>Net profit/(loss) attributable to shareholders</b>		<b>12,419</b>	<b>(734)</b>
Basic earnings/(loss) per share (US cents)	4	3.73	(0.42)
Diluted earnings/(loss) per share (US cents)	4	3.69	(0.42)

**Continuing operations**

All activities are continuing operations. None of the group's activities were discontinued during the current year or in previous periods.

<sup>1</sup> The comparative reporting period is for a six month period. The financial period of Weatherly was shortened in 2006 to align the parent company year end with the year end of the Namibian subsidiary acquired.

## Consolidated and company balance sheet

### At 30 June 2007

	Consolidated		Company	
	As at	As at	As at	As at
	30 June	30 June	30 June	30 June
	2007	2006	2007	2006
	US\$,000	US\$,000	US\$,000	US\$,000
<b>Fixed assets</b>				
<b>Intangible assets</b>				
Negative goodwill	(14,952)	-	-	-
Mining licences	6,175	6,175	-	-
Tangible assets	96,443	-	-	-
Investments	-	467	36,095	1,398
	<u>87,666</u>	<u>6,642</u>	<u>36,095</u>	<u>1,398</u>
<b>Current assets</b>				
Stocks	1,504	-	-	-
Debtors	8,493	3,740	22,800	10,382
Cash at bank	13,280	18,842	13,169	18,839
	<u>23,277</u>	<u>22,582</u>	<u>35,969</u>	<u>29,221</u>
Creditors				
- amounts falling due within one year	<u>17,754</u>	<u>1,682</u>	<u>1,815</u>	<u>1,684</u>
<b>Net current assets</b>	<u>5,523</u>	<u>20,900</u>	<u>34,154</u>	<u>27,537</u>
<b>Total assets less current liabilities</b>	<u>93,189</u>	<u>27,542</u>	<u>70,249</u>	<u>28,935</u>
Creditors				
- amounts falling due after more than one year	4,702	-	-	-
Provision for liabilities and charges	4,248	-	-	-
<b>Net assets</b>	<u>84,239</u>	<u>27,542</u>	<u>70,249</u>	<u>28,935</u>
<b>Capital and reserves</b>				
Called up share capital	3,043	2,779	3,043	2,779
Share premium account	53,665	27,983	53,665	27,983
Merger reserve	18,471	6,151	18,471	6,151
Capital redemption reserve	454	-	454	-
Share based payments reserve	271	48	271	48
<b>Profit and loss account</b>	<u>6,100</u>	<u>(9,419)</u>	<u>(5,655)</u>	<u>(8,026)</u>
<b>Shareholders' funds</b>	<u>82,004</u>	<u>27,542</u>	<u>70,249</u>	<u>28,935</u>
Minority interest	<u>2,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>84,239</u>	<u>27,542</u>	<u>70,249</u>	<u>28,935</u>

## Consolidated cash flow statement

### For the year ended 30 June 2007

	Notes	Year ended 30 June 2007 US\$	Six months ended 30 June 2006 US\$
<b>Net cash outflow from operating activities</b>	3(a)	<u>(5,346)</u>	<u>(3,051)</u>
<b>Returns on investment and servicing of finance</b>			
Interest received		<u>350</u>	<u>211</u>
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(33,372)	-
Receipt from sales of tangible fixed assets		<u>10,759</u>	<u>-</u>
		(22,613)	-
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertaking		(20,000)	-
Net cash acquired with subsidiary undertaking		14,893	-
Payments to acquire investments - acquisition costs		<u>(1,942)</u>	<u>(467)</u>
		(7,049)	(467)
<b>Financing</b>			
Issue of ordinary share capital		27,205	15,042
Share issue costs		<u>(1,237)</u>	<u>(1,101)</u>
		25,968	13,941
<b>(Decrease)/increase in cash</b>	3(b)	<u><u>(8,690)</u></u>	<u><u>10,634</u></u>
<b>Reconciliation to net cash</b>			
Net cash at 1 July ( 2006 year - balance at 1 January)		18,842	6,297
(Decrease)/increase in cash		(8,690)	10,634
Non cash movement on differences in foreign currency		1,924	1,911
<b>Net cash at 30 June</b>		<u><u>12,076</u></u>	<u><u>18,842</u></u>
Cash at bank		13,280	18,842
Bank overdraft		<u>(1,204)</u>	<u>-</u>
<b>Net cash at 30 June</b>		<u><u>12,076</u></u>	<u><u>18,842</u></u>



## 1. GENERAL

The financial information herein does not constitute statutory accounts as defined in section of the Companies Act 1985.

The financial information has been extracted from the Group's 2007 statutory financial statements upon which the auditors reported on 26 November 2007. The opinion was unqualified and does not include any statement under section 237 of the Companies Act 1985. The accounts have been prepared in accordance with the applicable accounting standards and under the historical cost convention other than investment properties carried at market value.

Copies of the annual report will be available from the Company's registered office in the near future.

## 2. OPERATING PROFIT

	Year ended 30 June 2007 US\$,000	Six months ended 30 June 2006 US\$,000
<b>This is stated after charging/(crediting):</b>		
Foreign exchange	(345)	(227)
Management fees	(88)	(324)
	<hr/>	<hr/>
Depreciation of owned assets	6,742	-
Amortisation of negative goodwill	(2,773)	-
Operating lease payments	284	-
Loss on sale of tangible assets	290	-
Auditors remuneration	132	51
	<hr/>	<hr/>

### 3. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to net cash inflow from operating activities:

(b)

	30 June 2007	30 June 2006
	US\$,000	US\$,000
Profit /(loss) for the financial period	3,730	(942)
Depreciation and impairment of tangible fixed assets	6,742	-
Loss on sale of assets	290	-
Amortisation of negative goodwill	(2,773)	-
Share-based payment	223	48
(Increase)/decrease in stocks subsequent to acquisition	(313)	-
(Increase)/decrease in debtors subsequent to acquisition	1,960	(3,583)
Increase/(decrease) in creditors subsequent to acquisition	<u>(15,205)</u>	<u>1,426</u>
	<u>(5,346)</u>	<u>(3,051)</u>

(c) Analysis of net funds:

	At 1 July 2006	Cash flow	Exchange differences	At 30 June 2007
	US\$,000	US\$,000	US\$,000	US\$,000
Cash at bank and in hand	<u>18,842</u>	<u>(8,690)</u>	<u>1,924</u>	<u>12,076</u>

### 4. EARNINGS/(LOSS) PER SHARE

The calculation of basic and fully diluted earnings/(loss) per ordinary share is based upon the following data:

	30 June 2007	30 June 2006
	US\$,000	US\$,000
<b>Profit/(loss) for the year attributable to shareholders</b>	<u>12,419</u>	<u>(734)</u>
Basic earnings/(loss) per share (US cents)	3.73	(0.42)
Diluted earnings/(loss) per share (US cents)	3.69	(0.42)

Basic earnings per share has been calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of shares in issue throughout the year; the diluted earnings per share has been calculated dividing the profit for the year attributable to ordinary shareholders by the weighted average number of shares including the effect of share options in issue.

The weighted average number of ordinary shares used in the calculation of the basic and diluted earnings/(loss) per share for each year was calculated as follows:

	30 June 2007	30 June 2006
Issued ordinary shares at start of year	230,904,593	143,779,593
Shares issued during the year	<u>125,241,962</u>	<u>87,125,000</u>
<b>Issued ordinary shares at end of year</b>	<b><u>356,146,555</u></b>	<b><u>230,904,593</u></b>
Weighted average number of ordinary shares at end of year - basic earnings per share	333,325,298	176,152,954
Effect of share options in issue	<u>3,082,894</u>	<u>-</u>
<b>Weighted average number of ordinary shares at end of year - diluted earnings per share</b>	<b><u>336,408,192</u></b>	<b><u>176,152,954</u></b>

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