

SIMMERS & JACK MINES LIMITED

- Year on year share price increase of 320%
- Turnover increased by 2 285%
- Profit from mining activities increased by 348,9%
- Net asset value increased by 346,4%
- Prospecting permits granted by DME

ABRIDGED CONSOLIDATED INTERIM RESULTS

for the six months ended 30 September 2006

COMMENTS

The excellent return for investors in Simmers & Jack Mines Limited ("Simmers") continued with the upward momentum in the share price. The year on year movement in share price increased by a staggering 320% and the increase to the financial year end was 109%.

We are pleased to report a 2 285% increase in turnover as well as a 348,9% increase in profit from mining activities following the acquisition of Buffelsfontein Gold Mines Limited ("Buffelsfontein") in October 2005. This also resulted in an increase of 346,4% in net asset value.

The loss from operations is mainly the result of R11,2 million pumping costs relating to Ezulwini Mining Company (Proprietary) Limited ("Ezulwini") and R44,9 million share option costs. R36,4 million of the share option costs relate to the August 2005 allocation that was approved at the annual general meeting on 29 September 2006. Finance charges increased significantly as a result of the interest, royalties and foreign exchange differences, on the dollar-based Aberdeen loan, due to the weakening of the rand.

In October 2006, additional shares were issued in First Uranium (Proprietary) Limited ("First Uranium"), changing the current shareholding of Simmers and First Uranium Corporation to 80% and 20% respectively.

On 19 October 2006, Simmers concluded an agreement with Harmony Gold Mining Company Limited ("Harmony") to acquire the entire infrastructure relative to Ezulwini Mine, formerly Randfontein Estates Number Four Shaft, for a consideration of R55 million.

OPERATIONS REVIEW

Buffelsfontein

Buffelsfontein's total production increased from 1 782,47 kgs to 2 222,49 kgs, an increase of 24,7%, with underground production improving from 1 316,44 kg's to 2 023,35 kgs, a 53,7% improvement. The replacement of surface ore with underground ore to fill the plant, together with a reduction in surface grades resulted in a drop in the surface production from 466,02 kgs to 199,14 kgs. As previously reported, a project is under way to increase the plant capacity from the current 125 000 tpm to 170 000 tpm to allow optimum exploitation of the operations' vast waste rock dump source. A pilot Dense Media Separation ("DMS") plant is under construction to test the viability of upgrading the grade of surface ore delivered to the plant.

The biggest challenge at Buffelsfontein remains creating flexibility with respect to mineable face length at the optimum grade mix. With this in mind opening up operations gained impetus and for the period under review a total of 13 039 metres was opened up, compared to 4 665 metres for the previous six months. Development metres totalled 1 684 metres compared to 1 424 metres, with a further substantial increase to 2 500 metres forecast for the next six months.

Transvaal Gold Mining Estates Limited ("TGME")

After constructive discussions between Simmers' BEE partners and the DME, the granting of the new order mining rights for TGME appears to be imminent and a further three prospecting permits have also been granted. The development of the Frankfort mine has progressed well and has exceeded expectations. Trial ore produced from Frankfort has been stockpiled pending upgrading of the Metallurgical Plant to ensure optimum gold recoveries necessitated by the results of trials done to date.

As reported previously, the depletion of reserves at Dukes Hill resulted in limited flexibility and reduced grades. Fast tracking of development at Dukes Hill however has made available higher grade face length, which will result in substantial improvements in grades for the next quarter.

Simmers has progressed significantly with its project to validate surface gold deposits amenable to open pit mining. Feasibility studies on various target areas are under way, with the pilot project nearing completion.

First Uranium and Ezulwini

The feasibility studies for the Ezulwini shaft pillar and Middle Elsburg uranium sections, as well as the Buffelsfontein tailings project, have been completed and are in the process of being independently audited. Fundraising will be initiated on completion of the independent audit. At Ezulwini, pumping operations are continuing and capital work to stabilise the shaft for shaft pillar extraction has commenced. At Buffelsfontein, further metallurgical testwork for the recovery of uranium from slime is being carried out to enable the finalisation of the detailed uranium plant design.

PROSPECTS

The future success of Simmers is linked to gold and uranium, which follow distinctly different commodity cycles. For that reason the Company has embarked on a strategy to operate the two products as distinctly separate businesses with their own directions and strategies.

On the gold front our major operation at Buffelsfontein is focused on securing a 20-year life for the mine. To that end the mine needs to ensure that it has fully recapitalised its underground operations and has sufficient face length available to it to give it the flexibility which a deep operation requires. Opening up is progressing well, and should continue in the future to ensure the right flexibility and mix of ore.

In Mpumalanga, an aggressive prospecting and mining programme has been prepared and the Company is awaiting the awarding of further prospecting and mining rights in order to ensure a fully optimised regional approach. Rights have been applied for in the name of subsidiary companies, being TGME and Sabie Mines (Pty) Limited, both historical producers in the Pilgrim's Rest/Sabie goldfield. It is anticipated that by applying modern exploration techniques and technology, the area will reveal some interesting new gold mining opportunities with possible opencast potential.

The Company is on track to turn its uranium assets to account and to that end it is investigating the raising of capital abroad to fund the development of its projects. Regulatory prohibitions prevent further disclosures at this stage, but the Company will keep shareholders apprised as matters progress.

By order of the Board

A Townsend
Secretary

27 October 2006

CONSOLIDATED BALANCE SHEETS

	Unaudited six months to 30 Sep 2006	Unaudited six months to 30 Sep 2005	Audited 12 months to 31 March 2006
Notes	R'000	R'000	R'000
ASSETS			
Non-current assets			
Property, plant and equipment	2 371 978	56 804	317 398
Other financial assets	3 10 458	–	10 458
Environmental rehabilitation trust fund	4 109 697	343	109 686
Current assets	191 943	50 861	75 668
Loan receivable	5 –	38 128	–
Inventories	6 16 430	1 942	11 539
Trade and other receivables	68 184	8 691	41 079
Cash and cash equivalents	107 329	2 100	23 050
Non-current assets held for sale	6 733	–	25 402
Total assets	690 809	108 008	538 612
EQUITY AND LIABILITIES			
Equity capital and accumulated loss			
Share capital	457 054	237 230	308 873
Non-distributable reserves	71 254	(9 051)	26 361
Accumulated loss	(259 063)	(163 889)	(160 331)
Minority interest	2 314	(3 460)	2 314
Non-current liabilities	348 556	25 334	312 971
Loans payable	8 165 062	24 085	129 565
Other liabilities	499	249	411
Environmental rehabilitation provision	9 182 995	1 000	182 995
Current liabilities	70 694	21 844	48 424
Trade and other payables	70 463	21 619	48 193
Short-term loan payable	231	225	231
Total equity and liabilities	690 809	108 008	538 612
Reconciliation of number of shares issued	'000	'000	'000
Reported at 1 April	872 652	224 942	224 942
Shares issued to Simmers Share Trust	16 085	–	20 290
Shares issued in terms of rights issue	–	516 242	516 242
Shares issued for cash	102 350	–	111 178
Shares in issue at 30 Sep/31 March	991 087	741 184	872 652
Weighted average number of shares in issue	891 119	370 063	678 514

CONSOLIDATED INCOME STATEMENTS

	Unaudited six months to 30 Sep 2006	Unaudited six months to 30 Sep 2005	Audited 12 months to 31 March 2006
Notes	R'000	R'000	R'000
Turnover			
Cost of production	(301 038)	(19 692)	(226 937)
Profit/(loss) from mining activities	15 932	(6 401)	(26 589)
Amortisation and depreciation	2 (18 385)	(5 405)	(14 680)
Management fee received in respect of surface operations	12 –	14 789	14 044
Share option cost	(44 893)	(502)	(8 010)
Exploration and other operating expenditure	(20 909)	(7 824)	(39 136)
Loss from operations	(68 255)	(5 343)	(74 371)
Unrealised gain on acquisition of subsidiary	14 –	–	1 203 554
Goodwill arising on acquisition written off	15 –	–	(1 066 787)
Fair value adjustment on loan	8 (5 367)	–	(63 260)
Profit on disposal of shares in subsidiaries	16 –	3 086	3 522
Interest received	2 442	301	4 787
Finance charges	17 (27 552)	(333)	(5 793)
Loss on ordinary activities before taxes and minority interest	(98 732)	(2 289)	1 652
Taxation	–	–	–
Minority interest	–	374	–
(Loss)/profit for the period/year	(98 732)	(1 915)	1 652
Reconciliation between (loss)/profit and headline loss:			
Basic (loss)/profit for the period/year	(98 732)	(1 915)	1 652
Add back:			
Unrealised gain on acquisition of subsidiary	–	–	(1 203 554)
Goodwill arising on acquisition written off	–	–	1 066 787
Fair value adjustment on loan	5 367	–	63 260
Profit on disposal of shares in subsidiaries	–	(3 086)	(3 522)
Headline loss for the period/year	(93 365)	(5 001)	(75 377)
(Loss)/profit per share (cents)*	(11,08)	(0,52)	0,24
Diluted (loss)/profit per share (cents)*	(10,68)	(0,50)	0,24
Headline loss per share (cents)*	(10,48)	(1,35)	(11,11)
Diluted headline loss per share (cents)*	(10,10)	(1,41)	(11,02)
Net asset value per share (cents)*	30,47	16,44	26,12

* Based on weighted average number of shares in issue

CONSOLIDATED CASH FLOW STATEMENTS

	Unaudited six months to 30 Sep 2006	Unaudited six months to 30 Sep 2005	Audited 12 months to 31 March 2006
	R'000	R'000	R'000
Cash (absorbed by)/generated from operations	(14 702)	7 959	(122 064)
Interest received	2 442	301	1 879
Finance charges	(9 423)	(35)	(2 044)
Cash flows (to)/from operating activities	(21 683)	8 225	(122 229)
Cash flows to investing activities	(53 457)	(68 294)	(60 647)
Cash flows from financing activities	159 419	61 648	205 405
Net increase in cash and cash equivalents	84 279	1 579	22 529
Cash and cash equivalents at beginning of period/year	23 050	521	521
Cash and cash equivalents at end of period/year	107 329	2 100	23 050

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Shares in Simmers' Share Trust R'000	Non-distributable reserve R'000	Accumulated loss R'000	Minority interest R'000	Total R'000
Balance at 1 April 2005	4 499	108 729	(3 577)	4 233	(161 983)	1 (48 098)	(1 915)
Loss for the six months	–	–	–	–	(1 915)	–	(1 915)
Movement in respect of fair valuation of loan	–	–	–	(13 786)	–	–	(13 786)
Shares issued in terms of rights offer	10 325	118 735	–	–	–	–	129 060
Share issue costs written off against share premium	–	(1 481)	–	–	–	–	(1 481)
Minority interest movement	–	–	–	–	–	3 461	3 461
Treasury shares movement	196	4 998	(5 194)	–	–	–	–
Share-based payments	–	–	–	502	–	–	502
Balance at 30 September 2005	15 020	230 981	(8 771)	(9 051)	(163 898)	3 462	67 743
Profit for the six months	–	–	–	–	3 567	–	3 567
Issue of shares for cash	2 224	70 531	–	–	–	–	72 755
Share issue costs written off against share premium	–	(1 311)	–	–	–	–	(1 311)
Share options to be allocated	–	4 134	(4 134)	–	–	–	–
Share premium as a result of shares issued in subsidiary company	–	–	–	13 616	–	5 835	19 451
Minority interest movement	–	–	–	–	–	(6 983)	(6 983)
Treasury shares movement	209	26 636	(26 646)	–	–	–	199
Movement in respect of fair valuation of loan	–	–	–	13 786	–	–	13 786
Share-based payments	–	–	–	8 010	–	–	8 010
Balance at 31 March 2006	17 453	330 971	(39 551)	26 361	(160 331)	2 314	177 217
Loss for the six months	–	–	–	–	(98 732)	–	(98 732)
Issue of shares for cash	2 047	150 723	–	–	–	–	152 770
Share issue costs written off against share premium	–	(5 439)	–	–	–	–	(5 439)
Share options to be allocated	–	3 232	(3 232)	–	–	–	–
Treasury shares movement	322	32 332	(31 804)	–	–	–	850
Share-based payments	–	–	–	44 893	–	–	44 893
Balance at 30 September 2006	19 822	511 819	(74 587)	71 254	(259 063)	2 314	271 559

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 and the Companies Act of South Africa. The Interim Financial Statements have been prepared on the historical cost basis, except for the measurement of non-current assets held for sale and certain financial instruments stated at fair value. The accounting policies are consistent with the previous year.

2 PROPERTY, PLANT AND EQUIPMENT

	Opening balance R'000	Additions R'000	Disposals R'000	Amortisation and depreciation R'000	Total R'000
Reconciliation – 30 September 2006					
Land and buildings	26 877	–	–	(660)	26 217
Plant and equipment	39 800	3 942	–	(1 024)	42 718
Furniture and fixtures	2 320	2 905	–	(403)	4 822
Motor vehicles	49	181	–	(18)	212
Mining assets	207 394	15 187	–	(7 789)	214 793
Computer equipment and software	1 000	516	–	(441)	1 075
Development and infrastructure	35 029	47 168	–	(8 051)	74 146
Mining rights	820	296	–	–	1 116
Exploration	4 109	2 770	–	–	6 879
	317 398	72 965	–	(18 385)	371 978
Reconciliation – 30 September 2005	R'000	R'000	R'000	R'000	R'000
Land and buildings	897	–	–	–	897
Plant and equipment	5 048	–	–	(447)	4 601
Furniture and fixtures	131	–	–	(25)	106
Motor vehicles	62	–	–	(9)	57
Mining assets	2 035	19 780	–	(1 937)	19 878
Computer equipment and software	139	10	–	(25)	124
Development and infrastructure	23 745	9 777	–	(2 966)	30 556
Mining rights	223	362	–	–	585
Exploration	–	4 109	–	–	4 109
	32 280	29 929	–	(5 405)	56 804
Reconciliation – 31 March 2006	R'000	R'000	R'000	R'000	R'000
Land and buildings	897	–	26 188	(208)	26 877
Plant and equipment	5 048	12 107	23 528	(883)	39 800
Furniture and fixtures	131	785	1 633	(229)	2 320
Motor vehicles	62	–	–	(13)	49
Mining assets	2 035	32 444	178 783	(5 868)	207 394
Computer equipment and software	139	10	1 210	(359)	1 000
Development and infrastructure	23 745	18 175	–	(6 891)	35 029
Mining rights	223	826	–	(229)	820
Exploration	–	4 109	–	–	4 109
	32 280	68 456	231 342	(14 680)	317 398

	Unaudited six months to 30 Sep 2006	Unaudited six months to 30 Sep 2005	Audited 12 months to 31 Mar 2006
	R'000	R'000	R'000
Reconciliation – 30 September 2006			
Land and buildings	897	–	–
Plant and equipment	5 048		