

SALLIES LIMITED

MINUTES OF THE 107th ANNUAL GENERAL MEETING HELD AT SUMMER PLACE, 69 MELVILLE ROAD, HYDE PARK, JOHANNESBURG AT 15:00 ON THURSDAY 22 OCTOBER 2009

Present:

Representatives of shareholders (duly authorised):

Dr FJP Roux (Chairman) representing Standard Bank Nominees (Pty) Ltd (71 565 202 shares).

Mr J A Arnott representing SA Stockbrokers Nominees (Pty) Ltd (1 500 000 shares)

Mr CMT Goemans representing BNS Nominees (Pty) Ltd (46 688 shares)

Mr M Essop representing PSG Nominees Tvl (Pty) Ltd (130 000 shares)

Mr M Compagnoni representing Standard Bank Nominees (Pty) Ltd (200 000 shares).

Mr J Passin representing Firebird Global Master Fund II Ltd (223 010 714 shares) and Firebird Global Master Fund Ltd (183 982 053 shares).

Mr BE Shaw representing Standard Bank Nominees (Pty) Ltd (2 900 000 shares)

Mr N Davidoff representing Standard Bank Nominees (Pty) Ltd (200 000 shares).

Directors (not listed above):

Mr TG Dale (Chief Executive Officer)

Mr J Bliersch (Financial Director)

Mr J Kögl

Mr PR Cooke

Mr SP Morris

Mr S Swana

Visitors:

Company secretary: Mr RS O'Callaghan

Representing Meropa Communications (Pty) Ltd: Mr M Gebhardt

Representing Computershare Investor Services (Pty) Ltd: Mr B Thomas and Mr I van Schoor

Representing Bowmans: Mr J Kotze

Reoresenating Faskens: Dimitri Corvadas

BN Ryan (Mining MX)

L Biyase (Business Report)

L Malekule(Business Report))

M Hill (Financial Mail)

Welcome

Dr FJP Roux as non-executive chairman of the company welcomed all present and confirmed that a quorum was present.

It was unanimously resolved that the notice convening the meeting be taken as read.

He informed the meeting that ordinary resolutions numbers 2 and 4 included in the notice of the meeting were being withdrawn. Number 2 referred to the election of Mr Tom Dale as a director but he had stated that he would not be offering his services as a director following his retirement by rotation. Number 4 referred to the appointment of Mr Nicholas Davidoff as a director as if he had already been appointed by the board. This was not the case and his election would be handled in a general meeting to follow the AGM.

Poll

He announced that, in the interest of good governance he would call for the resolutions to be determined by a poll. All eligible shareholders and representatives confirmed that they had voting papers. Mr Brian Thomas as representative of Computershare Investor Services (Pty) Ltd was elected to act as scrutineer.

The chairman proposed the resolutions in turn, except for resolutions numbered 2 and 4. All motions were seconded.

In relation to the annual financial statements Mr J Arnott questioned how long it would take to recommence operations in the event of an adequate increase in the fluorspar price. At the chairman's invitation the CEO Tom Dale replied that the core team retained at the mine would need up to 6 months to restore full operation.

In reply to a question about the fluorspar market he reported that there was an indication that it was beginning to turn but it was still a buyer's market.

In reply to Mr Arnott's question regarding the Honeywell settlement Mr Dale stated that considerable progress had been made, with the Swiss Arbitral Tribunal having ruled that Honeywell's claim for \$6.8 million be reduced to \$1.2 million. Even this amount had been challenged and work was in progress to reach a lower settlement figure, with a final result expected during the current financial year. Even then there would be delays before payment could legally be made. Interest of \$214 000 had accrued from 2006 and was provided for in the annual financial statements.

The Financial Director Johann Blersh replied to a question regarding the tax dispute. He reported that he had visited SARS only the previous day with the group's tax advisor for an appointment to negotiate the matter but the visit was futile because of the SARS officials' absence or lack of awareness even of the appointment. He stated that he was hopeful of achieving a negotiated settlement.

Voting papers were marked, collected and counted by the scrutineers.

The chairman announced that all the resolutions except special resolution number one had been carried by the requisite majority, and invited delegates to examine the detailed results which were as follows:

Resolution	Subject	Votes for	Against	Abstain	Majority
Ordinary 1	Adopt annual financial statements for the year to 30 June 2009	480 634 657	0	0	100.0%
Ordinary 3	Appoint L Blersch as executive director	480 634 657	0	0	100.0%
Ordinary 5	Appoint SP Morris as non-executive director	480 035 294	0	599 363	99.87%
Ordinary 6	Appoint PR Cooke as non-executive director	480 035 294	0	599 363	99.87%
Ordinary 7	Re-appoint BDO Spencer Steward as auditors	480 634 657	0	0	100.0%
Ordinary 8	Authorise directors to determine the auditors' remuneration	480 634 657	0	0	100.0%
Ordinary 9	Approve directors' fees	409 622 130	71 012 527	0	85.22%
Ordinary 10	Unissued share capital to be placed under the control of directors	407 922 130	72 512 527	200 000	84.87%
Ordinary 11	Authorise directors to issue shares for cash	409 422 130	71 012 527	200 00	85.18%
Special 1	Replacement of articles of association.	2 476 051	478 158 606	0	Not carried
Ordinary 12	Authorise implementation of resolution 11	409 622 130	71 012 527	0	85.23%

Close

There being no further business the chairman thanked those present for their attendance and declared the meeting closed.

Approved:

Chairman

Date