

**TRANS HEX GROUP LIMITED**  
**Incorporated in the Republic of South Africa**  
**Registration number (1963/007579/06)**  
**Share code: TSX**  
**ISIN: ZAE000018552**  
**(“Trans Hex” or the “Group”)**

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**DISPOSAL OF 100% INTEREST IN PIONEER MINERALS PROPRIETARY LIMITED**

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**1. INTRODUCTION**

Shareholders of Trans Hex (“**Shareholders**”) are advised that the Group has entered into an agreement to dispose of its entire interest in its wholly owned subsidiary, Pioneer Minerals Proprietary Limited (“**Pioneer**”), as a going concern for a cash consideration of R35 million (the “**Consideration**”) (the “**Disposal**”) to Bondeo 140 CC (the “**Purchaser**”).

The Consideration is currently being held in trust and will be settled to Trans Hex on the date of fulfilment of the last of the suspensive conditions as detailed in paragraph 3 below.

**2. RATIONALE FOR THE DISPOSAL**

The Disposal constitutes the final step of a strategic process, initiated in March 2007, to dispose of the Group’s mining and prospecting projects located between Douglas and Prieska in the Middle Orange River region of the Northern Cape Province.

Pioneer holds a diamond mining right on the farm Remhoogte (“**Remhoogte**”). The Purchaser owns other diamond mining and prospecting operations in the Middle Orange River region and therefore already has a regional presence and extensive local knowledge.

**3. SUSPENSIVE CONDITIONS**

The Disposal remains subject to the following suspensive conditions, all of which must be finalised by no later than 31 December 2015:

- The Purchaser receiving the requisite consent from the Minister of the Department of Mineral Resources (“**DMR**”) for their acquisition of the shares in, and shareholders claims against, Pioneer.
- Trans Hex being satisfied that the guarantee provided by the Purchaser to the DMR has the effect of the environmental rehabilitation liability associated with Remhoogte transferring to the Purchaser.
- The conclusion of a marketing agreement in terms of which Trans Hex has the right to market all diamonds produced by the Purchaser at Remhoogte.

Trans Hex will notify Shareholders once the Disposal becomes unconditional by way of a further announcement.

**4. PRO FORMA FINANCIAL EFFECTS OF THE DISPOSAL**

The table below sets out the unaudited *pro forma* financial effects of the Disposal based on the assumption that the Disposal was effective from 1 April 2013 for purposes of basic earnings per share (“**EPS**”) and headline EPS (“**HEPS**”) and on 31 March 2014 for purposes of net asset value per share (“**NAV**”) and tangible NAV (“**TNAV**”).

The unaudited *pro forma* financial effects are presented for illustrative purposes only to provide information about how the Disposal may impact shareholders at the relevant reporting date and, because of their nature, may not fairly present Trans Hex's financial position, changes in equity, results of operations, cash flows or future earnings after the Disposal has been implemented. The unaudited *pro forma* financial effects have been prepared by and are the responsibility of the directors of Trans Hex.

The financial effects have been prepared using accounting policies that comply with International Financial Reporting Standards and are consistent with those applied in the audited financial statements of Trans Hex for the year ended 31 March 2014.

	<b>Before the Disposal (Column A)<sup>(i)</sup></b>	<b><i>Pro Forma</i> After the Disposal (Column B)<sup>(ii)</sup></b>	<b>Percentage change (%)</b>
EPS (cents)	20.7	53.8	160.0
HEPS (cents)	9.8	9.8	–
NAV (cents)	521.0	554.1	6.4
TNAV (cents)	514.8	547.9	6.4
Weighted average number of ordinary shares adjusted for treasury shares ('000)	105 699	105 699	105 699

Notes:

- i. The financial information in Column A has been extracted without adjustment from the audited financial results of Trans Hex for the year ended 31 March 2014.
- ii. The financial information set out in Column B represents the financial information set out in Column A, after adjusting for the effects of the Disposal, based on the following assumptions:
  - a. no notional interest on the Consideration has been accounted for; and
  - b. no transaction costs were incurred in relation to the Disposal.

## 5. APPLICATION OF CONSIDERATION

The Board will consider the best application for the proceeds of the Disposal, taking into account the Group's strategy and funding requirements. Such application may include, *inter alia*, funding of the Group's portion of the Namaqualand Mines transaction or other future acquisition opportunities.

## 6. CATEGORISATION OF THE DISPOSAL

The Disposal is classified as a Category 2 transaction in accordance with the JSE Limited Listings Requirements and does not require Shareholder approval.

Cape Town  
18 July 2014

Sponsor  
One Capital