



TRANS HEX

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**ANNUAL RESULTS PRESENTATION**  
FOR THE YEAR ENDED 31 MARCH 2014

## AGENDA



- Financial overview
- South African operations
- Angolan operations
- Namaqualand Mines
- Conclusion



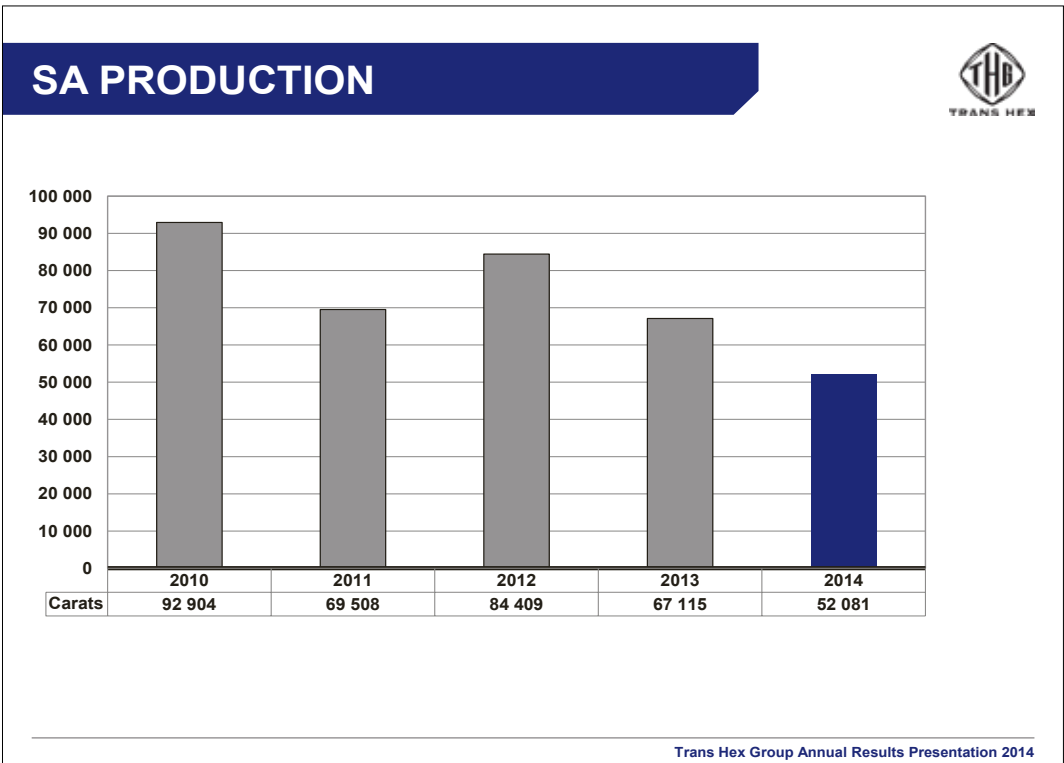
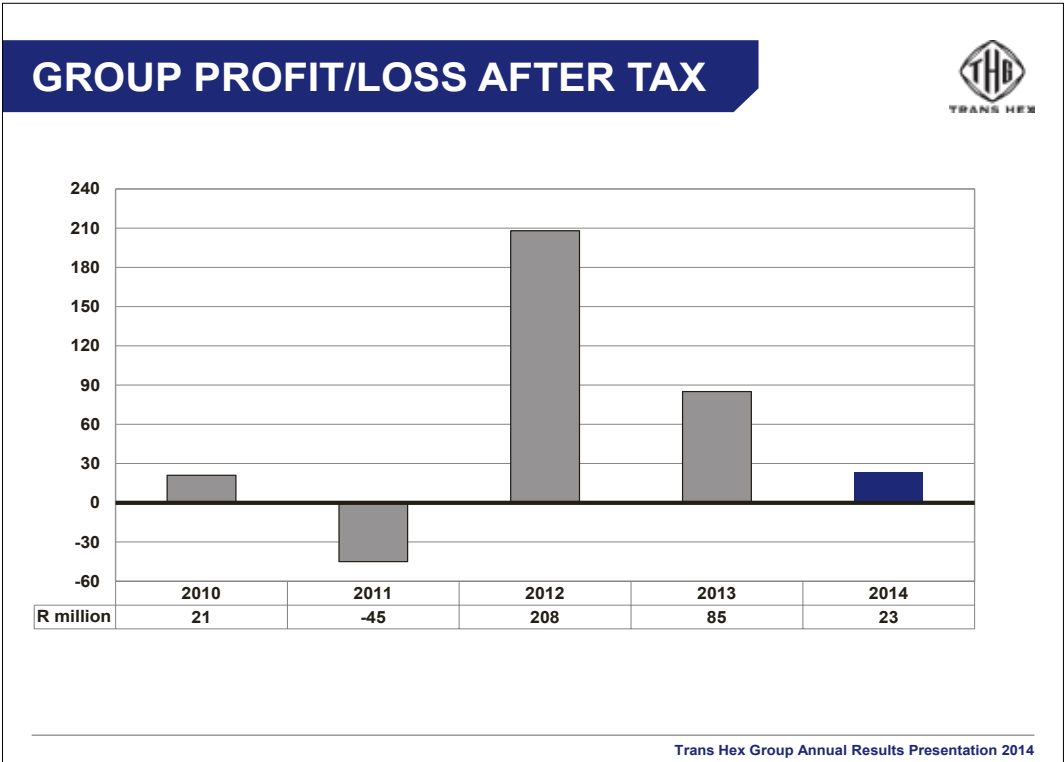
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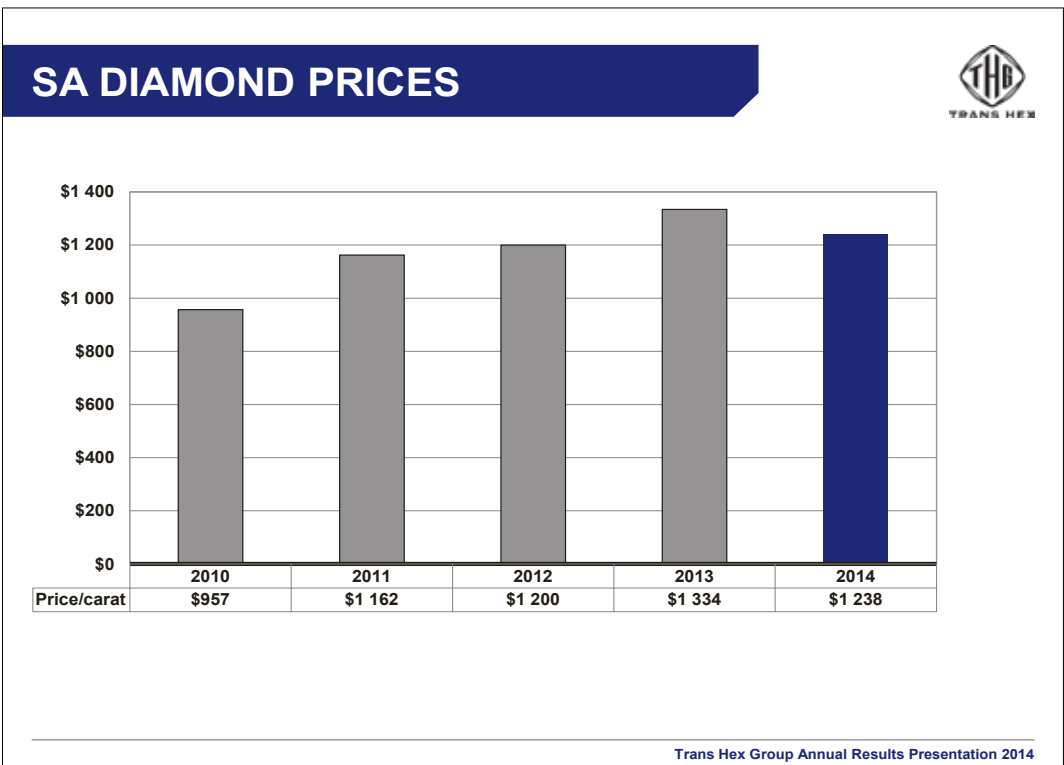
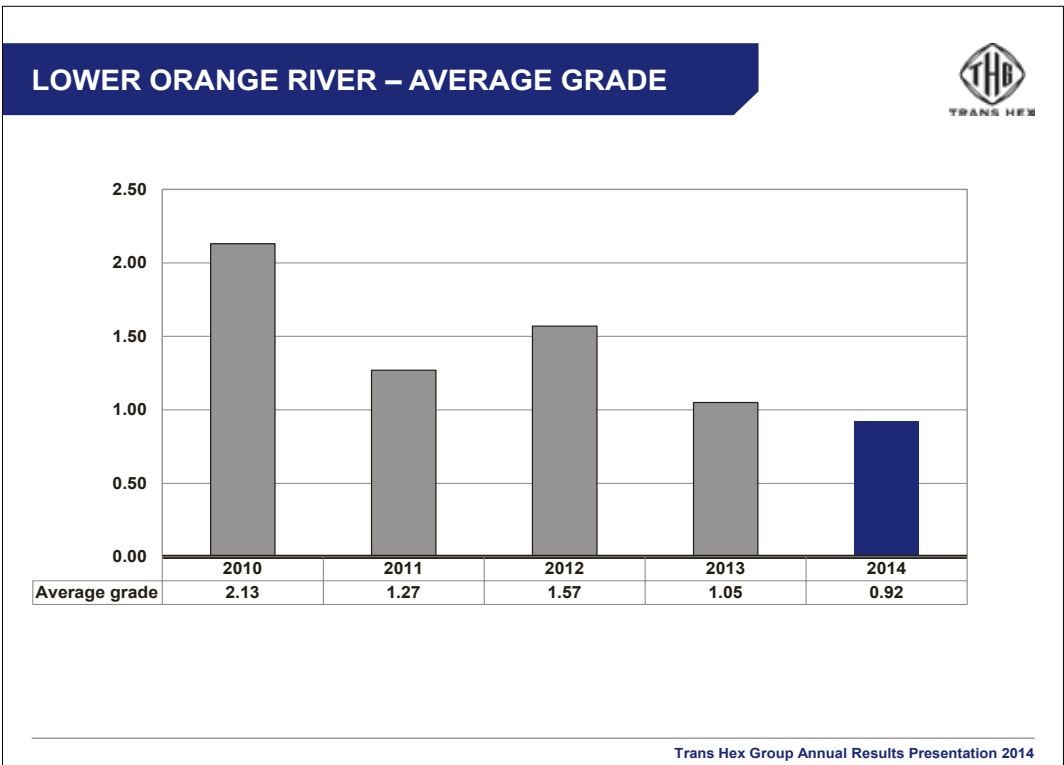
## FINANCIAL OVERVIEW

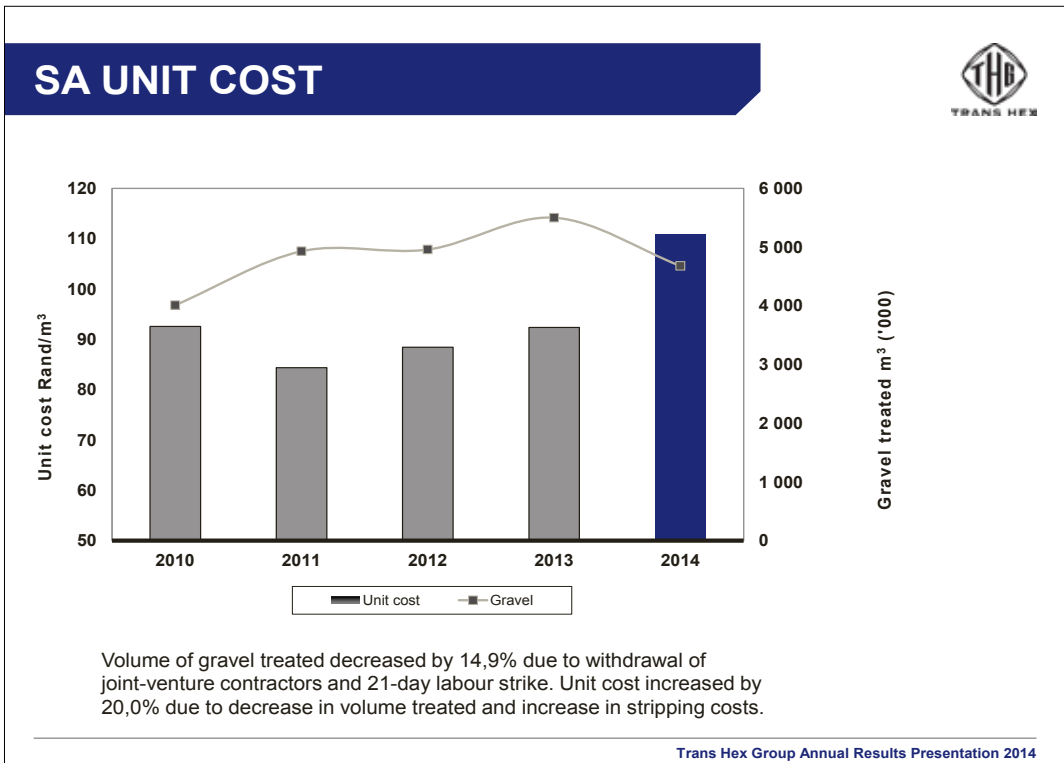


	March 2014	March 2013
Rand revenue (Rm)	<b>695,7</b>	751,3
Cost of goods sold (Rm)	<b>(653,7)</b>	(605,2)
(Loss)/profit from continuing operations (Rm)	<b>(5,1)</b>	65,0
Profit from discontinued operations (Rm)	<b>27,8</b>	20,4
Profit for the year (Rm)	<b>22,7</b>	85,4
HEPS (cents)	<b>9,8</b>	69,9
Cash position (Rm)	<b>397,6</b>	383,4
Net asset value per share (cents)	<b>521</b>	505

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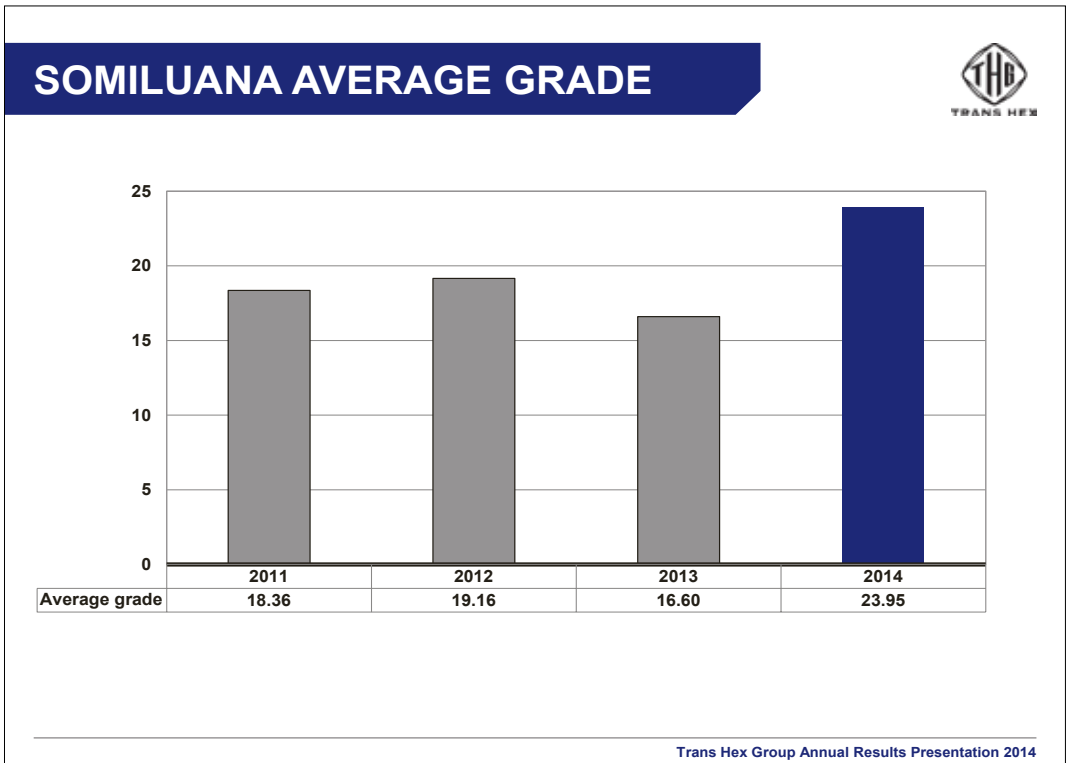
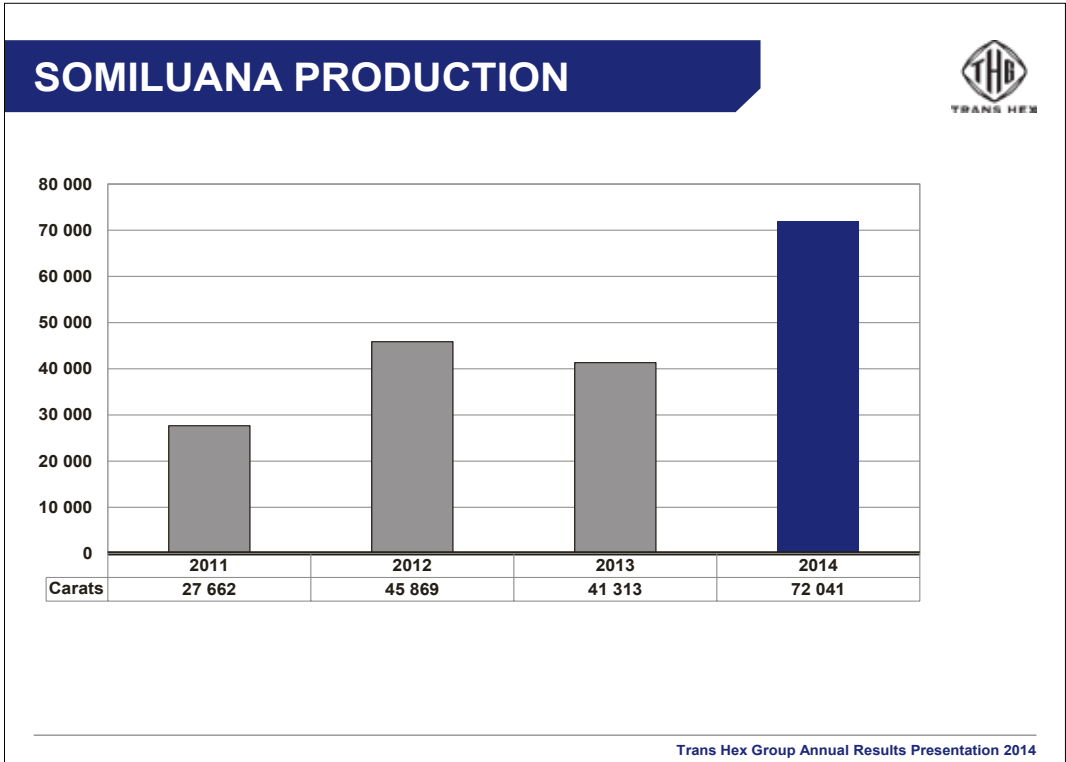


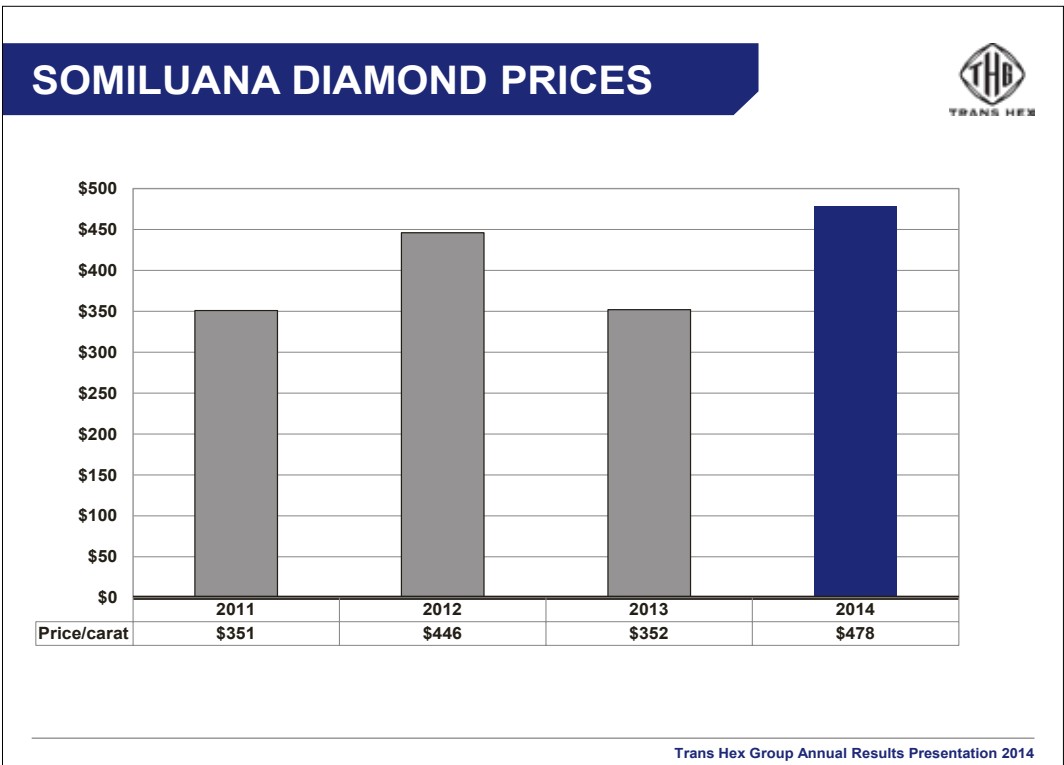


## SA OUTLOOK

- Stripping operations at Baken will continue until the economically viable gravel in the main channel has been exhausted, which is expected to be towards the end of the 2015 financial year. Thereafter mining will focus on shallow deposits and lower grade stockpiles.
- The Richtersveld Operations are expected to improve on the carat performance of the previous year due to increased volume and grade.
- The Group's total South African production for the 2015 financial year is expected to be 55 000 carats.
- Rough diamond prices are expected to remain stable during the 2015 financial year. Interest and strong demand for Trans Hex production are expected to continue.

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## ANGOLAN OUTLOOK

- Somiluana is increasing production capacity through internal cash flows.
- Drilling and sampling are continuing on the east side of the Luana River to maintain current production levels.
- Carat production for the 2015 financial year is expected to surpass the 72 000 carats achieved in 2014.
- Trans Hex is continuing to wind up the discontinued Luarica and Fucaúma projects.

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## NAMAQUALAND MINES TRANSACTION

## NAMAQUALAND MINES



- Emerald Panther Investments (in which Trans Hex holds a 40% stake) is acquiring assets and liabilities relating to Namaqualand Mines from De Beers.
- NM has between 1,6 and 1,9 million carats which can be economically mined and a life of approximately 14 years.
- Trans Hex will have a management and marketing agreement with EPI and receive fees totalling 5,5% of sales, increasing its effective interest in NM to 52%.
- Trans Hex and De Beers have concluded an amendment to the Sale Agreement whereby the State's 20% interest in NM will be addressed through the creation of a Special Purpose Vehicle (SPV), funded by De Beers in the amount of R26 million.
- The SPV will hold the 20% interest on behalf of the State and will be a 20% shareholder in EPI.



## NAMAQUALAND MINES (cont.)



- The previously approved IDC funding of R189 million will be re-applied for to provide for changes in the Sale Agreement between De Beers and EPI.
- EPI has secured a DMR-approved guarantee facility, to the value of R166 million, from an insurance company, for the rehabilitation liability.
- Pending the IDC re-approval Trans Hex's own direct financial commitment to the transaction will be in the order of R55 million.
- Trans Hex anticipates receiving cash flows of R653 million over the life of the project.
- The effective date of the acquisition is expected to be 31 October 2014.

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## CONCLUSION



- Existing SA assets are nearing end of life in their current form.
- The acquisition of Namaqualand Mines from De Beers will extend the life of the Group's SA operations to 14 years.
- Somiluana is continuing to grow and production for 2015 is expected to surpass 72 000 carats and profits to exceed US\$10 million.
- Tight controls over cash and costs will continue to be exercised in all areas of the Group's business.
- In respect of new business opportunities, the Group continues to evaluate potential new ventures on an ongoing basis.



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[www.transhex.co.za](http://www.transhex.co.za)

**DISCLAIMER:**

*This presentation contains forward-looking statements about the Company's operations, exploration activities and financial conditions. They are based on Trans Hex Group's best estimates and information at the time of writing. They are nonetheless subject to significant uncertainties and contingencies, many of which are beyond the control of the Company. Unanticipated events will occur and actual future events may differ materially from current expectations due to explorations results, new business opportunities, changes in priorities by the Company or its joint ventures, as well as other factors. Any of these factors may materially affect the Company's future business activities and its ongoing financial results.*

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