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**")

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014 AND SPECIAL DIVIDEND DECLARATION

FINANCIAL HEADLINES

- Sales revenue increased by 59,4% to R414,1 million (September 2013: R259,7 million).
- Group profit after tax from continuing operations amounted to R25,2 million (September 2013: loss of R69,0 million).
- Profit after tax from discontinued operations totalled R10,6 million (September 2013: R15,2 million).
- Group net profit for the period amounted to R35,8 million (September 2013: loss of R53,9 million).
- The Group's net cash position at the end of the period increased by R56,5 million to R351,1 million (September 2013: R294,6 million).
- Earnings per share amounted to 34,1 cents (September 2013: loss per share of 51,0 cents) and headline earnings per share amounted to 34,1 cents (September 2013: headline loss per share of 51,0 cents).
- Net asset value per share increased by 91,0 cents to 541,0 cents (September 2013: 450,0 cents).
- In Angola, Somiluana total sales increased to US$21,3 million (September 2013: US$16,9 million).

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	**30/09/14 Unaudited R'000**	30/09/13 Unaudited R'000	31/03/14 Audited R'000
Continuing operations				
Sales revenue		**414 064**	259 747	695 730
Cost of goods sold		**(337 711)**	(320 285)	(653 736)
Gross profit/(loss)		**76 353**	(60 538)	41 994
Royalties		**(8 343)**	(3 069)	(4 629)
Selling and administration costs		**(43 649)**	(37 787)	(71 620)
Mining profit/(loss)		**24 361**	(101 394)	(34 255)
Exploration costs		**(2 943)**	(2 104)	(3 762)
Other gains – net	1	**9 071**	6 795	21 407
Finance income		**11 310**	8 040	15 378
Finance costs		**(2 978)**	(3 612)	(4 995)
Profit/(loss) before income tax		**38 821**	(92 275)	(6 227)
Income tax		**(13 626)**	23 232	1 112
Profit/(loss) for the period from continuing operations		**25 195**	(69 043)	(5 115)
Discontinued operations				
Profit for the period from discontinued operations	2	**10 642**	15 186	27 854
Profit/(loss) for the period		**35 837**	(53 857)	22 739
Attributable to:				
Continuing operations		**25 195**	(69 043)	(5 115)
• Owners of the parent		**25 370**	(69 090)	(5 991)
• Non-controlling interest		**(175)**	47	876
Discontinued operations				
• Owners of the parent		**10 642**	15 186	27 854
		35 837	(53 857)	22 739
Earnings per share – basic and diluted (cents)				
• Continuing operations		**24,0**	(65,4)	(5,7)
• Discontinued operations		**10,1**	14,4	26,4
• Total		**34,1**	(51,0)	20,7
Shares in issue adjusted for treasury shares ('000)		**105 699**	105 699	105 699
Headline earnings	3			
• Continuing operations		**25 370**	(69 138)	(17 459)
• Discontinued operations		**10 642**	15 186	27 854
• Total		**36 012**	(53 952)	10 395
Headline earnings per share (cents)				
• Continuing operations		**24,0**	(65,4)	(16,6)
• Discontinued operations		**10,1**	14,4	26,4
• Total		**34,1**	(51,0)	9,8
Average US$ exchange rate		**10,60**	9,69	10,20

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	30/09/14 Unaudited R'000	30/09/13 Unaudited R'000	31/03/14 Audited R'000
Profit/(loss) for the period	**35 837**	(53 857)	22 739
Other comprehensive income net of tax:			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	**–**	–	2 061
• Before-tax amount	**–**	–	2 863
• Tax (expense)/benefit	**–**	–	(802)
Items that may be subsequently reclassified to profit or loss			
Translation differences on foreign subsidiaries before and after tax	**(9 469)**	(4 871)	(8 560)
Fair value adjustment on available-for-sale financial assets before and after tax	**–**	(37)	–
Reclassification of fair value adjustment on available-for-sale financial assets on disposal before and after tax	**–**	–	(37)
Reclassification of foreign currency differences on repayment of long-term receivables from foreign operations	**(4 542)**	–	–
Total comprehensive income for the period	**21 826**	(58 765)	16 203
Attributable to:	**22 001**	(58 812)	15 327
• Owners of the parent	**(175)**	47	876
• Non-controlling interest	**21 826**	(58 765)	16 203

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30/09/14 Unaudited R'000	30/09/13 Unaudited Restated R'000	31/03/14 Audited R'000
Assets			
Non-current assets	**370 868**	432 380	391 393
Property, plant and equipment	**253 480**	319 984	279 000
Investment in associates	**61 509**	60 877	59 580
Investments held by environmental trust	**55 879**	51 519	52 813
Current assets	**607 295**	437 404	560 378
Inventories	**213 360**	121 774	137 305
Trade and other receivables	**42 860**	21 020	21 670
Current income tax	**–**	58	3 853
Cash and cash equivalents	**351 075**	294 552	397 550
Total assets	**978 163**	869 784	951 771
Equity and liabilities			
Capital and reserves	**571 232**	475 092	549 231
Non-controlling interest	**825**	171	1 000
Non-current liabilities	**142 011**	133 493	148 488
Borrowings	**–**	438	–
Deferred income tax liabilities	**35 918**	30 325	46 138
Provisions	**106 093**	102 730	102 350
Current liabilities	**264 095**	261 028	253 052
Trade and other payables	**133 879**	120 845	126 263
Interest in joint ventures	**122 043**	130 421	125 188
Current income tax liabilities	**7 735**	–	320
Borrowings	**438**	9 762	1 281
Total equity and liabilities	**978 163**	869 784	951 771
Net asset value per share (cents)	**541**	450	521

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	30/09/14 Unaudited R'000	30/09/13 Unaudited R'000	31/03/14 Audited R'000
Balance at 1 April	**550 231**	534 028	534 028
Total comprehensive income for the period	**21 826**	(58 765)	16 203
Balance at end of period	**572 057**	475 263	550 231

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30/09/14 Unaudited R'000	30/09/13 Unaudited R'000	31/03/14 Audited R'000
Cash generated from/(utilised in) operations	**77 630**	(36 591)	72 302
Movements in working capital	**(89 630)**	(15 568)	(11 404)
Income tax paid	**(12 576)**	(2 666)	(13 252)
Net cash (utilised in)/generated from operating activities	**(24 576)**	(54 825)	47 646
Cash employed	**(21 899)**	(34 019)	(33 472)
Property, plant and equipment			
• Proceeds from disposal	**–**	80	25 298
• Replacement	**(14 950)**	(15 940)	(31 638)
• Additional	**(6 106)**	(8 725)	(11 634)
Investments and loans	**–**	7 584	10 283
Borrowings repaid	**(843)**	(17 018)	(25 781)
Net (decrease)/increase in cash and cash equivalents	**(46 475)**	(88 844)	14 174
Cash and cash equivalents at beginning of period	**397 550**	383 396	383 376
Cash and cash equivalents at end of period	**351 075**	294 552	397 550

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

		30/09/14 Unaudited R'000	30/09/13 Unaudited R'000	31/03/14 Audited R'000
1.	**Other gains – net**			
	Other gains – net consists of the following categories:			
	• Net foreign exchange gains	**4 529**	6 729	9 846
	• Profit on sale of assets and investments	**–**	66	11 561
	• Foreign exchange gains on repayment of long-term receivables from foreign operation	**4 542**	–	–
		9 071	6 795	21 407

2. **Discontinued operations**

On 5 October 2011, the Angolan Ministry of Geology, Mines and Industry revoked the mining rights of the Luarica and Fucaúma joint ventures as no mining activities had been performed at the sites for a period of three years as a result of the projects being placed under care and maintenance.

The prescription of unclaimed debts of R10,6 million (31/3/2014: R27,9 million; 30/9/2013: R15,2 million) is included below.

	30/09/14	30/09/13	31/03/14
Share of income from joint ventures	**10 642**	15 186	27 854
Profit before income tax	**10 642**	15 186	27 854
Taxation	**–**	–	–
Profit for the period	**10 642**	15 186	27 854

3. **Reconciliation of headline earnings**

	30/09/14	30/09/13	31/03/14
Continuing operations			
Profit/(loss) for the period	**25 370**	(69 090)	(5 991)
• Profit on sale of assets	**–**	(66)	(11 561)
• Taxation impact	**–**	18	93
Headline earnings/(loss)	**25 370**	(69 138)	(17 459)
Discontinued operations			
Profit for the period	**10 642**	15 186	27 854
Headline earnings	**10 642**	15 186	27 854

		30/09/14 Unaudited R'000	30/09/13 Unaudited R'000	31/03/14 Audited R'000
4.	**Capital commitments**			
	(including amounts authorised, but not yet contracted)	38 640	46 524	62 655
	These commitments will be financed from the Group's own resources or with borrowed funds.			

5. **Segment information**

Operating segments

Six months ended 30 September 2014	**Continuing**			**Discontinued**
	South Africa	**Angola**	**Total**	**Angola**
Carats sold	25 073	–	25 073	–
	R'000	R'000	R'000	R'000
Revenue	414 064	–	414 064	–
Cost of goods sold	(337 711)	–	(337 711)	–
Gross profit	76 353	–	76 353	–
Royalties	(8 343)	–	(8 343)	–
Selling and administration costs	(38 888)	(4 761)	(43 649)	–
Mining profit/(loss)	29 122	(4 761)	24 361	–
Exploration costs	(2 943)	–	(2 943)	–
Other gains – net	9 970	(899)	9 071	–
Profit for the period from discontinued operations	–	–	–	10 642
Finance income	11 310	–	11 310	–
Finance costs	(2 978)	–	(2 978)	–
Profit/(loss) before income tax	44 481	(5 660)	38 821	10 642
Depreciation included in the above	(46 594)	(16)	(46 610)	–
Net assets/(liabilities)	627 590	66 510	694 100	(122 043)
Capital expenditure	21 056	–	21 056	–
Net asset value per share (cents)	593	63	656	(115)

Six months ended 30 September 2013	Continuing			Discontinued
	South Africa	Angola	Total	Angola
Carats sold	26 076	–	26 076	–
	R'000	R'000	R'000	R'000
Revenue	259 747	–	259 747	–
Cost of goods sold	(320 285)	–	(320 285)	–
Gross loss	(60 538)	–	(60 538)	–
Royalties	(3 069)	–	(3 069)	–
Selling and administration costs	(34 150)	(3 637)	(37 787)	–
Mining loss	(97 757)	(3 637)	(101 394)	–
Exploration costs	(2 104)	–	(2 104)	–
Other gains – net	6 795	–	6 795	–
Profit for the period from discontinued operations	–	–	–	15 186
Finance income	8 040	–	8 040	–
Finance costs	(3 612)	–	(3 612)	–
(Loss)/profit before income tax	(88 638)	(3 637)	(92 275)	15 186
Depreciation included in the above	(44 096)	(220)	(44 316)	–
Net assets/(liabilities)	533 307	73 656	606 963	(131 700)
Capital expenditure	24 665	–	24 665	–
Net asset value per share (cents)	505	70	574	(125)

5. Segment information (continued)

Twelve months ended 31 March 2014	Continuing			Discontinued
	South Africa	Angola	Total	Angola
Carats sold	55 083	–	55 083	–
	R'000	R'000	R'000	R'000
Revenue	695 730	–	695 730	–
Cost of goods sold	(653 736)	–	(653 736)	–
Gross profit	41 994	–	41 994	–
Royalties	(4 629)	–	(4 629)	–
Selling and administration costs	(63 059)	(8 561)	(71 620)	–
Mining loss	(25 694)	(8 561)	(34 255)	–
Exploration costs	(3 762)	–	(3 762)	–
Other gains – net	10 176	11 231	21 407	–
Profit for the period from discontinued operations	–	–	–	27 854
Finance income	15 378	–	15 378	–
Finance costs	(4 995)	–	(4 995)	–
(Loss)/profit before income tax	(8 897)	2 670	(6 227)	27 854
Depreciation included in the above	(90 379)	(334)	(90 713)	–
Net assets/(liabilities)	588 500	86 919	675 419	(125 188)
Capital expenditure	43 261	11	43 272	–
Net asset value per share (cents)	562	77	639	(118)

Revenue from transactions with certain customers can amount to 10% or more of total revenue. During the period under review, such individual customers were responsible for aggregate sales of R51,8 million (31/03/2014: R0,0 million; 30/09/2013: R68,7 million).

6. **Change in accounting policy and reclassifications**

The following table summarises the Group's retroactive restatements to its consolidated financial statements resulting from the adoption of IFRS 11, "Joint Arrangements", and the change in methods of presentation of certain financial assets, including the impact of reclassification.

In the 2014 financial year, the Group decided to reclassify financial assets that were previously reported as available-for-sale investments, investments in associates and investments in environmental rehabilitation trusts on the face of the statement of financial position.

There was no impact on the income statements and the statements of comprehensive income as a result of the reclassifications and the change in accounting policy.

The impacts on the consolidated statement of financial position are as follows, as at:

30 September 2013

	Consolidated			
	As reported R'000	Joint arrangements R'000	Reclassifications R'000	2013 Restated R'000
Assets				
Non-current assets	432 380	–	–	432 380
Property, plant and equipment	319 984	–	–	319 984
Investment in associates	–	–	60 877	60 877
Investments held by environmental trust	–	–	51 519	51 519
Financial assets	112 396	–	(112 396)	–
Current assets	437 426	(22)	–	437 404
Inventories	121 774	–	–	121 774
Trade and other receivables	21 020	–	–	21 020
Current income tax	58	–	–	58
Cash and cash equivalents	294 574	(22)	–	294 552
Total assets	869 806	(22)	–	869 784
Equity and liabilities				
Capital and reserves	475 092	–	–	475 092
Non-controlling interest	171	–	–	171
Non-current liabilities	133 493	–	–	133 493
Borrowings	438	–	–	438
Deferred income tax liabilities	30 325	–	–	30 325
Provisions	102 730	–	–	102 730
Current liabilities	261 050	(22)	–	261 028
Trade and other payables	206 176	(85 331)	–	120 845
Interest in joint ventures	–	130 421	–	130 421
Current income tax liabilities	–	–	–	–
Borrowings	54 874	(45 112)	–	9 762
Total equity and liabilities	869 806	(22)	–	869 784

7. **Mineral resources and mineral reserves**

No adjustments have been made to the statement of mineral resources and mineral reserves as contained in the 2014 Integrated Annual Report. Annual reconciliation of production data will take place and an updated resource and reserve statement will be published in the 2015 Integrated Annual Report.

8. **Contingent liabilities**

There have been no material changes to contingent liabilities previously reported in the Integrated Annual Report.

9. Accounting policies

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standard (IAS) 34, "Interim Financial Reporting"; the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee; Financial Pronouncements as issued by the Financial Reporting Standards Council; and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous consolidated annual financial statements.

10. Impact of change in accounting policy

IFRS 11 focuses on the rights and obligations of a joint arrangement rather than its legal form as was the case under IAS 31. IFRS 11 classifies joint arrangements into two types: joint ventures and joint operations. Joint ventures are arrangements whereby the parties have rights to net assets, while joint operations are arrangements whereby the parties have rights to the assets and obligations for the liabilities. The standard eliminates choices in the reporting of joint arrangements by requiring the use of the equity method to account for interests in joint ventures, and by requiring joint operators to recognise assets and liabilities in relation to their interests in the arrangements. The change has been accounted for retroactively in accordance with the transition rules of IFRS 11.

A part of the Group's investments in joint arrangements qualifies as joint ventures and is now accounted for using the equity method of accounting. These investments were previously accounted for using the proportionate consolidation method. Under the equity method of accounting, the Group's share of net assets, net income and other comprehensive income of joint ventures are presented as one-line items on the consolidated statement of financial position, the consolidated statement of income and the consolidated statement of comprehensive income respectively. In addition, the consolidated statement of cash flows under the equity method of accounting includes the cash flows between the Group and its joint ventures and not the Group's proportionate share of the joint ventures' cash flows. The impact of the change in accounting policy is contained in Note 6.

11. Preparation of financial statements

The preparation of the unaudited condensed consolidated interim financial statements was supervised by the Financial Director, IP Hestermann CA(SA).

OVERVIEW

In this commentary, results are compared with the first six months of the 2014 financial year (in brackets).

Sales revenue from the South African operations increased by 59,4% in Rand terms from R259,7 million in September 2013 to R414,1 million in September 2014 as a result of a 51,4% increase in average prices, partly offset by a 1,6% decrease in carats sold. Revenue was also positively affected by a 13,8% weakening in the Rand. The average price increased from US$1 028 per carat (September 2013) to US$1 557 per carat due to an increase in average stone size.

South African production increased by 48,5% to 32 450 carats (September 2013: 21 849 carats). Average grade at the Lower Orange River operations ("LOR") increased by 67,9% to 1,31 carats/100 m^3 (September 2013: 0,78 carats/100 m^3) due to mining of more favourable scour areas at both Baken and Bloeddrift mines. The increase was partly offset by a 12,4% decrease in volumes treated.

In South Africa, the cost of goods sold increased by 5,4% to R337,7 million (September 2013: R320,3 million), mainly due to an increase in contractors' fees, in particular R64,5 million in respect of Remhoogte, as well as maintenance and other inflationary increases, offset by a positive stock movement of R88,4 million. The LOR unit cost of production increased by 29,0% as a result of the 12,4% drop in volume and an increase in operating costs.

Gross profit for the South African operations amounted to R76,3 million (September 2013: loss of R60,5 million).

The South African operations achieved a profit before tax of R44,5 million (September 2013: loss of R88,6 million).

In Angola, production at Somiluana Mine, in which Trans Hex holds a 33% stake, increased to 44 400 carats (September 2013: 35 779 carats) due to a 40,1% increase in grade, partly offset by a decrease of 11,4% in volumes treated. Total sales increased to US$21,3 million at an average price of US$513 per carat (September 2013: sales of US$16,9 million at an average price of US$484 per carat). Somiluana's operating margin was 37% (September 2013: 35%) and the Mine generated net profit of US$7,9 million (September 2013: US$5,9 million). No repayments were made to Trans Hex against the outstanding investment amount and the cash generated was retained to develop the Mine.

The investment in Somiluana is accounted for as an investment in an associate under the equity method. As the investment's liabilities exceed its assets, no equity accounted profit or loss was accounted for.

The Group reports an after-tax profit for the period from continuing operations of R25,2 million (September 2013: loss of R69,0 million).

Profit from the discontinued Luarica and Fucaúma operations amounted to R10,6 million (September 2013: R15,2 million).

The Group therefore reports a profit for the period of R35,8 million (September 2013: loss of R53,9 million).

Cash and cash equivalents at the end of the reporting period increased by R56,5 million to R351,1 million (September 2013: R294,6 million).

OPERATING PERFORMANCE

	Six months ended 30 September 2014				Six months ended 30 September 2013			
Detailed project information (unaudited)	**Average grade per 100 m^3**	**Carats produced**	**Average carats per stone**	**Average price per carat achieved (US$)**	Average grade per 100 m^3	Carats produced	Average carats per stone	Average price per carat achieved US$
South Africa								
Baken	**1,42**	**22 731**	**1,35**	**1 379**	0,79	14 157	1,17	1 100
Richtersveld Operations	**0,89**	**3 533**	**2,48**	**2 125**	0,72	3 626	1,85	1 778
Remhoogte	**–**	**2 900**	**3,35**	**3 643**	–	–	–	–
Shallow water	**–**	**3 286**	**0,30**	**457**	–	4 066	0,29	377
Total South Africa	**1,31**	**32 450**	**1,08**	**1 557**	0,78	21 849	0,78	1 028
Angola								
Somiluana	**29,94**	**44 400**	**0,53**	**513**	21,37	35 779	0,56	484

Note: Average grade in South Africa is calculated excluding Remhoogte and shallow water production.

South Africa

Stripping of overburden in the main channel at Baken continued during the first six months of the financial year with encouraging results, including increases in the average grade to 1,42 carats/100 m^3 (September 2013: 0,79 carats/100 m^3), the average stone size to 1,35 carats (September 2013: 1,17 carats) and the average price of Baken stones to US$1 379 (September 2013: US$1 100).

The Richtersveld Operations were positively affected by an increase in average grade and stone size at Bloeddrift Mine.

Angola

Mining activities during the period continued to focus on the east bank of the Luana River where the grades and diamond values continue to exceed resource estimations.

OUTLOOK

Namaqualand

The transaction between Emerald Panther Investments 78 (Pty) Ltd and De Beers Consolidated Mines Proprietary Limited involving the acquisition of assets and liabilities relating to Namaqualand Mines, has been concluded. The acquisition's effective date was 28 October 2014, as announced on SENS on 29 October 2014.

Operations at the Namaqualand project will commence with the construction of a final recovery plant at Kleinzee which is expected to be operational by early January 2015. At Mitchell's Bay, drilling, bulk sampling and the construction of a production plant is planned for the first quarter of the 2015 calendar year.

Lower Orange River

Stripping operations in the Baken central channel will continue until the economically viable gravel in the main channel has been exhausted. Due to the encouraging results during the period under review, stripping operations are expected to continue until the end of the 2016 financial year, after which mining activities will focus on shallow deposits and lower grade stockpiles.

At the Richtersveld Operations, steady performance at Bloeddrift Mine is expected to continue in the next six months. Due to disappointing exploration results at the Jakkelsberg mining area, relocation of the plant and mining equipment is planned.

South African production for the 2015 financial year is now expected to be in the order of 57 000 carats.

Angola

In Angola, Somiluana Mine is increasing its production capacity through the reinvestment of surplus internal cash flows. Due to the encouraging results and in order to speed up the expansion of the production footprint, external funding is being considered. Production results and geological work through drilling and bulk sampling indicate that carat production for the 2015 financial year will surpass the 72 000 carats achieved in 2014.

Market

The short-term sentiment in the rough diamond market remains steady but cautious. Demand for high-quality alluvial goods continues to be solid and interest in Trans Hex production is expected to remain high.

The long-term market outlook remains positive due to natural production constraints and indications that diamond mines world-wide will struggle to keep up with demand. Established markets such as the USA and emerging markets such as China and India continue to show strong demand.

SPECIAL DIVIDEND DECLARATION

Notice is hereby given of a once-off special cash dividend of 50 cents per share (the "Dividend").

The Dividend has been declared by the Board following the successful conclusion of the acquisition of Namaqualand Mines, as more fully described in the related SENS announcements, the most recent of which was dated 29 October 2014.

In accordance with the JSE Limited Listings Requirements the following additional information is disclosed:

- the Dividend has been declared out of income reserves;
- the local dividend tax rate is 15%;
- the gross local dividend amount is 50 cents per ordinary share for shareholders exempt from dividend tax;
- the net local dividend amount is 42,5 cents per ordinary share for shareholders liable to pay dividend tax;
- the Group currently has 106 051 275 shares in issue; and
- the Group's income tax reference number is 9775/125/71/0.

No STC credits have been utilised.

The special dividend will be paid on Monday, 1 December 2014, to shareholders recorded in the register of the Group at the close of business on the record date being Friday, 28 November 2014.

The salient dates relating to the Dividend are as follows:

Last day to trade cum dividend	Friday, 21 November 2014
Shares commence trading ex-dividend	Monday, 24 November 2014
Record date	Friday, 28 November 2014
Payment date of the Dividend	Monday, 1 December 2014

Share certificates may not be dematerialised or rematerialised between Monday, 24 November 2014 and Friday, 28 November 2014, both days inclusive.

DIVIDEND

The Board has resolved that it would not be prudent to recommence ordinary dividend payments until there is a greater degree of confidence that the Group has achieved a growing flow of new earnings. Accordingly, no ordinary interim dividend is declared.

CHANGES TO THE BOARD OF DIRECTORS

Shareholders are advised of the following changes to the Board of Directors:

Mr DR Wolstenholme has been appointed to the Board of Directors as a Non-executive Director, with effect from 31 October 2014. Mr Wolstenholme served as Chief Financial Officer of Northam Platinum Limited from 1999 until 2010 and currently heads up their corporate finance activities.

Mr T de Bruyn's designation as Independent Non-executive Director has changed to Non-executive Director, with effect from 31 October 2014, and accordingly, he resigns from the Audit and Risk Committee with immediate effect.

Ms BP Lekubo has been appointed to the Board of Directors as an Independent Non-executive Director, with effect from 31 October 2014 and replaces Mr T de Bruyn as a member of the Audit and Risk Committee. Ms Lekubo has been an Alternate Director for Mr BR van Rooyen since August 2013. Ms Lekubo is a chartered accountant and Chief Financial Officer at Atlatsa Resources.

By order of the Board

BR van Rooyen
Chairman

L Delport
Chief Executive Officer

Parow
3 November 2014

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DIRECTORATE
BR van Rooyen (Chairman), L Delport (Chief Executive Officer), IP Hestermann (Financial Director), T de Bruyn, BP Lekubo, AR Martin, DR Wolstenholme, GM van Heerden (Company Secretary)