

NOTICE OF ANNUAL GENERAL MEETING 2015



**TRANS HEX
GROUP**

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**TRANS HEX
GROUP**

TRANS HEX GROUP LIMITED

REG. NO. 1963/007579/06

405 VOORTREKKER ROAD, PO BOX 723, PAROW 7499, CAPE TOWN • REPUBLIC OF SOUTH AFRICA
TEL +27 21 937 2000, FAX +27 21 937 2100 • www.transhex.co.za •

30 June 2015

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING

In this booklet you will find a detailed notice of annual general meeting ("Notice") in respect of Trans Hex Group Limited's 35th Annual General Meeting which will be held on Thursday, 6 August 2015. Also included are the abridged audited annual financial statements for the year ended 31 March 2015, with explanatory notes and commentary, and a form of proxy.

Kindly note that a printed Integrated Annual Report will not be mailed to shareholders in order to contain costs.

The full Integrated Annual Report is, however, available for viewing and downloading on the Company's website at www.transhex.co.za. Printed copies will be available for collection at the Company's registered office and will be mailed to shareholders upon request. Please contact Ansonet Mostert on tel: 021 937 2022 or e-mail: ansonetm@transhex.co.za to request a printed copy.

Yours faithfully

GM van Heerden
Company Secretary

TRANS HEX GROUP LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1963/007579/06

JSE share code: TSX

ISIN: ZAE000018552

("Trans Hex" or the "Company")

Notice is hereby given in terms of Section 62(1) of the Companies Act, No. 71 of 2008, as amended (the "Companies Act"), that the 35th Annual General Meeting of shareholders of Trans Hex will be held at the Company's registered offices, **405 Voortrekker Road, Parow, Cape Town, on Thursday, 6 August 2015, at 10:00** for purposes of:

I) considering and, if deemed fit, adopting, with or without modification, the ordinary and special resolutions set out below:

Ordinary resolutions:

1. adopting the audited annual financial statements of Trans Hex for the year ended 31 March 2015;
2. re-electing a Director;
3. ratifying the appointment of two Directors;
4. re-appointing the external auditors;
5. appointing the Audit and Risk Committee; and
6. endorsing the Company's Remuneration Policy.

Special resolutions:

1. approving the Non-executive Directors' remuneration for the year ending 31 March 2016;
2. approving the general authority to repurchase issued shares; and
3. approving the general authority to provide financial assistance to related and inter-related companies and corporations.

II) transacting any other business as may be conducted at an Annual General Meeting.

The date on which shareholders must have been recorded as such in the securities register of the Company for purposes of being entitled to receive this Notice is Friday, 19 June 2015. The date on which shareholders must be recorded in the securities register for purposes of being entitled to attend and vote at this meeting is Friday, 31 July 2015, with the last day to trade being Friday, 24 July 2015.

ORDINARY RESOLUTIONS

To consider and, if deemed fit, pass the following ordinary resolutions (numbers 1 to 6), with or without modification (in order to be adopted, these resolutions require the support of more than 50% of the total number of votes exercised by shareholders present or represented by proxy at the meeting):

ORDINARY RESOLUTION NUMBER 1: Adopting the annual financial statements

"Resolved that the audited annual financial statements for the year ended 31 March 2015, including the reports of the Directors, external auditors and the Audit and Risk Committee, be and are hereby received and adopted."

The abridged audited annual financial statements are contained in **Annexure 1** to this document, of which this Notice forms part. The full 2015 Integrated Annual Report, containing the audited annual financial statements and the relevant reports for the preceding year, is available at www.transhex.co.za or can be obtained from the Company's registered office.

ORDINARY RESOLUTION NUMBER 2: Re-election of a Director

"Resolved that Mr Alwyn Martin, who retires by rotation in terms of the Memorandum of Incorporation, and being eligible and offering himself for re-election, be and is hereby re-elected as a Director."

A brief biography of Mr Martin is set out in **Annexure 2** to this document.

ORDINARY RESOLUTION NUMBER 3: Ratification of the appointment of two Directors

“Resolved that the appointments of the following Directors be ratified:

3.1 Ms Boipelo Lekubo as an Independent Non-executive Director, with effect from 31 October 2014;

3.2 Mr Derek Wolstenholme as a Non-executive Director, with effect from 31 October 2014.”

Brief biographies of the aforementioned Directors are set out in **Annexure 2** to this document.

The appointments numbered 3.1 and 3.2 constitute separate ordinary resolutions and will be considered by separate votes.

ORDINARY RESOLUTION NUMBER 4: Re-appointment of the external auditors

“Resolved that PricewaterhouseCoopers Inc. be and are hereby re-appointed as the independent external auditors of the Company, and that Hugo Zeelie be and is hereby appointed as the individual designated auditor of the Company, for the ensuing period terminating on the conclusion of the next Annual General Meeting of the Company.”

The Board has evaluated the performance of PricewaterhouseCoopers Inc. and recommends their re-appointment as external auditors of the Company.

ORDINARY RESOLUTIONS NUMBERS 5.1, 5.2 AND 5.3: Appointment of the Audit and Risk Committee for the ensuing year

“Resolved that the following Directors, who are eligible and offer themselves for election, be and are hereby appointed as members of the Audit and Risk Committee for the ensuing period terminating on the conclusion of the next Annual General Meeting of the Company, as recommended by the Board in accordance with Section 94(2) of the Companies Act.

5.1 Mr Alwyn Martin – Independent Non-executive Director;

5.2 Mr Bernard van Rooyen – Independent Non-executive Director;

5.3 Ms Boipelo Lekubo – Independent Non-executive Director.”

Brief biographies of the aforementioned Directors are set out in **Annexure 2** to this document.

The appointments numbered 5.1 to 5.3 constitute separate ordinary resolutions and will be considered by separate votes.

Since the previous Annual General Meeting held on 7 August 2014, Mr Theunis de Bruyn’s designation as an Independent Non-executive Director changed to Non-executive Director. Accordingly, he resigned from the Audit and Risk Committee with effect from 31 October 2014.

Ms Lekubo, who previously served as an Alternate Director to Mr van Rooyen, was appointed as an Independent Non-executive Director on 31 October 2014 and replaced Mr de Bruyn as a member of the Audit and Risk Committee.

Shareholders are advised that Mr van Rooyen is the Chairman of the Board of Directors of the Company and a member of the Audit and Risk Committee. The Board is satisfied that Mr van Rooyen has acted and will continue to act with sufficient integrity, objectivity and independence such that the interests of stakeholders have not been, and will not be, prejudiced by his dual role as Chairman of the Board and member of the Audit and Risk Committee.

The Board has reviewed and assessed the independence of each of the Non-executive Directors numbered 5.1 to 5.3 and is fully satisfied that each of them meets the applicable requirements and standards to be classified as Independent Non-executive Directors.

ORDINARY RESOLUTION NUMBER 6: Endorsement of Company’s Remuneration Policy

“Resolved that the Company’s Remuneration Policy be and is hereby endorsed by way of a non-binding advisory vote, as recommended in the King Code of Governance for South Africa 2009, commonly referred to as King III.”

The Company’s Remuneration Policy is set out in **Annexure 3** of this document.

SPECIAL RESOLUTIONS

To consider and, if deemed fit, pass the following special resolutions (numbers 1 to 3), with or without modification (in order to be adopted, these resolutions require the support of at least 75% of the total number of votes exercised by shareholders present or represented by proxy at the meeting):

SPECIAL RESOLUTION NUMBER 1: Authority to pay Non-executive Directors' remuneration for the year ending 31 March 2016

"Resolved that the Board's recommendation, set out in the table below, in respect of remuneration of Non-executive Directors, in their capacity as Non-executive Directors, as contemplated in Section 66(9) of the Companies Act, with effect from 1 April 2015, be and is hereby approved."

Designation	Fees for the year ended 31 March 2015	Proposed fees for the year ending 31 March 2016
Annual retainer:		
Non-executive Director	R81 035	R85 500
Chairman of the Human Resources and Social & Ethics Committee	R121 555	R128 250
Chairman of the Audit and Risk Committee	R141 810	R149 600
Chairman of the Board	R162 070	R171 000
Fee per meeting:		
Board meeting	R16 205	R17 100
Audit and Risk Committee meeting	R14 585	R15 390
Human Resources and Social & Ethics Committee meeting	R9 725	R10 260

Further details on the basis of calculation of the remuneration are included in the Remuneration Policy as set out in **Annexure 3**.

Reason and effect

The reason for and the effect of special resolution number one is to approve the basis for calculating the remuneration payable by the Company to its Non-executive Directors for their services as Non-executive Directors of the Company for the period ending 31 March 2016.

SPECIAL RESOLUTION NUMBER 2: General authority to repurchase issued shares

"Resolved that the Company (or any of its subsidiaries) be authorised, with effect from the date of this Annual General Meeting, by means of a general approval, to repurchase or purchase, as the case may be, such number of ordinary shares issued by the Company and at such price and on such other terms and conditions as the Directors may from time to time determine, but subject always to the provisions of Section 48 of the Companies Act and the Listings Requirements of the JSE Limited ("JSE"), as amended ("JSE Listings Requirements"), which as at the date of this Notice include, amongst others, the following:

- this authority shall not extend beyond 15 months from the date of this resolution or the date of the next Annual General Meeting of the Company, whichever is the earlier;
- the repurchase or purchase of shares shall be effected through the order book operated by the trading system of the JSE and be done without any prior understanding or arrangement between the Company and the counterparty (reported trades being prohibited);
- the acquisition must be authorised by the Company's Memorandum of Incorporation;
- the repurchase of shares shall not, in the aggregate, in any one financial year, exceed 10% of the Company's issued ordinary share capital at the time that this authority is given, provided that a subsidiary of the Company or subsidiaries of the Company collectively, shall not hold in excess of 10% of the number of shares issued by the Company;
- the acquisition must not be made at a price more than 10% above the weighted average of the market value for the ordinary shares of the Company for the five (5) business days immediately preceding the date of acquisition;
- at any point in time, the Company may only appoint one (1) agent to effect any repurchase/(s) on the Company's behalf;
- the Company or its subsidiary may not repurchase securities during a prohibited period, unless there is a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period;

- an announcement containing full details of such acquisitions of shares must be published as soon as the Company and/or its subsidiary/(ies) has/have acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue at the date of this Annual General Meeting at which this special resolution is considered and, if approved, passed, and for each 3% in aggregate of the initial number acquired thereafter; and
- prior to entering the market to proceed with a repurchase, the Board of the Company must pass a resolution confirming that the Board of Directors has authorised the repurchase, that the Company satisfied the solvency and liquidity test contemplated in Section 4 of the Companies Act, and that since the test was done there have been no material changes to the financial position of the Company and its subsidiaries (the “Group”).”

DISCLOSURE IN TERMS OF THE JSE LISTINGS REQUIREMENTS

In terms of the JSE Listings Requirements, the following disclosures are required with reference to the repurchase of the Company’s shares as set out in special resolution number two above:

Statement of Directors

The Company’s Directors undertake that, after considering the effect of the maximum repurchase permitted, they will not implement any such repurchase unless the provisions of Sections 4 and 48 of the Act will be complied with and for a period of 12 months after shareholder approval for such general repurchase:

- (i) the Company and the Group will be able, in the ordinary course of business, to pay its debts;
- (ii) the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, recognised and measured in accordance with International Financial Reporting Standards;
- (iii) the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and
- (iv) the working capital resources of the Company and the Group will be adequate for ordinary business purposes.

The Company and the Group have complied with the applicable provisions of the Act and the JSE Listings Requirements.

Directors’ responsibility statement

The Directors, whose names are given in **Annexure 2** to this Notice, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution contains all information required by law and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the Integrated Annual Report, there have been no material changes in the affairs, financial or trading position of the Group since the signature date of the Integrated Annual Report and the distribution date thereof.

The following further disclosures required in terms of the JSE Listings Requirements are set out in the **Annexures** detailed below and attached to this Notice:

- Directors and management – **Annexure 2**
- Major shareholders – **Annexure 4**
- Material changes – **Annexure 5**
- Share capital of the Company – **Annexure 6**

Please refer to the additional disclosure of information contained in this Notice, which disclosure is required in terms of the JSE Listings Requirements.

Reason and effect

The reason for and effect of special resolution number two is to grant the Company’s Board of Directors a general authority to approve the repurchase of its shares or to permit a subsidiary of the Company to purchase shares in the Company.

SPECIAL RESOLUTION NUMBER 3: General authority to provide financial assistance to related and inter-related companies and corporations in terms of Sections 44 and/or 45 of the Companies Act

“Resolved that the Directors of the Company be and are hereby authorised in terms of, and subject to, the provisions of Sections 44 and/or 45 of the Companies Act to cause the Company to, from time to time, provide any direct and/or indirect financial assistance (whether by way of loan, guarantee, the provision of security or otherwise) for a period of two years commencing on the date of this special resolution to any of its present or future subsidiaries and/or any other company or corporation which is or becomes related or inter-related to the Company for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or inter-related company or corporation or for the purchase of any securities of the Company or related or inter-related company or corporation; provided that the Board is satisfied that immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test contemplated in Section 4 of the Companies Act, that the terms under which the financial assistance is proposed to be given, are fair and reasonable to the Company, and that the conditions or restrictions in respect of the granting of the financial assistance which may be set out in the Company’s Memorandum of Incorporation have been satisfied.”

Reason and effect

The reason for and effect of special resolution number three is to grant the Directors of the Company the authority, subject to the provisions of the Companies Act, to provide financial assistance to any company or corporation which is related or inter-related to the Company.

II) TRANSACTING ANY OTHER BUSINESS AS MAY BE CONDUCTED AT AN ANNUAL GENERAL MEETING

IMPORTANT NOTICE REGARDING ATTENDANCE AT ANNUAL GENERAL MEETING

CERTIFICATED AND “OWN NAME” DEMATERIALIZED SHARES – PROXY

Shareholders holding certificated shares and shareholders of the Company who have dematerialised their shares and have elected own name registration in the sub-register maintained by the Central Securities Depository Participant (“CSDP”), may attend, speak and vote at the Annual General Meeting or furnish a proxy.

DEMATERIALIZED SHAREHOLDERS OTHER THAN WITH “OWN NAME” REGISTRATION

Shareholders who have dematerialised their shares through a CSDP or broker and who have not elected own name registration in the sub-register maintained by a CSDP and who wish to attend the Annual General Meeting, should instruct their CSDP or broker to issue them with the necessary authority to attend, or if they do not wish to attend the Annual General Meeting, they may provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

SATISFACTORY IDENTIFICATION

In terms of Section 63(1) of the Companies Act, before any person may attend or participate in a shareholders’ meeting such as the meeting convened in terms of this Notice, that person must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified. The Company will regard presentation of an original of a meeting participant’s valid driver’s licence, identity document or passport to be satisfactory identification.

VOTING

On a show of hands every shareholder present in person or by proxy and if a member is a body corporate, its representative, shall have one vote and on a poll every shareholder present in person or by proxy and if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her.

PROXIES

A form of proxy is attached for completion by registered certificated shareholders and dematerialised shareholders with own name registration who are unable to attend the Annual General Meeting in person. Forms of proxy must be completed and returned to the Company's transfer secretaries, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg 2001, (postal address: PO Box 61051, Marshalltown 2107), by no later than 10:00 on Tuesday, 4 August 2015. Registered certificated shareholders and dematerialised shareholders with own name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the Annual General Meeting to the exclusion of their appointed proxy/(ies) should such shareholders wish to so do.

Each shareholder holding certificated shares and each shareholder of the Company who has dematerialised its shares and has elected own name registration is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in his/her stead.

Shares held by a share trust or scheme will not have their votes at the Annual General Meeting taken into account for purposes of the resolutions proposed in terms of the JSE Listings Requirements.

Shares held as treasury shares will not have their votes taken into account at the Annual General Meeting.

By order of the Board



GM van Heerden
Company Secretary

30 June 2015

REGISTERED OFFICE

405 Voortrekker Road
Parow
Cape Town
7500
Telephone: +27 21 937 2000
Fax: +27 21 937 2100

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd
PO Box 61051
Marshalltown
2107
Telephone: +27 11 370 5000
Fax: +27 11 688 5237

INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF TRANS HEX GROUP LIMITED

The summary consolidated financial statements of Trans Hex Group Limited, set out on pages 9 to 20 of the Notice to the Annual General Meeting, which comprise the summary consolidated statement of financial position as at 31 March 2015, and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Trans Hex Group Limited for the year ended 31 March 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our Report dated 29 May 2015. Our Auditor's Report on the audited consolidated financial statements contained an Other Matter paragraph: "Other Reports Required by the Companies Act" (refer below). Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our Report on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Trans Hex Group Limited.

Directors' Responsibility for the Summary Consolidated Financial Statements

The Directors are responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the JSE Limited's requirements for summary financial statements, set out in Note 14 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the Directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

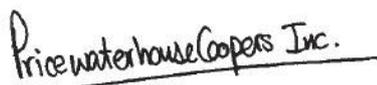
Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Trans Hex Group Limited for the year ended 31 March 2015 are consistent, in all material respects, with those consolidated financial statements, in accordance with the JSE's requirements for summary financial statements, set out in Note 14 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other Reports Required by the Companies Act

The "Other Reports Required by the Companies Act" paragraph in our Audit Report dated 29 May 2015 states that as part of our audit of the consolidated financial statements for the year ended 31 March 2015, we have read the Report of the Board of Directors, the Audit and Risk Committee's Report and the Certificate by the Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.



PricewaterhouseCoopers Inc.

Director: D Adriaans

Registered Auditor

Stellenbosch
30 June 2015

ANNEXURE 1: AUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

FINANCIAL HEADLINES

- Sales revenue increased by 35,1% to R939,7 million (2014: R695,7 million).
- Gross profit from South African land operations totalled R150,8 million (2014: R42,0 million).
- Impairments from Lower Orange River Operations amounted to R86,2 million (2014: nil).
- Proceeds from the disposal of the Group's 100% interest in Pioneer Minerals Proprietary Limited amounted to R35,0 million (2014: nil).
- Equity accounting profit from Somiluana amounted to R12,7 million (2014: nil).
- Equity accounting profit from West Coast Resources amounted to R123,3 million (2014: nil).
- Group profit after tax from continuing operations increased to R169,1 million (2014: loss of R5,1 million).
- Profit after tax from discontinued operations totalled R21,5 million (2014: R27,9 million).
- Group net profit increased to R190,6 million (2014: R22,7 million).
- The Group's net cash position at the end of the year was R407,2 million (2014: R397,6 million).
- Earnings per share increased by 160,4 cents to 181,1 cents (2014: 20,7 cents) and headline earnings per share increased by 68,8 cents to 78,6 cents (2014: 9,8 cents).
- Net asset value per share amounted to 630,0 cents (2014: 521,0 cents).

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	2015 R'000	2014 R'000
Continuing operations			
Sales revenue		939 685	695 730
Cost of goods sold		(788 847)	(653 736)
Gross profit		150 838	41 994
Share of results of associated companies	1	135 976	–
Royalties		(20 656)	(4 629)
Selling and administration costs		(75 899)	(71 620)
Mining profit/(loss)		190 259	(34 255)
Exploration costs		(2 171)	(3 762)
Other gains – net	2	53 369	21 407
Finance income		25 052	15 378
Finance costs		(4 705)	(4 995)
Impairment	3	(86 170)	–
Profit/(loss) before income tax		175 634	(6 227)
Income tax		(6 568)	1 112
Profit/(loss) for the year from continuing operations		169 066	(5 115)
Discontinued operations			
Profit for the year from discontinued operations	4	21 508	27 854
Profit for the year		190 574	22 739
Attributable to:			
Continuing operations		169 066	(5 115)
• Owners of the parent		169 950	(5 991)
• Non-controlling interest		(884)	876
Discontinued operations			
• Owners of the parent		21 508	27 854
		190 574	22 739
Earnings per share – basic and diluted (cents)			
• Continuing operations		160,8	(5,7)
• Discontinued operations		20,3	26,4
• Total		181,1	20,7
Shares in issue adjusted for treasury shares ('000)		105 699	105 699
Headline earnings			
	5		
• Continuing operations		61 668	(17 459)
• Discontinued operations		21 508	27 854
Total		83 176	10 395
Headline earnings per share (cents)			
• Continuing operations		58,3	(16,6)
• Discontinued operations		20,3	26,4
• Total		78,6	9,8
Average US\$ exchange rate		11,05	10,20

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2015 R'000	2014 R'000
Profit for the year	190 574	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	–	(802)
Items that may be subsequently reclassified to profit or loss		
Translation differences on foreign subsidiaries before and after tax	(17 529)	(8 560)
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 year	168 503	16 203
Attributable to:		
• Owners of the parent	169 387	15 327
• Non-controlling interest	(884)	876
	168 503	16 203

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2015 R'000	2014 R'000
ASSETS			
Non-current assets		466 682	391 393
Property, plant and equipment		152 184	279 000
Investment in associates	6	253 635	59 580
Investments held by environmental trust		57 431	52 813
Other financial assets		3 000	–
Deferred income tax assets		432	–
Current assets		553 003	560 378
Inventories	7	105 868	137 305
Trade and other receivables		37 205	21 670
Current income tax		2 750	3 853
Cash and cash equivalents		407 180	397 550
Total assets		1 019 685	951 771
EQUITY AND LIABILITIES			
Capital and reserves		665 742	549 231
Non-controlling interest		116	1 000
Non-current liabilities		117 065	148 488
Deferred income tax liabilities		8 632	46 138
Provisions		108 433	102 350
Current liabilities		236 762	253 052
Trade and other payables		117 268	126 263
Interest in joint ventures	4	119 450	125 188
Current income tax liabilities		44	320
Borrowings		–	1 281
Total equity and liabilities		1 019 685	951 771
Net asset value per share (cents)		630	521

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2015 R'000	2014 R'000
Balance at 1 April	550 231	534 028
Total comprehensive income for the year	168 503	16 203
Dividends paid	(52 876)	–
Balance at end of year	665 858	550 231

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	2015 R'000	2014 R'000
Cash generated from operations	179 874	72 302
Movements in working capital	(6 783)	(11 404)
Income tax paid	(43 680)	(13 252)
Net cash generated from operating activities	129 411	47 646
Cash flows from investment activities	(65 624)	(7 691)
Property, plant and equipment		
• Proceeds from disposal	19	25 298
• Replacement	(38 263)	(31 638)
• Additional	(9 657)	(11 634)
Proceeds from disposal of investment	35 000	–
Proceeds from repayment of loan to Trans Hex Angola	7 477	10 283
Investment in associate	(57 200)	–
Investment in other financial assets	(3 000)	–
Cash flows from financing activities	(54 157)	(25 781)
Borrowings repaid	(1 281)	(25 781)
Dividends paid	(52 876)	–
Net increase in cash and cash equivalents	9 630	14 174
Cash and cash equivalents at beginning of year	397 550	383 376
Cash and cash equivalents at end of year	407 180	397 550

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

	2015 R'000	2014 R'000
1. Share of results of associated companies		
Consists of the following categories:		
• Somiluana – Sociedade Mineira, S.A.	12 715	–
The 33% investment in Somiluana is accounted for as an investment in an associate under the equity method.		
• West Coast Resources (Pty) Ltd	123 261	–
The 40% investment in West Coast Resources (previously known as Emerald Panther Investments 78 [Pty] Ltd) is accounted for as an investment in an associate under the equity method. Included in the profit is a gain of R132 million, being negative goodwill that arose as a result of the acquisition of assets and liabilities relating to Namaqualand Mines.		
	135 976	–
2. Other gains – net		
Other gains – net consist of the following categories:		
• Net foreign exchange gains	15 154	9 846
• Profit on sale of assets and investments	35 019	11 561
• Commission on sale of diamonds	3 195	–
	53 369	21 407

3. Impairment of assets

While conducting impairment reviews, the Group exercises judgement in making assumptions about future rough diamond prices, production volumes, ore reserves and resources included in the current life of mine plans, feasibility studies, future development and production costs, and macroeconomic factors such as inflation and discount rates. Value-in-use impairment models were prepared to assess mining assets for impairment.

The key assumptions used in performing the impairment tests by cash generating unit (“CGU”) were as follows:

	2015	2014
Discount rate	13,42%	15,45%
Diamond price per carat	US\$1 292 – US\$1 679	US\$1 350 – US\$1 550
Forecasted US\$/ZAR exchange rate	R11,65/US\$ – R12,25/US\$	R10,65/US\$ – R11,35/US\$

The South African businesses consist of a number of CGUs that are represented by mining areas operated by the Group. Baken and Reuning are two separate CGUs that form part of the South African reporting segment. The recoverable values for each of these CGUs were derived from the value-in-use calculations performed, which was in excess of the fair value less costs to sell. The impairment charges and recoverable amounts relating to these CGUs are outlined below:

	Baken	Reuning	2015 R'000	2014 R'000
Carrying value pre-impairment	184 219	16 720	200 939	–
Recoverable amount	(113 195)	(1 574)	(114 769)	–
Impairment loss recognised	71 024	15 146	86 170	–
Impairment of property, plant and equipment				
• Mining plant and equipment			82 867	–
• Mine development costs			3 303	–
			86 170	–

4. 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 R21,5 million (2014: R27,9 million) is included below.

Angolan joint ventures

Balance at beginning of year	125 188	134 798
Share of income from joint ventures	(21 508)	(27 854)
Profit before income tax	(21 508)	(27 854)
Taxation	–	–
Foreign exchange losses	15 770	18 244
Closing balance at end of year	119 450	125 188

	2015 R'000	2014 R'000
5. Reconciliation of headline earnings		
Continuing operations		
Profit/(loss) for the year	169 950	(5 991)
• Profit on sale of assets	(19)	(11 561)
• Taxation impact	5	93
• Profit on sale of investment	(35 000)	–
• Taxation impact	–	–
• Impairment of assets	86 170	–
• Taxation impact	(24 128)	–
• Foreign currency differences on repayment of long-term receivables from foreign operations reclassified to profit or loss	(4 542)	–
• Taxation impact	1 272	–
• Negative goodwill on assets acquired by associate	(132 040)	–
Headline earnings/(loss)	61 668	(17 459)
Discontinued operations		
Profit for the year	21 508	27 854
Headline earnings	21 508	27 854
6. Investment in associates		
• Loan to associate: Somiluana – Sociedade Mineira, S.A.	59 276	59 580
Balance at beginning of year	59 580	60 964
Repayment of loan amount	(7 477)	(10 283)
Foreign exchange differences	7 173	8 899
The loan to Somiluana represents a portion of the exploration costs previously incurred by the Group which is recoverable from the newly formed mining company. The loan does not form part of the net investment in the associate as settlement of the loan is considered likely to occur in the foreseeable future.		
• Investment in associate: Somiluana – Sociedade Mineira, S.A.	13 898	–
Balance at beginning of year	–	–
Share of results of associated company	12 715	–
Foreign exchange differences	1 183	–
The 33% investment in Somiluana is accounted for as an investment in an associate under the equity method. During 2014 the investment's liabilities exceeded its assets and, therefore, no equity accounted profit or loss was accounted for in the previous year.		
• Investment in associate: West Coast Resources (Pty) Ltd	180 461	–
Balance at beginning of year	–	–
Proportionate shareholder funding	52 000	–
Preferential loan	5 200	–
Share of results of associated company	123 261	–
Effective 28 October 2014, West Coast Resources (Pty) Ltd (previously known as Emerald Panther Investments 78 [Pty] Ltd), in which the Group holds a 40% interest, acquired assets and liabilities relating to Namaqualand Mines.		
	253 635	59 580

	2015 R'000	2014 R'000
7. Inventories		
Diamonds	99 456	117 689
Consumables	6 412	19 616
	105 868	137 305

Slow-moving consumable stock to the value of R14,0 million (2014: R1,2 million) has been written off.

8. Capital commitments		
(including amounts authorised, but not yet contracted)	66 528	62 655

These commitments will be financed from the Group's own resources or with borrowed funds.

9. Fair value estimation

Items carried at fair value are classified according to the fair value hierarchy, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Financial assets are classified as Level 1 according to the fair value hierarchy. Investments held by the environmental trust are the only financial assets carried at fair value, however, this fund consists primarily of cash and cash equivalents with the largest driver of the growth in the trust fund being attributable to interest received.

10. Segment information

Operating segments

Twelve months ended 31 March 2015	CONTINUING			DISCONTINUED
	South Africa	Angola	Total	Angola
	R'000	R'000	R'000	R'000
Carats sold	62 819	–	62 819	–
Revenue	939 685	–	939 685	–
Cost of goods sold	(788 847)	–	(788 847)	–
Gross profit	150 838	–	150 838	–
Share of results of associated companies	123 261	12 715	135 976	–
Royalties	(20 656)	–	(20 656)	–
Selling and administration costs	(66 368)	(9 531)	(75 899)	–
Mining profit	187 075	3 184	190 259	–
Exploration costs	(2 171)	–	(2 171)	–
Other gains – net	54 159	(790)	53 369	–
Profit for the year from discontinued operations	–	–	–	21 508
Finance income	25 052	–	25 052	–
Finance costs	(4 705)	–	(4 705)	–
Impairment of assets	(86 170)	–	(86 170)	–
Profit before income tax	173 240	2 394	175 634	21 508
Depreciation included in the above	(88 542)	(24)	(88 566)	–
Net assets/(liabilities)	694 658	90 625	785 283	(119 425)
Capital expenditure	47 920	–	47 920	–
Net asset value per share (cents)	657	86	743	(113)

Twelve months ended 31 March 2014	CONTINUING			DISCONTINUED
	South Africa	Angola	Total	Angola
	R'000	R'000	R'000	R'000
Carats sold	55 083	–	55 083	–
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 year 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, no individual customer was responsible for aggregate sales in excess of 10% of revenue.

11. Mineral resources and mineral reserves

Total carats in reserve at Baken Mine decreased by 53%, or 75 118 carats, year-on-year mainly as a result of lower than expected diamond prices, higher unit costs and depletion through production. Total carats in reserve at Bloeddrif Mine increased by 4,6% to 37 441 carats as a result of favourable diamond prices being realised for the larger stones that Bloeddrif produces. Total carats in reserve at Somilwana Mine decreased by 49% as a result of lower than expected diamond prices and higher operational costs.

12. Contingent liabilities

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

13. Events after the reporting period

No events which may have a material effect on the Group occurred between the reporting date and the issuing of this announcement.

14. Accounting policies

The condensed consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act applicable to condensed financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts; the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standard Council, and to also, as a minimum, contain the information required by IAS 34, “Interim Financial Reporting”.

The accounting policies applied in the preparation of the consolidated financial statements from which the condensed consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

15. Preparation of financial statements

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

16. Report of independent auditor

These condensed consolidated financial statements for the year ended 31 March 2015 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these condensed consolidated financial statements were derived.

A copy of the Auditor’s Report on the condensed consolidated financial statements and of the Auditor’s Report on the annual consolidated financial statements are available for inspection at Trans Hex’s registered office, together with the financial statements identified in the respective Auditor’s Reports.

The Auditor’s Report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor’s engagement, they should obtain a copy of the Auditor’s Report together with the accompanying financial information from the issuer’s registered office.

OVERVIEW

In this commentary, results are compared with the 12 months of the 2014 financial year (in brackets).

Sales revenue from the South African operations increased by 35,1% in Rand terms from R695,7 million in 2014 to R939,7 million in 2015 as a result of a 9,3% increase in average prices as well as a 14,0% increase in carats sold. Revenue was also positively affected by an 8,4% weakening in the Rand. The average price increased from US\$1 238 per carat in 2014 to US\$1 353 per carat in 2015 due to an increase in average stone size.

South African production increased by 18,4% to 61 688 carats (2014: 52 081 carats). The average grade at the Lower Orange River Operations ("LOR") increased by 39,3% to 1,29 carats/100 m³ (2014: 0,92 carats/100 m³) due to the mining of extensions to scour areas at both Baken and Bloeddrif mines. The increase was partly offset by a 16,6% decrease in volumes treated.

The cost of goods sold increased to R788,8 million (2014: R653,7 million), mainly due to an increase in contractors fees (Remhoogte – R78,8 million), maintenance, other inflationary increases and a negative change in stock movement of R22,6 million. The LOR unit cost of production increased by 23,6% due to a 16,6% reduction in volumes treated and an increase in operating costs.

Gross profit for the South African operations amounted to R150,8 million (2014: R42,0 million).

Impairment charges at LOR amounted to R86,2 million.

Proceeds from the disposal of the Group's 100% interest in Pioneer Minerals Proprietary Limited amounted to R35,0 million.

West Coast Resources' equity accounted profit contributed R123,3 million mainly due to assets acquired in a business combination measured at fair value, as it relates to the Namaqualand Mines transaction.

The South African operations achieved a profit before tax of R173,2 million (2014: loss of R8,9 million).

In Angola, production at Somiluana Mine, in which Trans Hex holds a 33% stake, amounted to 94 483 carats (2014: 72 041 carats) due to a 16,9% increase in grade and a 12,2% increase in gravel treated. Total sales amounted to US\$43,9 million at an average price of US\$458 per carat (2014: sales of US\$32,4 million at an average price of US\$478 per carat). Repayments of US\$343 000 were made to Trans Hex against the outstanding investment amount and the Group received US\$297 000 in dividends. The balance of cash generated was retained to develop the Mine.

Profit from the Angolan continuing operations amounted to R2,4 million (2014: profit of R2,7 million), consisting of Somiluana's equity accounted profit of R12,7 million less head office costs of R10,3 million.

The Group reports an after-tax profit for the year from continuing operations of R169,1 million (2014: loss of R5,1 million).

Profit from the discontinued Luarica and Fucaúma operations amounted to R21,5 million (2014: R27,9 million).

The Group therefore reports a profit for the year of R190,6 million (2014: R22,7 million).

Cash and cash equivalents at the end of the reporting period amounted to R407,2 million (2014: R397,6 million).

OPERATING PERFORMANCE

Detailed project information

Detailed project information (unaudited)	Twelve months ended 31 March 2015				Twelve months ended 31 March 2014			
	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	1,34	43 534	1,22	1 261	0,96	35 637	1,31	1 320
Bloeddrif	1,36	6 081	2,21	2 055	0,94	4 174	1,17	1 018
Reuning	0,34	696	2,77	2 491	0,67	3 456	2,86	2 058
Remhoogte	–	4 241	3,12	2 272	–	–	–	–
Shallow water	–	7 136	0,33	518	–	8 814	0,32	487
Total South Africa	1,29	61 688	1,00	1 353	0,92	52 081	0,87	1 238
Angola								
Somiluana	27,99	94 483	0,53	458	23,95	72 041	0,60	478

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

South Africa

During the year under review stripping of overburden in the main channel at Baken continued with results being better than expected, including an increase in the average grade to 1,34 carats/100 m³ (2014: 0,96 carats/100 m³), while the average price of Baken stones decreased slightly to US\$1 261 per carat (2014: US\$1 320 per carat) due to a decrease in average stone size from 1,31 carats per stone in 2014 to 1,22 carats per stone in 2015.

Results at Bloeddrif Mine were positively affected by an increase in average grade and a significant increase in average stone size from 1,17 carats per stone in 2014 to 2,21 carats per stone in 2015.

Due to the grade of gravel dropping below the threshold for economical mining, Reuning Mine, which includes Suidhek and Jakkalsberg, was decommissioned in November 2014.

During the period a contractor commenced sampling and mining operations at Remhoogte and after exercising an option to buy the mining right, as announced on SENS on 18 July 2014, it was transferred in December 2014.

West Coast Resources (Pty) Ltd, South Africa

Operations in Namaqualand commenced in December 2014 with the construction of a final recovery plant at Kleinzee. The plant was commissioned during March 2015.

Somiluana – Sociedade Mineira, S.A., Angola

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

OUTLOOK

Lower Orange River Operations

Stripping operations in the Baken central channel will continue until the economically viable gravel in the main channel has been exhausted which is expected to be towards the end of the 2016 financial year. Thereafter mining activities will focus on shallow deposits and lower grade stockpiles.

Steady performance at Bloeddrif Mine is expected to continue.

South African production for the 2016 financial year is expected to be in the order of 53 000 carats, compared to 2015 actual production of 61 688 carats.

West Coast Resources (Pty) Ltd, South Africa

The final recovery plant at Kleinzee is currently in operation and is sampling and mining final recovery tailings.

At Mitchell's Bay, exploration drilling is underway and a bulk sampling plant at Koingnaas will be sampling ahead of production. The construction of a production treatment plant is due to be completed towards the end of the calendar year.

Net revenue from the treatment of the small remaining tonnages of final recovery tailings is not expected to cover project operational expenditure during the 2016 financial year. As this project is still in a start-up phase, a loss is expected for the 2016 financial year.

Somiluana – Sociedade Mineira, S.A., Angola

In Angola, Somiluana Mine continues to increase 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 testing indicate that carat production for the 2016 financial year will surpass the 94 000 carats achieved in 2015.

During the 2015 financial year, cumulative profits since the exploration phase exceeded the exploration costs previously expensed and a R12,7 million profit was recognised. This does not represent a full year's profit and an increase in the profit from this project for 2016 is therefore expected.

Market

Trans Hex production realised firm prices in certain categories, but did encounter a drop in prices, particularly for the mid-range and lower-end stones. This weakening was in line with a softening of global prices towards the end of the financial year due to tight liquidity and thin trading margins. With diamond fundamentals remaining strong, the market is set to recover in the year ahead.

Demand for Trans Hex production is anticipated to increase towards the end of the calendar year in line with expected market trends.

DIVIDEND

Following the successful completion of the acquisition of Namaqualand Mines, the Board declared a once-off special cash dividend of 50 cents per share on 3 November 2014 which was paid to shareholders on 1 December 2014.

Notice is hereby given of a cash dividend of 10 cents per share (the "Dividend").

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 10 cents per ordinary share for shareholders exempt from dividend tax;
- the net local dividend amount is 8,5 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.

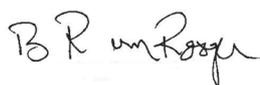
The Dividend will be paid on Monday, 29 June 2015, to shareholders recorded in the register of the Group at the close of business on the record date being Friday, 26 June 2015.

The salient dates relating to the Dividend are as follows:

Last day to trade cum dividend	Friday, 19 June 2015
Shares commence trading ex-dividend	Monday, 22 June 2015
Record date	Friday, 26 June 2015
Payment date of the Dividend	Monday, 29 June 2015

Share certificates may not be dematerialised or rematerialised between Monday, 22 June 2015 and Friday, 26 June 2015, both days inclusive.

By order of the Board



BR van Rooyen
Chairman



L Delpont
Chief Executive Officer

Parow
29 May 2015

REGISTERED OFFICE

405 Voortrekker Road, Parow 7500
PO Box 723, Parow 7499

JSE SPONSOR

One Capital

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd

DIRECTORATE

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

ANNEXURE 2: DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS

Bernard van Rooyen (81)

BA LLB (Wits)

Independent Non-executive Director (appointed October 1993) and Chairman of the Board
Representation on Trans Hex committees: Audit and Risk, Human Resources and Social & Ethics

Mr van Rooyen has extensive experience in the mining industry, particularly in Africa. *Inter alia*, he has held both executive and non-executive directorships in Gold Fields, Northam Platinum and Banro Corporation.

Alwyn Martin (77)

BComm (UCT), CA(SA)

Independent Non-executive Director (appointed 1997)
Representation on Trans Hex committees: Audit and Risk, Human Resources and Social & Ethics

Mr Martin also serves as a non-executive director of Datacentrix Holdings Ltd and Northam Platinum Ltd.

Theunis de Bruyn (47)

BComm, CA(SA)

Non-executive Director (appointed May 2008)
Representation on Trans Hex committee: Human Resources and Social & Ethics

After serving articles at Ernst & Young, Mr de Bruyn joined Ford SA as assistant treasurer. From there he joined Huysamer Stals stockbroking firm (thereafter sold to ABN AMRO) where he later headed up research. Mr de Bruyn is the founder and managing director of Calibre Capital (Pty) Ltd. He is also a director of RECM and Calibre Ltd. He has been a non-executive director of ELB Group Ltd since July 2005 and has been its lead independent director since May 2010.

Boipelo Lekubo (32)

BComm (UCT), BComm Hons (RAU), CA(SA)

Independent Non-executive Director (appointed August 2013)
Representation on Trans Hex committee: Audit and Risk

Ms Lekubo is a chartered accountant by profession with extensive experience in group financial management and reporting within the mining industry. She qualified as a chartered accountant with KPMG. Her previous finance and accounting roles were at Total Coal South Africa (Pty) Ltd and Northam Platinum Ltd. She also has experience in project finance and corporate strategy and is currently employed by Atlatsa Resources Corporation as chief financial officer.

Derek Wolstenholme (65)

CTA (Unisa), CA(SA)

Independent Non-executive Director (appointed October 2014)

A chartered accountant by training, Mr Wolstenholme joined Gold Fields of South Africa (GFSA) in 1978 where he held various financial positions. Following the merger of the GFSA gold mines with those of Gencor, he joined Northam Platinum Ltd where he served as chief financial officer until 2010. He thereafter served as manager: corporate finance responsible for special projects until his retirement in February 2015.

After a review of Mr Wolstenholme's independence by the Board, his designation changed to Independent Non-executive Director on 29 May 2015.

Llewellyn Delport (53)

BSc Chem Eng, MBA (UCT)

Chief Executive Officer (appointed July 2004)

Ian Hestermann (48)

BAcc Honours (Stell), BComm Honours (Taxation) (Stell), CA(SA)

Executive Director: Finance (appointed May 2010)

Greg van Heerden (53)

BA (Unisa)

Group Company Secretary (appointed May 2010)

General Manager: Corporate Affairs

EXECUTIVE TEAM

Rosalino Caetano (58)

B Mining Eng (Agostinho Neto University, Luanda)

Country Manager: Trans Hex Angola Lda

Bertus Cilliers (46)

MSc (Stell)

Group Manager: New Business

Vincent Madlela (44)

LLB (UOFS)

Group Manager: Legal and Stakeholder Relations

Prince Mbetse (44)

LLM (University of Pretoria)

Managing Director: Trans Hex Diamond Cutting Works (Pty) Ltd

Rudolph Raath (62)

NHD Electrical (Pretoria Tech); BComm (Unisa); GCOC Mines and Works – Electrical

Engineering Manager: Lower Orange River Operations

Keith Ricketts (52)

BSc Chem Eng (UCT)

Mine Manager: Lower Orange River Operations

Stan Turketti (60)

Nat. Dip Police Administration

Group Risk Manager

ANNEXURE 3: REMUNERATION POLICY

INTRODUCTION

Trans Hex aims to attract, retain, incentivize and reward top quality staff at all levels, with particular emphasis on scarce or critical skills. The Company's remuneration policy is designed to support this strategic goal in a way that aligns the interests of employees, managers, executives and directors with those of shareholders.

The remuneration policy is not intended to be a 'one-size-fits-all' statement of rules and procedures, but rather to serve as the basis for a flexible approach that tailors itself to the variable and changing needs of a dynamic organization over time.

There are however a number of key principles that form the foundations of the remuneration policy:

- Trans Hex is a listed diamond-mining company, operating in the small to mid-cap sector of the market.
- Whilst the Company's head office is located in Cape Town, its mining operations are situated in remote geographical locations.
- The Company must compete in the broader mining industry for the attraction and retention of core skills, such as artisans, engineers and management.
- The Company strives to comply with all statutory and regulatory requirements and is committed to applying best practice guidelines in all aspects of remuneration and benefits.
- The Company aims to offer remuneration packages that, at all employment levels, are market competitive, fair, reasonable and defensible in all respects.

Key features of the remuneration system

Trans Hex is a member of the PWC Remchannel remuneration survey service. The Company uses the Paterson grading system of job evaluation.

Contracts of employment are prepared in compliance with employment legislation. As a general principle, employment contracts are concluded on a permanent basis (i.e. for an indefinite period), except where business needs and prevailing circumstances dictate the use of either fixed-term or short-term temporary contracts. The notice period for the termination of employment contracts is typically one month, but for critical positions this can be extended by mutual agreement to a maximum of six months.

Job grades, salary scales and employee benefit costs are benchmarked against mining industry standards and reviewed annually. The midpoints of the Company's salary scales are adjusted annually compared to industry percentiles in line with the changing size, structure, financial performance and general circumstances of the Company over time.

The Company's salary scales have a range of 20% on either side of the midpoint to allow for the appropriate positioning of individuals according to factors such as qualifications, experience, performance, growth, development and market imperatives.

The Human Resources and Social & Ethics Committee ("**HRSE Committee**") approves all salary increases, for all categories of staff, in advance each year. Any material changes to allowances, benefits, bonus schemes, or any other aspect of remuneration policy are approved by the HRSE Committee prior to implementation.

The Company provides a market-competitive basic salary plus compulsory medical aid and retirement fund membership at all job levels. Various fixed and variable allowances are paid at certain job levels or to certain job categories.

Severance payments upon termination of service are governed by legislation, by union agreement, individual contract and Company policy and practice. In the case of retrenchment, the Company's standard policy at all job levels is to pay the contractual notice period (if not worked) and severance pay equal to three weeks' remuneration per year of service with the Company.

The Company does not provide any special retirement benefits other than the standard benefits available to employees as members of either the Trans Hex Provident Fund or the Trans Hex Retirement Fund.

The terms of service of the executive directors are linked to their terms of service as employees. Their remuneration consists only of remuneration as employees and they receive no additional remuneration as directors.

All components of the Company's remuneration system are subject to regular internal and external audits.

Employees covered by collective bargaining

All employees based at the Company's projects who are below the level of first line management (job grade D1) are members of the National Union of Mineworkers ("NUM") bargaining unit. As such, their salary levels, annual increases, allowances and benefit packages are negotiated annually, on a collective basis, between the Company and the trade union.

Non-union staff and management

Staff at Head Office and all members of management throughout the Company are treated individually, in accordance with their contracts of employment and the remuneration and benefit schemes and practices applicable to their job grades. Salaries are reviewed annually, effective on 1 April. Salary increases are determined individually according to performance, retention and market-matching criteria.

All non-union staff, managers and executives have detailed job profiles which stipulate the key performance areas of their positions and serve as the basis for performance management and the determination of performance-linked salary increases and bonuses.

Details of the remuneration packages paid to the Chief Executive Officer, other executive directors and prescribed officers are disclosed in the Integrated Annual Report.

Staff bonuses

Employees in the NUM bargaining unit and staff who are not members of executive management receive a guaranteed 13th cheque annually.

Management bonuses

Members of management, excluding executives, participate in a non-guaranteed discretionary bonus scheme whereby a bonus pool is approved by the HRSE Committee and apportioned by the CEO according to performance and retention criteria. The average bonus pool allocated under this scheme amounts to 15% of the total annual basic salaries of qualifying managers.

Executive cash bonuses

Executives are not paid a guaranteed bonus. The short-term executive cash bonus scheme is a purely performance-based scheme and operates under the direct control of the HRSE Committee.

In terms of the rules of this scheme, executives may earn a bonus based on the extent to which they have achieved the targets and objectives set for them during the financial year by the CEO and the Board. The maximum bonus amounts payable are as follows:

- Chief Executive Officer: 50% of base remuneration
- Executive director: 45% of base remuneration
- Executive manager: 40% of base remuneration

Base remuneration consists of basic salary and, where applicable, car allowances and Company contributions to the retirement fund and medical aid scheme.

The Board determines the performance targets and objectives of the CEO, conducts his performance assessment and decides the quantum of his performance bonus.

The CEO determines the performance targets and objectives of the executive directors and managers, conducts their performance assessments and proposes the quantum of their performance bonuses for approval by the Board.

Details of cash bonuses paid to the CEO, other executive directors and prescribed officers are disclosed in the Integrated Annual Report.

Long term executive retention scheme

The Company does not have a current share option scheme and does not issue shares to its executives or directors.

It does however operate a share appreciation entitlement scheme, the aims of which are to promote the long term retention of a critical nucleus of Company executives and senior management, to motivate them in their job performance and to align their interests with those of shareholders.

The target group for this scheme is defined as all senior managers and executives in job grade E1 and above.

The HRSE Committee made an initial allocation of share appreciation entitlements (“SAEs”) to participating employees upon the introduction of the scheme in 2006 and has since used best practice allocation and grant policies to determine annual allocation amounts.

Prior to 2015

All SAEs were issued at a specified grant price, being the average closing price of one Trans Hex Group Limited share recorded on the JSE Securities Exchange on the five trading days preceding the date on which they were granted, with 20% vesting on each of the first to the fifth anniversaries of the date on which they were issued.

Vested entitlements may be exercised at any time on or after the date on which they vested, provided that entitlements not exercised within ten years from the date of grant will lapse. On exercise, the participating employee will receive, in respect of each entitlement exercised, the difference (in cash, less income tax) between the closing price of one THG share recorded on the JSE Securities Exchange on the day preceding his request to exercise and the grant price of the entitlements exercised.

Effective from 2015

All SAEs are issued at a specified price, the “grant price”, being the volume-weighted average price of one Trans Hex Group Limited share recorded on the JSE Securities Exchange for the 30 trading days preceding the date on which they are granted.

One sixth (1/6th) of each award of SAEs will vest on the third anniversary of the date on which they are issued, two sixths (2/6th) on the fourth anniversary and three sixths (3/6th) on the fifth anniversary.

Vested entitlements may be exercised at any time on or after the date on which they vested, provided that entitlements not exercised within five years from the date of grant, plus 90 trading days, will lapse.

On exercise, the participating employee will receive, in respect of each entitlement exercised, the difference (in cash, less income tax) between:

- A. the “exercise price”, i.e. the volume-weighted average price of one THG share recorded on the JSE Securities Exchange for the 30 trading days preceding his request to exercise, and
- B. the “strike price”, i.e. the price calculated as at market close on the day preceding his request to exercise, by way of an XIRR function based on the grant price of the entitlements exercised, the value of dividends per share declared since the grant date, and a cost of capital (“hurdle rate”) of 15% per annum.

Details of the number and value of SAEs issued are disclosed in the Integrated Annual Report.

Non-executive directors

Non-executive directors are appointed on a three-year rotation basis.

Each non-executive director is paid a fixed annual retainer for services as a director, with the chairmen of the Board and its sub-committees receiving a premium in recognition of their roles and added responsibilities. In addition, a fixed fee is paid for attendance and service at each Board meeting and each sub-committee meeting.

Alternate directors are not paid unless serving in office or attending meetings in the place of a director. Non-executive directors who attend sub-committee meetings by invitation are not paid for such attendance.

Non-executive directors’ remuneration is reviewed annually by the HRSE Committee. Fees applicable for the next financial year are submitted to shareholders for approval at the Annual General Meeting. The amounts paid to individual directors are disclosed in the Integrated Annual Report.

ANNEXURE 4: MAJOR SHAREHOLDERS AS AT 27 MARCH 2015

Trans Hex's ordinary shares are quoted on the JSE and trades on the JSE's **Basic Resources – Mining** sector under the share code: TSX.

According to information available to the Directors, shareholders beneficially holding (either directly or via nominee companies) in excess of 3% of the issued share capital, were as follows:

Shareholder	Number of shares	%
RECM and Calibre Ltd	26 635 937	25,12
Northam Platinum Ltd	21 530 263	20,30
Investec	7 495 767	7,07
Flagship Asset Management	6 064 897	5,72
Momentum	3 991 439	3,76
Government Employees Pension Fund	3 516 404	3,32
Total	69 234 707	65,29

According to information available to the Directors, shareholders (by group) holding in excess of 3% of the issued share capital, were as follows:

Shareholder	Number of shares	%
RECM and Calibre Ltd	26 635 937	25,12
Northam Platinum Ltd	21 530 263	20,30
Kagiso Asset Management	14 101 354	13,30
Investec Asset Management	9 346 132	8,81
Flagship Asset Management	6 713 485	6,33
Momentum Investments	3 625 448	3,42
Total	81 952 619	77,28

ANNEXURE 5: MATERIAL CHANGES

The Directors report that there have been no material changes in the affairs, financial or trading position of the Company since 31 March 2015, other than those disclosed in the Integrated Annual Report.

ANNEXURE 6: SHARE CAPITAL OF THE COMPANY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

When any company in Trans Hex purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable additional costs (net of income taxes) is deducted from equity attributable to Trans Hex's equity holders until the shares are cancelled, reissued or disposed of. When such shares are subsequently sold or reissued, any consideration received, net of any directly attributable additional transaction costs and the related income tax effects, is included in equity attributable to Trans Hex's shareholders.

REGISTERED OFFICE

405 Voortrekker Road, Parow 7500
PO Box 723, Parow 7499

JSE SPONSOR

One Capital
www.onecapital.co.za

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited
www.computershare.com/za/

DIRECTORATE

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

FORM OF PROXY



**TRANS HEX
GROUP**

(Registration number: 1963/007579/06)

Share code: TSX

ISIN: ZAE000018552

("Trans Hex" or the "Company")

For completion by shareholders who have not dematerialised their shares or who have dematerialised their shares but with own-name registration.

For use at the Annual General Meeting of Trans Hex to be held at the Company's registered offices, 405 Voortrekker Road, Parow, Cape Town on **Thursday, 6 August 2015, at 10:00.**

I/We _____ (name in block letters)

of _____ (address)

being the holder(s) of _____ ordinary shares
hereby appoint:

1. _____ or failing him/her

2. _____ or failing him/her

3. the chairman of the meeting, as my/our proxy to vote for me/us at the Annual General Meeting for purposes of considering and, if deemed fit, adopting, with or without modification, the ordinary and special resolutions to be proposed thereat and in each adjournment or postponement thereof and to vote for/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name in accordance with the following instructions (see "notes to proxy forms"):

	For	Against	Abstain
Ordinary resolution number 1: Adopting the audited annual financial statements of Trans Hex for the year ended 31 March 2015			
Ordinary resolution number 2: Re-electing a Director – Mr Alwyn Martin			
Ordinary resolution number 3.1: Ratifying the appointment of a Director – Ms Boipelo Lekubo			
Ordinary resolution number 3.2: Ratifying the appointment of a Director – Mr Derek Wolstenholme			
Ordinary resolution number 4: Re-appointing external auditors PricewaterhouseCoopers Inc			
Ordinary resolution number 5.1: Appointing Audit and Risk Committee member Mr Alwyn Martin			
Ordinary resolution number 5.2: Appointing Audit and Risk Committee member Mr Bernard van Rooyen			
Ordinary resolution number 5.3: Appointing Audit and Risk Committee member Ms Boipelo Lekubo			
Ordinary resolution number 6: Endorsing the Company's Remuneration Policy			
Special resolution number 1: Approving Non-executive Directors' remuneration for the year ending 31 March 2016			
Special resolution number 2: Approving the general authority to repurchase issued shares			
Special resolution number 3: Approving the general authority to provide financial assistance to related and inter-related companies and corporations			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided.

Signed at _____ on this the _____ day of _____ 2015.

Signature(s) _____

Assisted by (where applicable) (state capacity and full name)

Each shareholder holding certificated shares and each shareholder of the Company who has dematerialised its shares and has elected own name registration is entitled to appoint one or more proxy/(ies) (who need not be shareholder[s] of the Company) to attend, speak and vote in his/her stead at the Annual General Meeting.

NOTES TO PROXY FORMS

Dematerialised shareholders other than with “own name” registration

Shareholders who have dematerialised their shares through a Central Securities Depository Participant (“CSDP”) or broker and who have not elected own name registration in the sub-register maintained by a CSDP and who wish to attend the Annual General Meeting, should instruct their CSDP or broker to issue them with the necessary authority to attend, or if they do not wish to attend the Annual General Meeting, they may provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker. They should not fill in this proxy form.

1. A shareholder may insert the name of a proxy or the name of two alternative proxies of the entitled shareholder’s choice in the space/(s) provided, with or without deleting “the chairman of the meeting”, but any such deletion must be initialled by the shareholder. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Shareholders must insert an “X” in the relevant box provided according to how they wish their votes to be cast. However, if shareholders wish to cast their votes in respect of a lesser number of shares than they own in the Company they must insert the number of shares held in respect of which they wish to vote or abstain from voting. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of the shareholder’s votes exercisable at the Annual General Meeting. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. Forms of proxy must be received by the transfer secretaries by no later than 10:00 on **Tuesday, 4 August 2015**.

Computershare Investor Services (Pty) Ltd
10th Floor
70 Marshall Street
Johannesburg
PO Box 61051
Marshalltown 2107

4. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.
5. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person at the Annual General Meeting to the exclusion of any proxy appointed in terms of this form of proxy.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the Annual General Meeting.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/(ies).
8. Subject to any rights of cancellation/revocation by any shareholder/(s), this proxy remains valid only for one year or until the end of the Annual General Meeting held on **Thursday, 6 August 2015, at 10:00**, or any postponement thereof – whichever occurs first.
9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of Trans Hex.
10. The chairman of the Annual General Meeting may accept any form of proxy which is completed, other than in accordance with these notes, if the chairman is satisfied as to the manner in which the shareholder wishes to vote.

Please note that in terms of Section 58 of the Companies Act, No. 71 of 2008:

- the appointment of a proxy is revocable unless the proxy appointment expressly states otherwise. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy; and delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation will take effect on the later of (i) the date stated in the revocation instrument; or (ii) the date on which the revocation instrument was delivered to the proxy and the Company.
- a proxy may delegate his/her authority to act on a member’s behalf to another person, subject to any restriction set out in this proxy form; and
- a proxy form must be delivered to the transfer secretaries of the Company, namely Computershare Investor Services (Pty) Ltd, before a proxy exercises any of a shareholder’s rights as a shareholder at the Annual General Meeting.



TRANS HEX
GROUP