– NOTICE OF –

ANNUAL GENERAL MEETING
2016

TRANS HEX GROUP

NOTICE OF ANNUAL GENERAL MEETING

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 2016

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 36th Annual General Meeting which will be held on Friday, 5 August 2016. Also included are the audited summary consolidated annual financial statements for the year ended 31 March 2016, 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 36th Annual General Meeting of shareholders of Trans Hex will be held at the Company's registered offices, **405 Voortrekker Road, Parow, Cape Town, on Friday, 5 August 2016, 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 2016;
2. re-electing three Directors;
3. ratifying the appointment of five 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 2017;
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, 24 June 2016. 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, 29 July 2016, with the last day to trade being Tuesday, 26 July 2016.

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 audited annual financial statements

"Resolved that the audited annual financial statements for the year ended 31 March 2016, including the reports of the Directors, external auditors and the Audit and Risk Committee, be and are hereby received and adopted."

The audited summary consolidated annual financial statements are contained in **Annexure 1** to this document, of which this Notice forms part. The full 2016 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 NUMBERS 2.1, 2.2 AND 2.3: Re-electing three Directors

"Resolved that the following Directors, who retire by rotation in terms of the Memorandum of Incorporation, and being eligible and offering themselves for re-election, be and are hereby re-elected as Directors.

2.1 Mr Bernard van Rooyen;

2.2 Mr Alwyn Martin; and

2.3 Mr Theunis de Bruyn."

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

The re-elections numbered 2.1, 2.2 and 2.3 constitute separate ordinary resolutions and will be considered by separate votes.

ORDINARY RESOLUTION NUMBERS 3.1, 3.2, 3.3, 3.4 and 3.5: Ratifying the appointment of five Directors

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

3.1 Mr Leon van Schalkwyk as a Non-executive Director, with effect from 1 March 2016;

3.2 Mr Quinton George as a Non-executive Director, with effect from 4 April 2016;

3.3 Mr Marco Wentzel as a Non-executive Director, with effect from 4 April 2016;

3.4 Mr Richard Tait as an Alternate Director to Mr Wentzel, with effect 4 April 2016; and

3.5 Mr Piet Viljoen as an Alternate Director to Mr de Bruyn, with effect from 18 April 2016."

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

The appointments numbered 3.1, 3.2, 3.3, 3.4 and 3.5 constitute separate ordinary resolutions and will be considered by separate votes.

ORDINARY RESOLUTION NUMBER 4: Re-appointing 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: Appointing 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; and

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, 5.2 and 5.3 constitute separate ordinary resolutions and will be considered by separate votes.

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, 5.2 and 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: Endorsing the 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 2017

"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 2016, be and is hereby approved."

Designation	Fees for the year ended 31 March 2016	Proposed fees for the year ending 31 March 2017
Annual retainer:		
Non-executive Director	**R85 500**	**R90 000**
Chairman of the Human Resources and Social & Ethics Committee	**R128 250**	**R135 000**
Chairman of the Audit and Risk Committee	**R149 600**	**R157 475**
Chairman of the Board	**R171 000**	**R180 000**
Fee per meeting:		
Board meeting	**R17 100**	**R18 000**
Audit and Risk Committee meeting	**R15 390**	**R16 200**
Human Resources and Social & Ethics Committee meeting	**R10 260**	**R10 800**

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 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 2017.

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 business days immediately preceding the date of acquisition;
- at any point in time, the Company may only appoint one 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 alongside:

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 Companies 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 Companies Act and the JSE Listings Requirements.

Directors' responsibility statement

The Directors, 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.

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:

– 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" dematerialised 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.

Dematerialised 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, 2 August 2016. 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 2016

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 2016, 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 2016. We expressed an unmodified audit opinion on those consolidated financial statements in our Report dated 1 June 2016. 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 ("**JSE**") requirements for summary financial statements, set out in Note 15 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 2016 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 15 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 1 June 2016 states that as part of our audit of the consolidated financial statements for the year ended 31 March 2016, 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.

PricewaterhouseCoopers Inc.
Director: D Adriaans
Registered Auditor

Stellenbosch
30 June 2016

ANNEXURE 1: AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

HEADLINES

- Diamond prices declined by 23,5% compared to the previous year.
- Sales were positively affected by a 27,2% weakening of the Rand against the US Dollar.
- Sales revenue totalled R671,4 million (2015: R939,7 million).
- Cost of goods sold amounted to R678,2 million (2015: R778,1 million), including retrenchment costs of R46,6 million at the Lower Orange River operations.
- South African land operations recorded a gross loss of R6,8 million (2015: profit of R161,6 million).
- Impairment charges in respect of the Lower Orange River operations amounted to R55,1 million (2015: R86,2 million).
- Equity accounting loss from West Coast Resources (Pty) Ltd amounted to R13,6 million (2015: profit of R123,3 million).
- Equity accounting loss from Somiluana Mine in Angola amounted to R15,8 million (2015: profit of R12,7 million).
- Group loss after tax from continuing operations amounted to R124,8 million (2015: profit of R169,1 million).
- Profit after tax from discontinued operations totalled R24,0 million (2015: profit of R21,5 million).
- Group net loss amounted to R100,8 million (2015: profit of R190,6 million).
- The Group's net cash position at the end of the year was R353,5 million (2015: R407,2 million).
- Loss per share amounted to 94,4 cents (2015: earnings of 181,1 cents) and headline loss per share amounted to 56,9 cents (2015: earnings of 78,6 cents).
- Net asset value per share amounted to 506,0 cents (2015: 630,0 cents).

SUMMARY CONSOLIDATED INCOME STATEMENT

	Notes	2016 R'000	2015 Reclassified R'000
Continuing operations			
Sales revenue		**671 374**	939 685
Cost of goods sold		**(678 158)**	(778 065)
Gross (loss)/profit		**(6 784)**	161 620
Share of results of associated companies	1	**(29 431)**	135 976
Royalties		**(3 248)**	(20 656)
Selling and administration costs		**(92 542)**	(86 681)
Mining (loss)/profit		**(132 005)**	190 259
Exploration costs		**(2 048)**	(2 171)
Other gains – net	2	**15 115**	53 369
Finance income		**23 211**	25 052
Finance costs		**(4 680)**	(4 705)
Impairment	3	**(55 096)**	(86 170)
(Loss)/profit before income tax		**(155 503)**	175 634
Income tax		**30 730**	(6 568)
(Loss)/profit for the year from continuing operations		**(124 773)**	169 066
Discontinued operations			
Profit for the year from discontinued operations	4	**24 023**	21 508
(Loss)/profit for the year		**(100 750)**	190 574
Attributable to:			
Continuing operations		**(124 773)**	169 066
• Owners of the parent		**(123 788)**	169 950
• Non-controlling interest		**(985)**	(884)
Discontinued operations			
• Owners of the parent		**24 023**	21 508
		(100 750)	190 574
(Loss)/earnings per share – basic and diluted (cents)			
• Continuing operations		**(117,1)**	160,8
• Discontinued operations		**22,7**	20,3
• Total		**(94,4)**	181,1
Shares in issue adjusted for treasury shares ('000)		**105 699**	105 699
Headline (loss)/earnings	5		
• Continuing operations		**(84 119)**	61 668
• Discontinued operations		**24 023**	21 508
• Total		**(60 096)**	83 176
• Headline (loss)/earnings per share (cents)			
• Continuing operations		**(79,6)**	58,3
• Discontinued operations		**22,7**	20,3
• Total		**(56,9)**	78,6
Average ZAR/US$ exchange rate		**14,06**	11,05

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2016 R'000	2015 R'000
(Loss)/profit for the year	**(100 750)**	190 574
Other comprehensive loss net of tax:	**(19 442)**	(22 071)
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	**1 737**	–
• Before-tax amount	**2 412**	–
• Tax expense	**(675)**	–
Items that may be subsequently reclassified to profit or loss		
Translation differences on foreign subsidiaries before and after tax	**(21 179)**	(17 529)
Reclassification of foreign currency differences on repayment of long-term receivables from foreign operations	**–**	(4 542)
Total comprehensive (loss)/income for the year	**(120 192)**	168 503
Attributable to:		
• Owners of the parent	**(119 207)**	169 387
• Non-controlling interest	**(985)**	(884)
	(120 192)	168 503

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2016 R'000	2015 R'000
ASSETS			
Non-current assets		**388 784**	466 682
Property, plant and equipment		**82 955**	152 184
Investment in associates	6	**219 777**	253 635
Investments held by environmental trust		**61 186**	57 431
Other financial assets		**3 000**	3 000
Deferred income tax assets		**21 866**	432
Current assets		**502 079**	553 003
Inventories	7	**110 997**	105 868
Trade and other receivables		**37 109**	37 205
Current income tax		**474**	2 750
Cash and cash equivalents		**353 499**	407 180
Total assets		**890 863**	1 019 685
EQUITY AND LIABILITIES			
Capital and reserves		**535 965**	665 742
Non-controlling interest		**(869)**	116
Non-current liabilities		**112 449**	117 065
Deferred income tax liabilities		**–**	8 632
Provisions		**112 449**	108 433
Current liabilities		**243 318**	236 762
Trade and other payables		**122 668**	117 268
Interest in joint ventures	4	**120 650**	119 450
Current income tax liabilities		**–**	44
Total equity and liabilities		**890 863**	1 019 685
Net asset value per share (cents)		**506**	630

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2016 R'000	2015 R'000
Balance at 1 April	**665 858**	550 231
Total comprehensive (loss)/income for the year	**(120 192)**	168 503
Dividends paid	**(10 570)**	(52 876)
Balance at end of year	**535 096**	665 858

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	2016 R'000	2015 R'000
Cash (utilised in)/generated from operations	**(32 982)**	157 583
Movements in working capital	**708**	(6 783)
Income tax received/(paid)	**2 220**	(43 680)
Net cash (utilised in)/generated from operating activities	**(30 054)**	107 120
Cash flows from investment activities	**(17 069)**	(45 936)
Property, plant and equipment		
• Proceeds from disposal	**2 931**	19
• Replacement	**(51 045)**	(38 263)
• Additional	**(5 714)**	(9 657)
Proceeds from disposal of investment	**–**	35 000
Proceeds from repayment of loan to Trans Hex Angola	**18 386**	7 477
Investment in associate	**–**	(57 200)
Interest received	**18 373**	19 688
Investment in other financial assets	**–**	(3 000)
Cash flows from financing activities	**(10 588)**	(54 241)
Borrowings repaid	**–**	(1 281)
Interest paid	**(18)**	(84)
Dividends paid	**(10 570)**	(52 876)
Effects of exchange rates on cash and cash equivalents	**4 030**	2 687
Net (decrease)/increase in cash and cash equivalents	**(53 681)**	9 630
Cash and cash equivalents at beginning of year	**407 180**	397 550
Cash and cash equivalents at end of year	**353 499**	407 180

NOTES TO THE SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

		2016 R'000	2015 R'000
1.	**Share of results of associated companies**		
	Consists of the following categories:		
	• Somiluana – Sociedade Mineira, S.A.	**(15 835)**	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	**(13 596)**	123 261
	The 40% investment in West Coast Resources is accounted for as an investment in an associate under the equity method. Included in the 2015 financial year 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.		
		(29 431)	135 976
2.	**Other gains – net**		
	Other gains – net consist of the following categories:		
	• Net foreign exchange gains	**10 368**	15 154
	• Profit on sale of assets and investments	**–**	35 019
	• Commission on sale of diamonds	**4 747**	3 195
		15 115	53 369

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:

	2016	2015
Discount rate	**15,72%**	13,42%
Diamond price per carat	**US$983 – US$1 503**	US$1 292 – US$1 679
Forecasted ZAR/US$ exchange rate	**R14,75/US$ – R15,01/US$**	R11,65/US$ – R12,25/US$

The South African businesses consist of a number of CGUs that are represented by mining areas operated by the Group. Baken is a separate CGU that forms part of the South African reporting segment. The recoverable value for this CGU was derived from the value-in-use calculations performed, which were in excess of the fair value less costs to sell. The impairment charge and recoverable amount relating to this CGU are outlined below:

	Baken	**2016 R'000**	2015 R'000
Carrying value pre-impairment	96 601	**96 601**	200 939
Recoverable amount	(41 505)	**(41 505)**	(114 769)
Impairment loss recognised	55 096	**55 096**	86 170
Impairment of property, plant and equipment			
• Mining plant and equipment		**55 096**	82 867
• Mine development costs		**–**	3 303
		55 096	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 R24,0 million (2015: R21,5 million) is included below.

Angolan joint ventures	**2016 R'000**	2015 R'000
Balance at beginning of year	**119 450**	125 188
Share of income from joint ventures	**(24 023)**	(21 508)
Profit before income tax	**(24 023)**	(21 508)
Taxation	**–**	–
Foreign exchange losses	**25 223**	15 770
Closing balance at end of year	**120 650**	119 450

		2016 R'000	2015 R'000
5.	**Reconciliation of headline earnings**		
	Continuing operations		
	(Loss)/profit for the year	**(123 788)**	169 950
	• Profit on sale of assets	**–**	(19)
	• Taxation impact	**–**	5
	• Profit on sale of investment	**–**	(35 000)
	• Taxation impact	**–**	–
	• Impairment of assets	**55 096**	86 170
	• Taxation impact	**(15 427)**	(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 (loss)/earnings	**(84 119)**	61 668
	Discontinued operations		
	Profit for the year	**24 023**	21 508
	Headline earnings	**24 023**	21 508
6.	**Investment in associates**		
	• Loan to associate: Somiluana – Sociedade Mineira, S.A.	**52 912**	59 276
	Balance at beginning of year	**59 276**	59 580
	Repayment of loan amount	**(18 386)**	(7 477)
	Foreign exchange differences	**12 022**	7 173
	The loan to Somiluana represents a portion of the exploration costs previously incurred by the Group which is recoverable from the 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	**13 898**	–
	Share of results of associated company	**(15 835)**	12 715
	Foreign exchange differences	**1 937**	1 183
	The 33% investment in Somiluana is accounted for as an investment in an associate under the equity method. During 2016, Somiluana recorded losses to the extent that the Group's share of these losses exceeded its investment in Somiluana. Accordingly, the Group discontinued the recognition of its share of further losses after the investment was reduced to zero, as the Group has not provided any guarantees to Somiluana creditors.		
	• Investment in associate: West Coast Resources (Pty) Ltd	**166 865**	180 461
	Balance at beginning of year	**180 461**	–
	Proportionate shareholder funding	**–**	52 000
	Preferential loan	**–**	5 200
	Share of results of associated company	**(13 596)**	123 261
	Effective 28 October 2014, West Coast Resources (Pty) Ltd, in which the Group holds a 40% interest, acquired assets and liabilities relating to Namaqualand Mines.		
		219 777	253 635

		2016 R'000	2015 R'000
7.	**Inventories**		
	Diamonds	**105 322**	99 456
	Consumables	**5 675**	6 412
		110 997	105 868

The carrying value of diamond inventories, carried at net realisable value, amounted to R11 018 880 (2015: R751 566).

Slow-moving consumable stock to the value of Rnil (2015: R14,0 million) has been written off.

Cost of inventories included in cost of goods sold amounted to R667 million (2015: R767 million).

		2016 R'000	2015 R'000
8.	**Capital commitments**		
	(including amounts authorised, but not yet contracted)	**43 999**	66 528

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

9. Reclassification of costs previously included under "Cost of goods sold"

Previously a percentage of head office costs was included under "Cost of goods sold". The Company reviewed its cost allocations and reporting requirements during 2016 and decided that it would be more accurate and transparent to include all head office costs under "Selling and administration costs" in order to more appropriately reflect the way in which economic benefits are derived from these costs.

The impact on the 2015 income statement is as follows:

	2016 R'000	2015 R'000
Cost of goods sold		
As reported		788 847
Head office costs previously included under "Cost of goods sold"		(10 782)
Reclassified		778 065
Selling and administration costs		
As reported		75 899
Head office costs previously included under "Cost of goods sold"		10 782
Reclassified		86 681

There was no impact on the statement of financial position or the statements of comprehensive income as a result of the reclassification of these costs.

10. 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.

11. Segment information

Operating segments

Year ended 31 March 2016	South Africa	Continuing Angola	Total	Discontinued Angola
Carats sold	**48 708**	**–**	**48 708**	**–**
	R'000	**R'000**	**R'000**	**R'000**
Revenue	**671 374**	**–**	**671 374**	**–**
Cost of goods sold	**(678 158)**	**–**	**(678 158)**	**–**
Gross (loss)	**(6 784)**	**–**	**(6 784)**	**–**
Share of results of associated companies	**(13 596)**	**(15 835)**	**(29 431)**	**–**
Royalties	**(3 248)**	**–**	**(3 248)**	**–**
Selling and administration costs	**(73 559)**	**(18 983)**	**(92 542)**	**–**
Mining (loss)	**(97 187)**	**(34 818)**	**(132 005)**	**–**
Exploration costs	**(2 048)**	**–**	**(2 048)**	**–**
Other gains – net	**16 724**	**(1 609)**	**15 115**	**–**
Profit for the year from discontinued operations	**–**	**–**	**–**	**24 023**
Finance income	**23 211**	**–**	**23 211**	**–**
Finance costs	**(4 680)**	**–**	**(4 680)**	**–**
Impairment of assets	**(55 096)**	**–**	**(55 096)**	**–**
(Loss)/profit before income tax	**(119 076)**	**(36 427)**	**(155 503)**	**24 023**
Depreciation included in the above	**(67 953)**	**(15)**	**(67 968)**	**–**
Net assets/(liabilities)	**560 737**	**94 975**	**655 712**	**(120 616)**
Capital expenditure	**56 759**	**–**	**56 759**	**–**
Net asset value per share (cents)	**531**	**89**	**620**	**(114)**

Year ended 31 March 2015 (Reclassified)	South Africa	Continuing Angola	Total	Discontinued Angola
Carats sold	62 819	–	62 819	–
	R'000	**R'000**	**R'000**	**R'000**
Revenue	939 685	–	939 685	–
Cost of goods sold	(778 065)	–	(778 065)	–
Gross profit	161 620	–	161 620	–
Share of results of associated companies	123 261	12 715	135 976	–
Royalties	(20 656)	–	(20 656)	–
Selling and administration costs	(77 150)	(9 531)	(86 681)	–
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)

During the current year, the Group changed the measurement method used to determine reported segment profit or loss. This was done by including in the Angola segment some costs paid in South Africa in relation to activities in Angola. During the current year, this resulted in the loss for Angola being R7 533 701 higher than it would have been had the measurement methods not changed. As this does not amount to a change in the composition of the segments, the comparative figures have not been reclassified to account for this change.

12. Mineral resources and mineral reserves

Total carats in reserve at Baken Mine increased by 10%, or 6 538 carats, year-on-year mainly as a result of a re-evaluation of ore accounting procedures that resulted in positive grade adjustments, as well as a favourable ZAR/US$ exchange rate. The total carat resource also increased by 23% primarily due to the grade adjustments and delineation of new resource blocks, supported by a programme of reverse circulation drilling of selected targets in the ore body and bulk sampling. Indicated resources increased by 51% and inferred resources increased by 10%, i.e. an increase of 137 829 carats in total.

Total carats in reserve at Bloeddrif Mine decreased by 45% primarily due to a revision of diamond resource estimates and changes in economic assumptions which prevent the conversion of resources to reserves in certain areas. The total carat resource increased by 5%, or 10 914 carats, due to a resource review during the year which affected overburden, ore volumes, grades and stone sizes.

Total carats in reserve at Somiluana Mine increased by more than 441% due to bulk sampling activities which, after evaluation, indicated high-grade areas that significantly added to the reserves. Indicated resources increased by 108%, mainly as a result of continuous sonic drilling activities on the east bank of the Luana River.

13. Contingent liabilities

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

14. 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.

15. Accounting policies

The summary consolidated financial statements are prepared in accordance with the Listings Requirements of the JSE Limited ("**Listings Requirements**") for preliminary reports and the requirements of the Companies Act applicable to summary 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 and 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 summary 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.

16. Preparation of financial statements

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

17. Report of independent auditor

These summary consolidated financial statements for the year ended 31 March 2016 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 summary consolidated financial statements were derived.

A copy of the Auditor's Report on the summary consolidated financial statements and of the Auditor's Report on the annual consolidated financial statements are available for inspection at the Group'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 2015 financial year (in brackets).

Sales revenue from the South African operations decreased by 28,6% in Rand terms from R939,7 million in 2015 to R671,4 million in 2016. The disposal of the Remhoogte mining right and the discontinuation of operations at Reuning Mine accounted for 14,4% of the decrease. Sales from the Lower Orange River ("**LOR**") and shallow water operations decreased by 15,4% due to a decline of 23,5% in US$ diamond prices and 16% fewer carats sold. Revenue was, however, positively affected by a 27,2% weakening in the Rand.

South African production decreased by 21,5% to 48 435 carats (2015: 61 688 carats), mainly as a result of a 13,4% reduction in gravel treated and a 5,4% decline in average grade at the LOR operations to 1,22 carats/100 m^3 (2015: 1,29 carats/100 m^3). The voluntary retrenchment of 22% of the workforce in February 2016, as well as the accompanying shift changes, as announced on the JSE Limited's Stock Exchange News Service ("**SENS**") on 22 February 2016, contributed to the decline in volumes treated.

The cost of goods sold decreased to R678,2 million (2015: R778,1 million). Key contributors included:

- a decrease in contractors' fees in respect of Remhoogte (R90,6 million);
- the discontinuation of the Reuning operations (R56,2 million);
- stock movement (R24,1 million);
- lower depreciation (R20,6 million); and
- retrenchment costs of R46,6 million.

The LOR operations unit cost of production for current operations increased by 18,8% due to a reduction in volumes treated and an 8,4% increase in operating costs.

The gross loss for the South African operations amounted to R6,8 million (2015: profit of R161,6 million).

Impairment charges in respect of the LOR operations amounted to R55,1 million (2015: R86,2 million).

The South African operations recorded a loss before tax of R119,1 million (2015: profit of R173,2 million).

At West Coast Resources, in which Trans Hex holds a 40% stake, production commenced during the year and amounted to 24 930 carats. Sales amounted to R49,4 million at an average price of US$208 per carat. The equity accounted loss for the year amounted to R13,6 million (2015: profit of R123,3 million).

In Angola, production at Somiluana Mine, in which Trans Hex holds a 33% stake, amounted to 99 572 carats (2015: 94 483 carats) due to a 14,2% increase in average grade, partly offset by a 7,7% decrease in gravel treated. Total sales amounted to US$34,2 million at an average price of US$351 per carat (2015: sales of US$43,9 million at an average price of US$458 per carat). Repayments of US$1 million were made to Trans Hex against the outstanding investment amount and the Group received US$330 000 in dividends.

The loss from the Angolan continuing operations amounted to R36,4 million (2015: profit of R2,4 million), consisting of Somiluana's equity accounted loss of R15,8 million and Angola head office costs of R20,6 million.

The Group reports an after-tax loss for the year from continuing operations of R124,8 million (2015: profit of R169,1 million).

Profit from the discontinued Luarica and Fucaúma operations amounted to R24,0 million (2015: R21,5 million).

The Group therefore reports a loss for the year of R100,8 million (2015: profit of R190,6 million).

Cash and cash equivalents at the end of the year amounted to R353,5 million (2015: R407,2 million).

OPERATING PERFORMANCE

Detailed project information

Detailed project information (unaudited)	Year ended 31 March 2016 Average grade per 100 m³	Carats produced	Average carats per stone	Average price per carat achieved (US$)	Year ended 31 March 2015 Average grade per 100 m³	Carats produced	Average carats per stone	Average price per carat achieved US$
South Africa								
Baken	**1,28**	**37 603**	**1,42**	**986**	1,34	43 534	1,22	1 261
Bloeddrif	**0,80**	**3 538**	**2,19**	**1 472**	1,36	6 081	2,21	2 055
Reuning	**–**	**–**	**–**	**–**	0,34	696	2,77	2 491
Remhoogte	**–**	**–**	**–**	**–**	–	4 241	3,12	2 272
Shallow water	**–**	**7 294**	**0,34**	**520**	–	7 136	0,33	518
Total South Africa	**1,22**	**48 435**	**0,97**	**981**	1,29	61 688	1,00	1 353
West Coast Resources	**53,34**	**24 930**	**0,30**	**208**	–	–	–	–
Angola								
Somiluana	**31,96**	**99 572**	**0,57**	**351**	27,99	94 483	0,53	458

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

Lower Orange River operations

In February, the Company concluded an agreement with the National Union of Mineworkers to change the production shift system effective from 29 February 2016. Operations changed from a four-shift system, running seven days per week, to a three-shift system, working a five and a half day week. Overburden stripping rates and the volumes of gravel mined and treated were adjusted to ensure the most sustainable model for each mine going forward. A total of 125 employees (22% of the workforce) accepted voluntary retrenchment packages, effective on 29 February 2016. The majority of the volunteers were older employees with long service.

During the year under review stripping of overburden in the main channel at Baken continued. The average grade decreased slightly from 1,34 carats/100 m^3 in 2015 to 1,28 carats/100 m^3 in 2016. The average price of Baken stones declined in line with the softer market from US$1 261 per carat in 2015 to US$986 per carat in 2016 despite a 16% increase in average stone size to 1,42 carats per stone (2015: 1,22 carats per stone).

Results at Bloeddrif Mine were negatively affected by a substantial decrease in average grade from 1,36 carats/100 m^3 in 2015 to 0,80 carats/100 m^3 in 2016. More than 63% of the total volumes mined during the year originated from lower grade suspended gravel which was mined to gain access to higher grade basal gravel.

West Coast Resources operations

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

Construction of the Mitchell's Bay production plant was completed towards the end of the 2015 calendar year. The 50 tons/hour DMS plant was commissioned in November, followed by the washing and screening plant in December.

Mining operations commenced in December 2015 in the Langklip area and produced 16 517 carats at an average grade of 37,40 carats/100 m^3.

During the year the final recovery plant at Kleinzee treated final recovery tailings and produced 8 413 carats.

Angolan operations

In the previous financial year, funds generated from sales were retained to develop the Mine. However, a decline in diamond prices, and the subsequent impact on revenue, halted some equipment purchases planned for the year under review.

Carat production started to decline mid-2015 when mining operations encountered areas with high overburden and stripping operations were hampered by the equipment shortage.

In February 2016, mining operations were moved to a new part of the concession characterised by less overburden as well as promising grades and stone sizes. Production from the new area, also located on the east bank of the Luana River, commenced late March 2016.

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 2018 financial year.

Performance at Bloeddrif Mine is expected to improve with the mining of higher grade gravel from the exposed basal gravel.

South African production for the 2017 financial year is expected to be in the order of 41 000 carats, compared to 2016 actual production of 48 435.

West Coast Resources operations

On-going drilling and prospecting will continue to target high-priority areas that may identify additional resources for mining.

Mining activities will remain focused on the Langklip area and on other sections of the Koingnaas area which is projected to yield gravel by June 2016.

Production for the 2017 financial year is expected to be in the order of 123 000 carats, compared to 2016 actual production of 24 930 carats.

Angolan operations

Mining operations will continue on the east bank of the Luana River and prospecting activities will remain focused on the new location to direct operations to areas of interest.

In order to speed up the expansion of the production footprint, external funding is being sought.

Production results and geological work through drilling and bulk testing indicate that carat production for the 2017 financial year will surpass the 99 500 carats achieved in 2016.

Market

Demand for rough and polished stones improved at the start of the 2016 calendar year after months of low manufacturing output and reduced inventories at the cutting centres. Shortage of stock in the Indian manufacturing sector and at the US retailers boosted rough diamond prices, supported by healthy trading activity in the secondary market.

Post year-end, the diamond market is enjoying a relatively stable period, improving the confidence of traders and dealers.

ANNEXURE 2: DIRECTORS' BIOGRAPHIES

Bernard van Rooyen (82)
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 (78)
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 (48)
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 (33)
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.

Leon van Schalkwyk (50)
BTech (Technikon SA), Chartered Management Accountant (FCMA)
Independent Non-executive Director (appointed March 2016)

Mr van Schalkwyk is the Chief Commercial Officer of Northam Platinum Ltd. A chartered management accountant by profession, he has extensive experience in the mining industry having risen through the ranks at Impala Platinum Ltd, where he held the position of Group Executive: Strategic Finance from 2008 – 2014.

Quinton George (44)
Non-executive Director (appointed April 2016)

Mr George is the Chief Executive Officer ("**CEO**") of, and a major shareholder in, M Cubed Holdings Ltd, an unlisted public investment company. He also serves as chairman of JSE-listed Mine Restoration Investments Ltd. He was previously the CEO of Trinity Asset Management (Pty) Ltd.

Marco Wentzel (37)
Non-executive Director (appointed April 2016)

Mr Wentzel is the Chief Operating Officer of Truckworx SA (Pty) Ltd; holds a directorship at investment holding company Advantage Wealth; and is a wealth specialist for Tuttle Insurance Brokers (Pty) Ltd, a division of TIG Holdings (Pty) Ltd.

Richard Tait (42)
BSc, BComm, MBA
Alternate Director (appointed April 2016)

Mr Tait is the CEO of Mine Restoration Investments Ltd. He previously worked for Anglo American Plc, Goldman Sachs Inc, Standard Bank Group Ltd and AfrAsia Corporate Finance (Pty) Ltd.

Piet Viljoen (53)
BComm Hons, CFA
Alternate Director (appointed April 2016)

Mr Viljoen is the chairman of Regarding Capital Management (Pty) Ltd and executive chairman of RECM and Calibre Ltd. He founded Regarding Capital Management (Pty) Ltd in 2003 and has over 25 years of industry experience. He started out as a lecturer at the University of Pretoria, and then joined the Reserve Bank as an economic analyst. He became a portfolio manager at Allan Gray Investment Counsel in 1991 and in 1995 he moved to Investec Asset Management.

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. The HRSE Committee determines the extent of any general cost-of-living increase as well as any additional provision for individual adjustments based on 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 any applicable performance-linked salary increases and/or 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 performance 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 performance bonuses
Executives are not paid a guaranteed annual bonus. The short-term executive bonus scheme is a purely performance-based scheme and operates under the direct control of the HRSE Committee.

In terms of the current 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 performance 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 24 MARCH 2016

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	%
M Cubed Holdings Ltd	28 166 886	26,56
RECM and Calibre Ltd	26 635 937	25,12
Northam Platinum Ltd	21 530 263	20,30
Investec	7 464 226	7,04
Total	83 797 312	79,02

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	%
M Cubed Holdings Ltd	28 166 886	26,56
RECM and Calibre Ltd	26 635 937	25,12
Northam Platinum Ltd	21 530 263	20,30
Investec Asset Management	9 300 034	8,77
Total	85 633 120	80,75

ANNEXURE 5: MATERIAL CHANGES

The Directors report that, 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 Company since the signature date of the Integrated Annual Report and the distribution thereof.

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.

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 **Friday, 5 August 2016, 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 2016			
Ordinary resolution number 2.1: Re-electing a Director – Mr Bernard van Rooyen			
Ordinary resolution number 2.2: Re-electing a Director – Mr Alwyn Martin			
Ordinary resolution number 2.3: Re-electing a Director – Mr Theunis de Bruyn			
Ordinary resolution number 3.1: Ratifying the appointment of a Director – Mr Leon van Schalkwyk			
Ordinary resolution number 3.2: Ratifying the appointment of a Director – Mr Quinton George			
Ordinary resolution number 3.3: Ratifying the appointment of a Director – Mr Marco Wentzel			
Ordinary resolution number 3.4: Ratifying the appointment of an Alternate Director – Mr Richard Tait			
Ordinary resolution number 3.5: Ratifying the appointment of an Alternate Director – Mr Piet Viljoen			
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 2017			
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 ____________________ 2016.

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, 2 August 2016**.

   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 **Friday, 5 August 2016, 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.

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), AR Martin, T de Bruyn, BP Lekubo, LC van Schalkwyk, QJ George, MVZ Wentzel, RM Tait (Alternate), PG Viljoen (Alternate), L Delport (Chief Executive Officer), IP Hestermann (Financial Director), GM van Heerden (Company Secretary)

www.transhex.co.za

TRANS HEX
GROUP