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## NAMAQUALAND MINES QUESTIONS & ANSWERS

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**1. Where is Namaqualand Mines?**

Namaqualand Mines ("NM") is situated approximately 60 km south of Port Nolloth along the West Coast of the Northern Cape and spans a total geographical area of more than 2 750 km<sup>2</sup>.

**2. Which company has bought NM from De Beers?**

Assets and liabilities relating to NM have been acquired by West Coast Resources (Pty) Ltd, previously known as Emerald Panther Investments 78 (Pty) Ltd or "EPI".

West Coast Resources is a newly formed joint-venture company owned by:

- Trans Hex (40,0%)
- RECM and Calibre Ltd (27,2%)
- the State (Department of Public Enterprises) (20,0%)
- Dinoka Investment Holdings (Pty) Ltd (8,8%)
- the Namaqualand Diamond Fund Trust (4,0%).

**3. What is the extent of Trans Hex's involvement in the new project?**

Trans Hex has been contracted by West Coast Resources to manage the day-to-day operations of the Mine and market its diamonds for a total fee of 5,5% of revenue.

Trans Hex will manage the initial set-up of the plant and infrastructure, as well as the recruitment of staff. Thereafter, Trans Hex will provide technical and management support, intellectual property, and systems, procedures and governance guidance.

Any other services provided by Trans Hex to West Coast Resources will be on an arm's length basis.

**4. What activities are planned for the first 12 months?**

Operations commenced in December 2014 with a final recovery plant at Kleinzee. The plant will initially re-treat tailings, but as other mining activities get underway, it will process all the concentrate from the other plants.

A bulk sample plant, expected to be in operation by April 2015, will be used at Mitchell's Bay to sample ahead of production. Construction of the Mitchell's Bay production plant is planned to start towards the middle of 2015, with full production scheduled for the third quarter of the same year.

Development of the Mannels Vley project is envisaged to start in the third quarter of 2015, with production getting underway during the first half of 2016.

Contractors will work the shallow-water marine concessions of Trans Hex and West Coast Resources.

**5. What is West Coast Resources' recruitment strategy?**

Mindful of applicable legislation and subject to the availability of the required skills, recruitment will focus on attracting candidates from local communities, with an emphasis on previously disadvantaged individuals, including women and the youth.

**6. How many employees will be employed?**

During the first three months, West Coast Resources will employ approximately 20 employees. This figure will include staff at the Kleinzee plant and support staff for the project as a whole.

# West Coast Resources

Once the Mitchell's Bay plant is operational, this number is planned to increase to approximately 90. The Mannels Vley project is estimated to generate an additional 80 jobs.

By June 2016, the West Coast Resources staff count is thus anticipated to increase to just below 200.

The engineering contractors tasked with the refurbishment and construction of the Mitchell's Bay and Mannels Vley plants will be making use of local skills, adding to the total jobs created.

After six years, the West Coast Resources staff count is estimated to peak at roughly 430 and total jobs created at about 550.

**7. What is the expected production for the first 12 months?**

Production during the first year is estimated at 69 000 carats.

**8. What is the expected lifespan of the project?**

NM has a life of mine of approximately 14 years.

**9. How do I contact West Coast Resources?**

During this initial start-up phase, all queries can be directed via e-mail to [info@westcoastresources.co.za](mailto:info@westcoastresources.co.za).