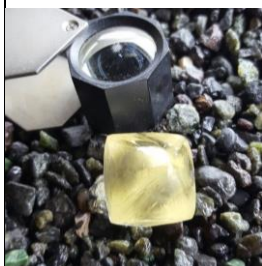




**DIAMONDS**

**Superkolong (SK) Diamond Operations – South Africa**



As previously reported, Batla sold its 39.4% holding in the KMF to Ekapa Minerals (Pty) Ltd, with effect from 15 February 2017. SK finalised its last tender in April 2017, at which 7 099 carats were sold for a total sales value of \$2.05m. SK has complied with all the requirements of the sale agreement and has rehabilitated its production site in Kimberley. As a result, all payments relating to the sale of the KMF shares have been received and SK has no further liabilities in terms of the sale agreement.

**Full year production through 31 March 2017**

Superkolong achieved the following ore processing and carat recovery numbers for the financial year.

Time period	Production (tons)	Carats recovered
Q1 (end June)	475 694	19 384
Q2 (end Sept)	529 037	19 389
Q3 (end Dec)	452 624	17 682
Q4 (end Mar)	209 950	8 471
<b>12 months (end Mar)</b>	<b>1 667 305</b>	<b>64 926</b>

Highlights for 2017 financial year ended March 2017:

- Sale of a 112 carat special yellow diamond - \$2m
- Average price of \$148 per carat was achieved for the year
- 68 000 carats sold during the year
- Total revenue of €8.88m for the fiscal year
- Concluded consultation process with staff post sale of KMF shares

**Letšeng Mine – Lesotho**

**Full year production through 31 March 2017**

Alluvial Ventures achieved the following ore processing and carat recovery numbers for the financial year.

Time period	Production (tons)	Carats recovered
Q1 (end June)	237 900	2 325
Q2 (end Sept)	243 245	2 725
Q3 (end Dec)	314 284	3 023
Q4 (end Mar)	255 837	2 319
<b>12 months (end Mar)</b>	<b>1 051 266</b>	<b>10 392</b>

Highlights for 2017 financial year ended March 2017:

- Completed further upgrades of the primary crushing circuit (installation of new cone) to improve diamond liberation and general plant efficiency
- Installation of a new tertiary crushing circuit completed during Q1
- Operating costs remained within budget
- Ten successful tenders were held during the financial year
- New staff accommodation erected on site and fully occupied during the year
- Successfully concluded an agreement with Letšeng to extend contract to end 2018

## DIAMONDS, continued

### Kolo Mine – Lesotho

- Mining and processing has been focused on the harder A kimberlite since the start of the trial mining phase in September 2016
- The initial crush (<20mm) and subsequent re-crush (<6mm) of the first A kimberlite sample (11k tons) at Kolo has been completed, with 799 carats recovered to date
- Testing continues on the first A kimberlite sample and further diamond recoveries are expected
- A second A kimberlite sample of ±5k tons has been identified for mining and processing, which is expected to be completed in Q4
- Sampling of the B kimberlite at Kolo is expected later in the year following some equipment modifications to treat this softer and more weathered kimberlite
- A magnetic survey has been completed at Sekameng (the second target kimberlite), and a trenching and sampling program is being developed for the first sample test on this kimberlite

## ADMINISTRATIVE

### AGM – 28 September 2017 in France

Batla Minerals' AGM will be held on 28 September 2017 in Aix-en-Provence, France. Shareholders will receive invitations with meeting details.

### Performance results – year-ended March 2017

Below are high-level performance results of the Group for year ended March 2017.

