



DIAMONDS

Letšeng Mine – Lesotho

As previously reported, Alluvial Ventures (AV) has concluded an agreement with Letšeng Diamonds to continue operating its plant at Letšeng until June 2020.

The operating highlights for the first five months of the financial year are as follows:

- Year-to-date AV has processed 472k tons of blended main pit and low-grade stockpile material.
- Production volumes are in line with budgets for the financial year-to-date.
- Operating costs remain mostly in line with budget.
- Overall profitability remains in line with budget forecasts.
- Upgrades to the diamond recovery circuit have been completed and are working well, as expected.
- Five successful tenders have been held in the calendar year-to-date.

Kolo Mine – Lesotho

- Prospecting activities commenced at the Sekameng kimberlite earlier in the year. Activities took the form of a detailed trenching exercise to expose the in-situ kimberlite and then taking samples by identified phases of the approximate 6-hectare area.
- A total of 8785 tons has been mined at Sekameng and hauled to the Kolo plant for processing. It has been decided to halt any further prospecting activities at Sekameng until the carats recovered are sold and more work can be done to establish potential economics for the Sekameng kimberlite.
- The final phase of trial mining activities at Kolo is expected to be completed in September with a total of 31000 tons mined and processed from the various phases of identified kimberlites. Carat recoveries and associated grades of the Kolo kimberlite from a little over half of the sampled material are consistent with the historic anecdotal information available. The results for the balance of the sampled material, however, do show a negative variance to the historic data available.
- Further work on the potential economics of the Kolo kimberlite (± 1.3 ha) is heavily reliant on understanding the market value of the recovered carats. The company intends to offer all goods recovered at Kolo in a tender process to be held in Antwerp later this year.
- The company has engaged with the Government of Lesotho to secure certain key requirements to ensure that the Kolo project could move to full-scale production and realise its economic potential.

ADMINISTRATIVE

Tungsten Project

- The Group has received an offer from one of the minority shareholders in the tungsten project for a sale of its entire interest in that project.
- In recent years the group has been unable to significantly move this project forward due to various land-access issues.
- The board of Batla considers a sale of the project to be a prudent decision for the group at this juncture.
- A sale would be subject to regulatory approval by the Department of Mineral Resources.

Uranium Project

- The Group has received an approach from a third party for the sale of its entire interest in this project.
- The market price of the saleable uranium product over the past few years has limited the group's ability to move this project into a mining phase.
- The board of Batla considers a sale of the project to be a prudent decision for the Group at this juncture.
- A sale would be subject to regulatory approval by the Department of Mineral Resources.

Annual General Meeting – 27 September 2018 in France

- The Batla Minerals' AGM will be held 27 September 2018 in Aix-en-Provence, France. Shareholders will receive invitations with meeting details.

Performance results – year-ended March 2018

- Below are high-level performance results of the Group for the year ended March 2018.

