



DIAMONDS - Lesotho

Letšeng Update

- After receiving positive test results, we have received permission to install crushers (getting specs and quotes now. This new machinery will increase our contract period at Letšeng.
- We are currently in discussions with Letšeng regarding a substantial future contract.

Recent Tenders

- We had successful tenders in September, November and December. Prices are up for rough diamonds. Industry leaders estimate that current diamond prices are up 61% from their lower point during first quarter of this year.

Kao Kimberlite Pipe

- Batla Minerals SA announces that the Government of the Kingdom of Lesotho has transferred the mining lease to the Kao Kimberlite Pipe to Namakwa Batla Diamonds Pty Ltd (NBDL); Batla's joint venture with Namakwa Diamonds Ltd, the Government and Lesotho investors. The Government has also entered into a mining agreement with NBDL.

Uranium – Edenburg RSA

Update

- Currently verifying and updating historic data regarding the uranium resource, dimensions and stripping ratios.
- A programme of acid leaching test work was completed; report received and reviewed.
- A programme to test the amenability of the mineral resource for uranium heap leaching was completed. Results have been received and reviewed.
- Bioleaching was also investigated. Decision made to not pursue this path.
- We will pursue further heap leaching test work and discard stirred tank leaching.



Goals for Q1

- Determine how ore will be acquired and sampled for test work.
- Use the recalculated resource information and zones to work toward a mining plan and pit design.
- Initiate further test work with Mintek.
- Complete feasibility calculations based on models for uranium prices, exchange rates, mineral resource and processing parameters, to determine stripping ratios, cut-offs and operating costs, etc.
- Develop process flow chart and determine CAPEX required with an engineering company.
- Determine viability of mining based on feasibility calculations and processes.

Tungsten – Piketberg RSA

Update

- Received acceptance letter from DME regarding re-submitted mining rights application.
- Bongani Minerals and environmental impact consultants still have not gained access to the land. Once we have access, we anticipate 12-18 months to complete the environmental impact assessment (EIA).

Goals for Q1

- Obtain access to the land.
- Begin EIA work.

Granite – Malmesbury RSA

Update

- Progress is approximately three months behind schedule.
- Second phase of blasting began early December.
- No sales to date.

Goals for Q1

- Resume phase two blasting.
- Begin selling aggregate.

Coalbed Methane – Namibia and South Africa

Update

Namibia:

- Exploration license for CBM was issued to Aranos Gas on 13 Aug by Namibian Govt.
- Aranos Gas is a 50/50 venture between SADC Minerals and ASS Investments (Batla has 80% of ASS Investments).
- Stakeholders' goal is for the CBM at Aranos to be commercialized by way of a gas-fired power generation plant for the benefit of the Republic of Namibia.
- The current estimate is for a plant with a maximum of 50-100 Mw generation capacity.
- The estimated life of production is currently 23 years. This estimate will be firmed up by way of further geotechnical studies.

South Africa:

- Creo Design (Pty) Ltd completed a first-pass geological assessment of the CBM resources of Great Force Investments 120 (Pty) Ltd in Limpopo Province.
- The report defined the region with the greatest probability of CBM resource and provided an early estimate of inferred resources.
- The assessment confirmed that coal seams are at sufficient depth and thickness to proceed with methane emission testing.

Goals for Q1

- Measure methane levels emitted from existing boreholes.
- Complete bankable feasibility study.
- Gain approvals from regulatory authorities.
- Research possible off-take agreements for future production



ADMINISTRATION

France

- **AGM** was held 29 September, 2009. Company directors and auditors were present to address shareholder questions. All resolutions were accepted unanimously.
- An **extraordinary general meeting** will be held on 18 January, 2010 in Provence.
- **Fortis**: The court in Aix en Provence declared itself incompetent to give a ruling in this case. After getting specialized legal advice, we have decided to take the matter to the Supreme Court of Appeal.
- **Office move**: We have decided to move our registered office to Beziers, as of January 2010.
- **Alternext**: The transfer to Alternext is still a priority, but the project has been put on hold until economic conditions improve.

South Africa

- **DRC status**: We have received the proposed payment schedule from the Japanese company that is purchasing our diamond concession in the DRC.
- **Office move**: the new office in TechnoPark Stellenbosch is scheduled for occupancy May 2010.



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