



DIAMONDS



Letšeng Mine – Lesotho

- Alluvial Ventures' two plants are operating at full production capacity.
- For the four months ending 31 December, 2013, Alluvial Ventures met, on average, 104% of its ore processing targets and 102% of its carat recovery targets.
- 10 successful tenders were held in calendar year 2013.
- An understanding has been reached to extend Alluvial Ventures' work at the Letseng Mine. Contract details are being finalised.

Kolo Mine – Lesotho

ResKol Mining (lease holder) has started to upgrade the road to the site. Phase 1 operations, including a 60,000 ton trial production phase, are planned to commence in 2014.

Superkolong Diamond Operations – South Africa

Superkolong's operations have been adversely affected by poor quality and inadequate process-water supply from the 4 million dam (Superkolong's supply for the past eight years). The first interruption occurred in June 2013 and water supply was terminated in September; forcing the sole option of sourcing water from Dutoitspan. Prolonged unseasonable dry weather resulted in this supply being reduced to low volumes of sludge. Other diamond operations in the area were also impacted.



In September, a long-term water supply strategy was instigated. The implementation of this strategy is largely complete and water is flowing to the 4 million dam and Dutoitspan. The main outstanding task to be completed so water can be pumped at the optimum pressure (and volume) is the replacement of part of the existing supply pipeline which should be completed in first quarter 2014. In the meantime, the current regime will ensure a consistently satisfactory supply.

With lower water volumes, the diamond production for October, November and December was lower than budget resulting in lower sales revenues. Since 8 December there has been sufficient quantity and improving quality water to resume normal operations resulting in an immediate improvement in diamond recoveries and operating efficiencies from previous months.

For operations between 1 March and 31 December 2013, more than 68 460 recovered carats have been sold via nine tenders and direct sale opportunities for a total value of \$ 7.8 million.

TUNGSTEN / MOLYBDENUM / RARE EARTHS – Piketberg RSA



Recent accomplishments

- Berg River Municipality denied Bongani's request for temporary departure of land use for prospecting purposes, and did not provide rationale for their decision. Bongani has submitted an appeal of the Municipality's denial.
- SRK Consultants completed the Technical Report for the Bongani Minerals project. The comprehensive report presents detailed information about the resource and provides a convincing rationale to proceed with the project.
- The Water Use License Application for prospecting purposes was submitted.
- All additional documentation requested by Berg River Municipality to consider the request for temporary departure of land use for prospecting purposes was submitted. Bongani addressed all objections raised by interested and affected parties (most had to do with mining rather than prospecting).

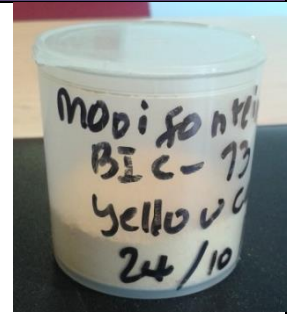
Goals for calendar 1st quarter 2014

- Await the appeal decision from Berg River Municipality on the temporary land use decision.
- Submit/obtain necessary documentation for licenses and permits to continue with the prospecting programme.

URANIUM – Austin's Post RSA

Recent accomplishments

- Meetings continue with DMR and Kopanong Municipality regarding the Mooifontein mining right application.
- The first steps of the precipitation test work were completed. A mature pregnant leach solution (PLS) was produced after being passed through several columns and comprised 2253ppm U. The mature PLS was put through the first stage precipitation and yellowcake comprising 54% U was produced. This yellowcake will now be put through a second precipitation stage to hopefully achieve 85-90% purity.
- The 2013 Progress Report was submitted to the Department of Mineral Resources.
- A program for possible future test work was drafted.

**Goals for calendar 1st quarter 2014**

- Complete precipitation test work.
- Complete and submit the National Nuclear Regulator conversion application.
- Submit integrated water user license application and integrated water and waste management plan.
- Submit to DWA and DETEA the final EIA Report once specialist reports have been updated. This is part of the NEMA application process.
- Commence Waste License application.

ADMINISTRATIVE

Corporate Litigation

Under a court order issued by the Court of Amsterdam on 18 December 2013, ABN AMRO Bank NV (successor FORTIS BANK (Nederland) NV) has been ordered to pay BATLA MINERALS SA the sum of € 1 235 169 in principal, plus statutory interest.

ABN AMRO NV bank has a period of 3 months from 19 December 2013 to appeal the court ruling.

Batla Minerals, SAwww.batlaminerals.com