



DIAMONDS



**Letšeng Mine – Lesotho**

- A contract extension has been finalized with Letšeng Mine to allow Alluvial Ventures to continue working at Letšeng to December 2015.
- Alluvial Ventures' two plants are operating at full production capacity.
- For the five months ending 31 May, 2014, Alluvial Ventures met, on average, 90% of its ore processing targets and 92% of its carat recovery targets.
- Four successful tenders have been held year-to-date in 2014.

**Kolo Mine – Lesotho**

Reskol Diamond Mining (lease holder) has completed the road upgrade to the Kolo site. It is now more than sufficient to accommodate the delivery of plant and machinery to site, and also benefits the local community, who use the road for access to their homes. Site civils are starting and will continue into July 2014 along with initial plant establishment. Phase 1 operations, including a 60,000 ton trial production phase, are planned to start once civils are completed.

**Superkolong Diamond Operations – South Africa**

Diamonds sold for the financial year (ending 30 March 2014) totalled 76,039 carats. Sales totalled US\$ 8.9 million. The average price per carat received was US\$ 117. Diamond recovery was below budget for the year due to continuing plant production and recovery issues caused by an inadequate supply of process water, both in volume and quality. Production for the year was 27% below forecast levels and the associated impact of reduced diamond recoveries negatively impacted the full-year financial performance.

Normal plant operation was interrupted several times during the year and was eventually suspended on 18 February due to the water supply. Employees were redeployed to maintenance duties and certain plant upgrades to ensure future improved efficiencies. The plant was restarted on 5 March on a limited basis and full production resumed 16 March. Since 16 March, the plant has operated normally with daily throughputs trending upwards to stabilise over 5,000 tonnes per day. Recovered grades are in line with expected tailings grades (5 to 7 carats per hundred tonnes).



Most of the work to upgrade the water supply has been completed. The outstanding item is the pipeline from Homevale to the maturation ponds. The tender for this work has been awarded and the project will commence once the Municipality approves the work.

**Purchase of Superkolong Diamond Interest**

Based on a review of the Superkolong operation and discussions regarding ongoing working capital requirements for the operation, the Board of Batla Minerals (via El Nino Mining, its South African subsidiary) announced on 30 April 2014 that it made an offer to acquire the other 50% of the project, held by its partner Emu, by purchasing Emu's shareholding in the holding company, IT243, and Emu's loan account. The share (and claims) purchase agreement was signed by all parties on 29 April 2014. The Emu directors and their associates voted in favour of the transaction. The board of Batla Minerals SA has approved the transaction. For additional information on the purchase, see the 30 April press release on our [website](#).

**Early Settlement and Discount with Superkolong Vendors**

Batla Minerals SA secured financing in the amount of €3.5 million from Hawkfield Corporation (a significant shareholder in Batla) allowing its operating subsidiary, El Nino Mining, to reach an early settlement with Superkolong vendors. The early settlement terms include a discount of R10 million and a payment schedule of R50 million (c. €3.5m) that was paid on 15 May, and the balance of R10 million (c. €700k) to be paid over time from 20% of sales from diamonds recovered through the Superkolong Diamond operations (anticipated at six months). For additional information on this financing and settlement, see the 15 May press release on your [website](#).

## TUNGSTEN / MOLYBDENUM / RARE EARTHS – Piketberg RSA

**Recent accomplishments**

- Riviera tungsten received notice from Berg River Municipality informing the Company that the Municipality is not in position to hear the appeal brought by Riviera Tungsten against the Municipality's refusal to grant a temporary departure for land use, as the Municipality does not have a quorum to hear the matter. Bongani is considering options to move forward, including approaching the High Court for appropriate relief.

- 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.

**Goals for June-September 2014**

- On 23 April 2014, Bongani received notice of the DMR's acceptance of the application for renewal of prospecting rights.

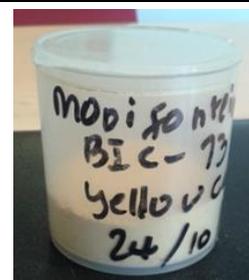
## URANIUM – Austin's Post RSA

**Recent accomplishments**

- All the DMR queries relating to the mining right application were resolved and the submitted documentation was amended as needed.
- The precipitation test work is now completed.
- Meetings were held with Kopanong Municipality, the Edenburg Clinic and Edenburg Crèches with the aim of producing an integrated Social and Labour Plan.

**Goals for June-September 2014**

- Receive the draft of the final Mintek precipitation test work report.
- Continue meetings with environmental consultants to finalize the EIA report.
- Draft budget to show anticipated expenditures for the coming year.
- Complete and submit the National Nuclear Regulator conversion application.
- Submit integrated water user license application and integrated water and waste management plan.
- Complete waste license application.



## ADMINISTRATIVE

**Corporate Litigation: Appeal Period Closed with no Action Filed by ABN AMRO Bank NV**

Under a court order issued by the Court of Amsterdam on 18 December 2013, ABN AMRO Bank NV (successor FORTIS BANK (Nederland) NV) had been ordered to pay BATLA MINERALS SA the sum of € 1 235 169 in principal, plus statutory interest. ABN AMRO NV bank had a period of 3 months from 19 December 2013 to appeal the court ruling.

Legal counsel for Batla Minerals notified the Company that no legal action had been filed by ABN AMRO Bank NV relative to the Court of Amsterdam's ruling for Batla Minerals SA. The appeal period closed 18 March, 2014. For additional information on this litigation, see the 13 January and 3 April press releases posted on our [website](#).

**El Nino Mining offices in Cape Town moved to a new location**

El Nino Mining, Batla's Southern Africa operations company, recently moved to new offices in the Cape Town area.

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	Cento Building		Tygervalley
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