

Strategic Investor Into The Business Of Lace Diamond Mines

Johannesburg, South Africa, 8 February 2017. Lace Diamond Mines (Pty) Ltd (LDM) operates the Lace diamond mine which is located 25km from Kroonstad, Free State. The mine was placed in Business Rescue on 15 November 2016 following a flood which halted operations.

The Business Rescue Practitioner, Daniel Terblanche, is inviting expressions of interest to invest in LDM. "In order to explore all of the options available to take LDM out of Business Rescue we are seeking a strategic investor who can provide the working capital required to re-start operations so that the employees can be re-deployed and an improved return to creditors over liquidation can be obtained.", said Daniel Terblanche, Duly Appointed Business Rescue Practitioner and Associate Director at Deloitte.

LDM mine, which has estimated reserves of 9.4 million carats, with an upper level of Volcanoclastic Kimberlite (VK at an average grade of 24 carats per hundred tonnes) and a Deeper Coherent Kimberlite Facies (CK at an average grade of around 55 carats per hundred tonnes) is a site with rich reserves that are hard to come by.

In 2008, DiamondCorp built a 1.2 million tonne per annum diamond recovery plant which has the capacity to treat ore for the +25 year expected mine life, Terblanche added.

Deloitte has invited potential investors to submit their expressions of interest documents by email, by no later than 17h00 on Friday, 17 February 2017, to Edward Dyer (contact details listed below), noting that binding offers will be required by Thursday, 9 March 2017.

Terblanche briefly added that expressions of interest will be followed by a formal correspondence from the Business Rescue Practitioner which will set out the requirements by which an interested party is to comply in order to participate in the Process. The initial requirements (which are more fully set-out in the process letter) are that interested parties must:

- sign a confidentiality agreement; and
- pay a fee of ZAR 10,000 (ten thousand South African Rand)