



**Briefing by Alexkor on the progress of the turn around strategy
30 November 2022**



Remedial plans



Alexander Bay Mining Operations

Employ larger contractors to explore and mine the land and marine concessions extensively

Re-processing the tailings dumps

Increase diamond mining footprint in the region

Invite large contractors for turnkey management.



Progress on Remedial plans

Employ larger contractors to explore and mine the land extensively

- Current mining operations are conducted by small contractors who mine allocated areas on behalf of the PSJV.
- Several mining contracts are coming to an end and the PSJV Executive Committee issued on 27 November 2023 a Request for Qualifying Principal Contractors, which will be followed by a Request for Proposals.
- Applicants will be expected to submit proposals for one or more mining areas, provided the mining areas are contiguous, in both land and marine mining.
- Implementation will be during the fourth quarter of the 2022/23 financial year.

Re-processing the tailings dumps

- The PSJV will be undertaking the rehabilitation of historic mining areas to address its long term commitment.
- Historic and current rehabilitation already overlap and the PSJV is already doing some of the historic rehabilitation (through current mining activities).
- The PSJV uses contractors to do the bulk of mining activities. However the PSJV will undertake its own rehabilitation where it is not necessary to be outsourced and through rehabilitation explore for diamondiferous waste.
- The diamondiferous waste referred to above are the old tailings dumps.
- A 7 (seven) - year rehabilitation plan has been drafted and implementation will commence during the fourth quarter of 2022/23 financial year.

Increase diamond mining footprint in the region

- Alexkor RMC JV are busy engaging with other diamond mining companies in the region.
- Progress will be given once engagement has started.

Invite large contractors for turnkey management

- By employing large contractors during the fourth quarter the above will be implemented.



Progress on Finance



Current Financial Position

Overall comment

- A thorough review is in progress of the financial position of Alexkor and the PSJV in order to regularise, and if needs be restate income and expenditure in compliance with the Deed of Settlement and Unanimous Resolution
- A detailed report on any irregularities will be prepared when the review is complete

Current financial position – Alexkor SOC

ALEXKOR SOC LIMITED INCOME STATEMENT 2ND QUARTER ENDED 30 SEPTEMBER 2022												
	Quarter 1 - FY2022/2023			Quarter 2 - FY2022/2023			YTD - FY2022/2023			YTD - FY2021/2022		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
	Rands			Rands			Rands			Rands		
Income												
Rental Income	1,650,000	2,203,902	553,902	1,650,000	3,119,875	1,469,875	3,300,000	5,323,776	2,023,776	10,999,998	5,688,430	(5,311,568)
Commission on diamond sales	1,971,060	979,909	(2,950,969)	4,040,400	-	(4,040,400)	6,011,460	979,909	(5,031,551)	3,537,000	3,403,028	(133,972)
Management fees	6,570,200	-	(6,570,200)	13,468,000	-	(13,468,000)	20,038,200	-	(20,038,200)	11,790,000	-	(11,790,000)
Total Income	10,191,260	3,183,810	(8,967,267)	19,158,400	3,119,875	(16,038,525)	29,349,660	6,303,685	(23,045,975)	26,326,998	9,091,458	(17,235,540)
Operating Expenditure												
AFS publications	-	-	-	210,000	-	210,000	210,000	-	210,000	-	-	-
Audit fees - external	-	-	-	209,733	-	209,733	209,733	-	209,733	-	-	-
Audit fees - internal	66,000	-	66,000	66,000	-	66,000	132,000	-	132,000	-	-	-
Board fees	406,592	417,063	(10,471)	406,592	376,500	30,092	813,183	793,563	19,620	-	-	-
Consultations	-	834,640	(834,640)	-	43,080	(43,080)	-	877,721	(877,721)	-	-	-
General expenses	157,500	167,532	(10,032)	157,500	158,453	(953)	315,000	325,985	(10,985)	2,876,275	2,531,389	344,886
Insurance	165,258	-	165,258	165,258	-	165,258	330,516	-	330,516	-	-	-
IT services	15,750	-	15,750	15,750	-	15,750	31,500	-	31,500	-	-	-
Legal Fees	900,000	1,635,503	(735,503)	900,000	1,587,718	(687,718)	1,800,000	3,223,222	(1,423,222)	-	-	-
Municipal services	-	1,820,479	(1,820,479)	-	2,072,310	(2,072,310)	-	3,892,789	(3,892,789)	6,000,000	4,132,086	1,867,914
Office access control	1,575	-	1,575	1,575	-	1,575	3,150	-	3,150	-	-	-
Office alarm security systems	2,205	-	2,205	2,205	-	2,205	4,410	-	4,410	-	-	-
Office copier rental	4,725	-	4,725	4,725	-	4,725	9,450	-	9,450	-	-	-
Office refreshments	6,300	932	5,368	6,300	536	5,764	12,600	1,468	11,132	-	-	-
Office rental	190,000	39,187	150,813	300,000	72,000	228,000	490,000	111,187	378,813	-	-	-
Payroll services	10,931	-	10,931	10,931	-	10,931	21,861	-	21,861	-	-	-
Personnel	3,000,000	1,330,255	1,669,745	3,000,000	1,193,665	1,806,335	6,000,000	2,523,919	3,476,081	3,750,000	3,361,702	388,298
Post and telecomm services	-	100,990	(100,990)	-	104,480	(104,480)	-	205,470	(205,470)	-	-	-
Security services	-	1,402	(1,402)	-	-	-	-	1,402	(1,402)	-	-	-
Stationery	5,250	-	5,250	5,250	-	5,250	10,500	-	10,500	-	-	-
Subscriptions	-	13,210	(13,210)	-	11,850	(11,850)	-	25,060	(25,060)	-	-	-
Subsistence and travelling	573,440	151,400	422,040	573,440	619,569	(46,129)	1,146,880	770,969	375,911	-	-	-
Training costs	157,500	-	157,500	157,500	-	157,500	315,000	-	315,000	-	-	-
Whistleblowers	14,309	-	14,309	14,309	-	14,309	28,617	-	28,617	-	-	-
Total Operating Expenditure	5,677,334	6,512,593	(835,259)	6,207,066	6,240,162	(33,095)	11,884,400	12,752,754	(868,354)	12,626,275	10,025,177	2,601,098
ÉBITDA	4,513,926	(3,328,782)	(7,842,709)	12,951,334	(3,120,287)	(16,071,621)	17,465,260	(6,449,069)	(23,914,329)	13,700,723	(933,719)	(14,634,442)
Interest received	5,775,000	1,341,841	(4,433,159)	5,775,000	1,198,816	(4,576,184)	11,550,000	2,540,657	(9,009,343)	2,000,000	1,844,226	(155,774)
Depreciation and amortisation	(75,000)	(79,294)	4,294	(75,000)	(77,435)	2,435	(150,000)	(156,729)	6,729	-	(335,715)	(335,715)
Fair value adjustment - rehabilitation interest	-	3,870,612	3,870,612	-	3,280,116	3,280,116	-	7,150,728	7,150,728	5,000,000	4,673,692	(326,308)
Total interest, depreciation and amortisation	5,700,000	5,133,159	(566,841)	5,700,000	4,401,497	(1,298,503)	11,400,000	9,534,656	(1,865,344)	7,000,000	6,182,203	(817,797)
Profit for the year to date	10,213,926	1,804,377	(8,409,550)	18,651,334	1,281,210	(17,370,124)	28,865,260	3,085,587	(25,779,673)	20,700,723	5,248,484	(15,452,239)

Current financial position – Pooling and Sharing JV

JOINT VENTURE INCOME STATEMENT 2ND QUARTER ENDED 30 SEPTEMBER 2022

	Quarter 1 - FY2022/2023			Quarter 2 - FY2022/2023			YTD - FY2022/2023			YTD - FY2021/2022		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
	Rands			Rands			Rands			Rands		
Diamond Sales												
Revenue	85,780,380.00	65,329,222.74	(20,451,157.26)	117,647,040.00	132,292,565.55	14,645,525.55	203,427,420.00	197,621,788.29	(5,805,631.71)	117,647,040.00	81,202,699.00	(36,444,341.00)
Cost of sales	(11,505,729.13)	(1,554,656.95)	9,951,072.18	(22,245,883.75)	(1,505,955.37)	20,739,928.38	(33,751,612.88)	(3,060,612.32)	30,691,000.56	(22,245,884.00)	(15,324,964.00)	6,920,920.00
Revenue split contractors	(44,192,434.85)	(44,458,881.98)	(266,447.13)	(58,817,760.05)	(93,424,149.73)	(34,606,389.68)	(103,010,194.90)	(137,883,031.71)	(34,872,836.81)	(58,817,760.00)	(47,228,287.00)	11,589,473.00
Gross Profit	30,082,216.02	19,315,683.81	(10,766,532.21)	36,583,396.20	37,362,460.45	779,064.25	66,665,612.22	56,678,144.26	(9,987,467.96)	36,583,396.00	18,649,448.00	(17,933,948.00)
Inventory Adjustment	-	-	-	-	4,414,032.33	4,414,032.33	-	4,414,032.33	4,414,032.33	-	(7,787,735.00)	(7,787,735.00)
Net Sundry Income	1,011,336.00	3,142,418.55	2,131,082.55	1,011,336.00	1,511,384.63	500,048.63	2,022,672.00	4,653,803.18	2,631,131.18	1,011,336.00	662,569.00	(348,767.00)
Amathuba	-	-	-	-	-	-	-	-	-	-	-	-
Cost of sales - Stores	(125,001.00)	(59,805.90)	65,195.10	(125,001.00)	(23,455.17)	101,545.83	(250,002.00)	(83,261.07)	166,740.93	(125,001.00)	-	125,001.00
Sundry Income	1,136,337.00	3,202,224.45	2,065,887.45	1,136,337.00	1,534,839.80	398,502.80	2,272,674.00	4,737,064.25	2,464,390.25	1,136,337.00	662,569.00	(473,768.00)
Operating Expenditure												
Personnel expenses	13,725,682.76	11,207,856.50	2,517,826.26	13,791,424.14	14,509,134.19	(717,710.05)	27,517,106.90	25,716,990.69	1,800,116.21	13,791,424.00	10,534,552.00	3,256,872.00
Consumables and maintenance	6,539,896.56	7,211,087.59	(671,191.03)	6,502,237.26	8,071,694.17	(1,569,456.91)	13,042,133.82	15,282,781.76	(2,240,647.94)	6,502,237.00	2,835,200.00	3,667,037.00
General expenditure	5,597,576.86	2,072,437.89	3,525,138.97	5,819,777.29	1,427,931.85	4,391,845.44	11,417,354.15	3,500,369.74	7,916,984.41	5,744,777.00	1,733,013.00	4,011,764.00
Security services	4,202,625.00	5,839,467.79	(1,636,842.79)	4,202,625.00	5,348,230.21	(1,145,605.21)	8,405,250.00	11,187,698.00	(2,782,448.00)	4,202,625.00	4,149,294.00	53,331.00
Legal fees	150,000.00	293,679.67	(143,679.67)	150,000.00	1,179,058.08	(1,029,058.08)	300,000.00	1,472,737.75	(1,172,737.75)	150,000.00	1,728,978.00	(1,578,978.00)
Other specialised services	545,949.66	-	545,949.66	544,449.99	-	544,449.99	1,090,399.65	-	1,090,399.65	544,450.00	648,216.00	(103,766.00)
Other expenditure	-	383,082.08	(383,082.08)	-	665,710.52	(665,710.52)	-	1,048,792.60	(1,048,792.60)	-	-	-
Total Operating Expenditure	30,761,730.84	27,007,611.52	3,754,119.32	31,010,513.68	31,201,759.02	(191,245.34)	61,772,244.52	58,209,370.54	3,562,873.98	30,935,513.00	21,629,253.00	9,306,260.00
EBITDA	331,821.18	(4,549,509.16)	(4,881,330.34)	6,584,218.52	12,086,118.39	5,501,899.87	6,916,039.70	7,536,609.23	620,569.53	6,659,219.00	(10,104,971.00)	(16,764,190.00)
Interest received	2,087,499.00	(134,462.78)	(2,221,961.78)	2,087,499.00	4,492,084.00	2,404,585.00	4,174,998.00	4,357,621.22	182,623.22	2,162,499.00	45,817.00	(2,116,682.00)
Depreciation and amortisation	(162,501.00)	(134,462.78)	28,038.22	(162,501.00)	(492,846.02)	(330,345.02)	(325,002.00)	(627,308.80)	(302,306.80)	(87,501.00)	45,817.00	133,318.00
	2,250,000.00	-	(2,250,000.00)	2,250,000.00	4,984,930.02	2,734,930.02	4,500,000.00	4,984,930.02	484,930.02	2,250,000.00	-	(2,250,000.00)
Profit (Loss) for the year to date	(1,755,677.82)	(4,415,046.38)	(2,659,368.56)	4,496,719.52	7,594,034.39	3,097,314.87	2,741,041.70	3,178,988.01	437,946.31	4,496,720.00	(10,150,788.00)	(14,647,508.00)



THANK YOU