
PARTICULARS AND REPORT OF HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF HUSO

The report of the consolidated historical financial information of Huso is incorporated into the Circular to Trustco shareholders dated on or about 9 September 2015 in paragraph 31.9 by way of reference as provided for in paragraph 11.61 of the Listings Requirements. The financial information in this report was extracted from the consolidated audited financial statements of Huso for the year ended 31 March 2015 and was reported on by the auditors without qualification. Further particulars on Huso as required in terms of the JSE Listings Requirements and the Reporting Accountants' Report on the report on consolidated historical financial information is set out in Annexure 5 and 6 of this Circular, respectively. The report on consolidated historical financial information is the responsibility of the directors of Trustco. The report on consolidated historical financial information was prepared in accordance with and applying the accounting policies of Trustco as set out in Annexure 4 of this Circular.

1. NAME, ADDRESS OF REGISTERED OFFICE AND DATE AND PLACE OF INCORPORATION

Huso Investments Proprietary Limited

Address: Trustco House, 2 Keller Street, Windhoek, Namibia

Namibia Registration no. 2006/443

Incorporated in WINDHOEK on the 4th of August 2005

2. DETAILS OF ITS MATERIAL LOANS

Refer to the consolidated financial statements of Huso following below for detail of material loans.

3. DETAILS OF ANY PRELIMINARY EXPENSES IT OCCURRED IN 3 YEARS PRIOR TO TRANSACTION

There were no preliminary expenses incurred by Huso or its subsidiaries during the preceding 3 years.

4. LITIGATION STATEMENT PERTAINING TO HUSO

The directors of Trustco are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), involving Huso, which may have, or have had, a material effect on Huso's financial position during the last 12 months preceding the date of this circular.

5. MATERIAL CHANGES IN THE FINANCIAL OR TRADING POSITION SINCE END OF THE FINANCIAL PERIOD

There were no material changes in the financial or trading position in Huso or its subsidiaries since 31 March 2015.

6. LIST OF MATERIAL CONTRACTS ENTERED INTO BY HUSO

There have been no material contracts entered into, either verbally or in writing, by Huso or any of its subsidiaries, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on by the Huso Group; and:

6.1 entered into within the two years prior to the date of this Circular; or

6.2 entered into at any time and containing an obligation or settlement that is material to the Huso Group at the date of this Circular.

7. COMMENTARY ON HUSO

Huso acquired NNDC on 1 April 2014. NNDC is the holder of an Exclusive Prospecting License situated in the Kunene region in the North-Western area of Namibia. NNDC has applied for a diamond mining licence that is under consideration by the Ministry of Mines and Energy of Namibia. Huso was a dormant company until the acquisition of NNDC. Expenses incurred by NNDC have been incurred for exploration purposes and have been capitalized against the exploration asset and evaluation assets in terms of IFRS as reflected in the statement of financial position resulting in no movement through the statement of comprehensive income. Mr Quinton van Rooyen funded the company by way of an equity loan as reflected in the statement of financial position on the terms and conditions set out in note number 7.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HUSO

| As at 31 March | Notes | Group 2015 <i>Audited</i> N\$'000 |
|-------------------------------------|-------|--|
| ASSETS | | |
| Property, plant and equipment | 2 | 8 236 |
| Exploration and evaluation assets | 3 | 59 191 |
| Non-current Assets | | 67 427 |
| Trade and other receivables | 4 | 2 202 |
| Cash and cash equivalents | 5 | 8 |
| Current Assets | | 2 209 |
| Total assets | | 69 636 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 6 | 0* |
| Equity loan | 7 | 269 829 |
| Retained income | | (203 975) |
| Total capital and reserves | | 65 854 |
| LIABILITIES | | |
| Non current liabilities | | 96 |
| Deferred taxation | 8 | 96 |
| Current liabilities | | 3 686 |
| Trade and other payables | 9 | 2 748 |
| Bank overdraft | 5 | 938 |
| Current liabilities | | 3 686 |
| Total liabilities | | 3 782 |
| Total equity and liabilities | | 69 636 |

*N\$100

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF HUSO

| For the year ended 31 March* | Notes | Group 2015 <i>Audited</i> N\$'000 |
|---|-------|--|
| Cost of Sales | | - |
| Other income | | - |
| Operating expenses | | - |
| Operating loss | | - |
| Fair value adjustments | | - |
| (Loss)/profit before taxation | | - |
| Taxation | | - |
| (Loss)/profit for the year | | - |
| Other comprehensive income | | - |
| Total comprehensive (loss)/income for the year | | - |

* please note that there was no movement through the statement of comprehensive income because all exploration costs were capitalised to the exploration asset.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF HUSO

| | Share capital | Common control reserve | Equity loan | Total reserves | Retained income | Total equity |
|--|------------------|------------------------------|---------------|-------------------|--------------------|---------------|
| Group | N\$000 | N\$000 | N\$000 | N\$000 | N\$000 | N\$000 |
| Balance at 1 April 2014 | 0* | | - | 0 | - | 0 |
| Common control reserve | - | 178 | - | 178 | - | 178 |
| Movement in equity loan | - | - | 269 651 | 269 651 | - | 269 651 |
| Dividends | - | - | - | - | (203 976) | (203 976) |
| Total contribution by and distributions to owners of company recognised directly in equity | 0 | 178 | 269 651 | 269 829 | (203 976) | 65 853 |
| Balance at 31 March 2015 | 0 | 178 | 269 651 | 269 829 | (203 976) | 65 853 |

* N\$100

See Note 6

CONSOLIDATED STATEMENT OF CASH FLOWS OF HUSO

| For the year ended 31 March | Notes | Group 2015 Audited N\$'000 |
|---|----------|-------------------------------------|
| <i>Cash flows from operating activities</i> | | |
| Cash generated by operations | 10 | 2 410 |
| Net cash flow generated by operating activities | | 2 410 |
| <i>Cash flows from investing activities</i> | | |
| Purchase of property, plant and equipment | 2 | (1 297) |
| Purchase of exploration and evaluation assets | 3 | (6 795) |
| Common control transaction | 14 | (348) |
| Net cash flow from investing activities | | (8 441) |
| <i>Cash flows from financing activities</i> | | |
| Proceeds of loan from related party | | 5 100 |
| Net change in cash and cash equivalents for the year | | (931) |
| Cash and cash equivalents at the beginning of the year | | - |
| Cash and cash equivalents at the end of the year | 5 | (931) |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF HUSO

N\$000

2. Property, plant and equipment

| Group | 2015 | | |
|------------------------|------------------------|-----------------------------|-------------------|
| | Cost or revaluation | Accumulated depreciation | Carrying value |
| Buildings | 134 | - | 134 |
| Plant and machinery | 20 304 | (12 303) | 8 001 |
| Furniture and fixtures | 76 | (55) | 21 |
| Motor vehicles | 396 | (350) | 46 |
| IT equipment | 65 | (32) | 33 |
| Total | 20 976 | (12 740) | 8 236 |

Reconciliation of property, plant and equipment for exploration - 2015

| | Opening balance | Additions | Additions through common control transaction | Depreciation | Total |
|------------------------|--------------------|--------------|--|----------------|--------------|
| Buildings | - | 51 | 83 | - | 134 |
| Plant and machinery | - | 1 204 | 9 475 | (2 678) | 8 001 |
| Furniture and fixtures | - | - | 28 | (7) | 21 |
| Motor vehicles | - | - | 66 | (19) | 46 |
| IT equipment | - | 41 | 10 | (18) | 33 |
| | - | 1 297 | 9 662 | (2 723) | 8 236 |

3. Exploration and evaluation assets

| | 2015 | | |
|-----------------------------------|------------------------|-----------------------------|-------------------|
| | Cost or revaluation | Accumulated amortisation | Carrying value |
| Exploration and evaluation assets | 59 191 | - | 59 191 |
| | 59 191 | - | 59 191 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF HUSO

N\$000

Reconciliation of exploration and evaluation assets - 2015

| | Opening balance | Additions | Additions through common control transaction | Depreciation capitalised | Amortisation | Total |
|-----------------------------------|--------------------|-----------|--|-----------------------------|--------------|--------|
| Exploration and evaluation assets | - | 6 795 | 49 673 | 2 723 | - | 59 191 |
| | - | 6 795 | 49 673 | 2 710 | - | 59 191 |

Details of valuation

A competent person's report has been compiled by Mr Willem H. Kotze (Pr. Sci. Nat. MSAIMM) on the Kunene Mouth Diamond Project (EPL2633). The report indicated that the economic potential of the gross estimated resource at 31 March 2015 is valued at US\$59,231,910 (NAD:719,667,707 using a US\$ rate of 12.15). The net income of the resource is estimated to be NAD 304,441,665.

N\$000

4. Trade and other receivables

Value added tax

Group

2015

2 201

2 201

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand

Bank overdraft

8

(939)

(930)

Current assets

Current liabilities

8

939

(930)

6. Share capital

Authorised

4,000 Ordinary shares of N\$1.00 each

4 000

Issued

100 Ordinary shares of N\$1.00 each

100

7. Equity loan

The equity loan is from Mr Quinton van Rooyen.

The loan is interest free, unsecured and will be repaid at the option of the company.

8. Deferred taxation

Deferred tax liability

(96)

Reconciliation of deferred tax liability

Taxable temporary difference movement on tangible fixed assets

(96)

9. Trade and other payables

| | |
|------------------------|--------------|
| Trade payables* | 2 419 |
| Accrued leave pay | 133 |
| Other accrued expenses | 195 |
| | <u>2 748</u> |

* Included in trade payables are amounts due to related parties, refer to note 18 for details.

10. Cash used in operations

| | |
|-----------------------------------|--------------|
| (Loss)/Profit before taxation | - |
| Changes in working capital | |
| Trade and other receivables | (238) |
| Trade and other payables | 2 648 |
| | <u>2 410</u> |

11. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

| Group 2015 | Loans and receivables | Total |
|---------------------------|-----------------------|-------|
| Cash and cash equivalents | 8 | 8 |

12. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

| Group 2015 | Financial liabilities at amortised cost |
|--------------------------|---|
| Trade and other payables | 2 748 |
| Bank overdraft | 939 |
| Total | <u>3 687</u> |

13. Taxation

The group has estimated tax losses of N\$47 693 171 (2014:0) available for set off against future taxable income.

14. Directors' emoluments

No emoluments were paid to the director or any individuals holding a prescribed office during the year

15. Common control transaction

| | 2015 |
|---------------------------------------|--------------|
| Aggregated common control transaction | |
| Exploration and evaluation assets | 49 673 |
| Property, plant and equipment | 9 662 |
| Trade and other receivables | 1 963 |
| Cash and cash equivalents | 5 |
| Deferred tax | (96) |
| Trade and other payables | (99) |
| Bank overdraft | (353) |
| Loans to related parties | (60 576) |
| Total | <u>178</u> |
| Consideration paid | |
| Cash | (0)* |
| Net cash outflow on acquisition | (0)* |
| Consideration paid | (349) |
| Cash acquired | <u>(349)</u> |

*N\$100

Northern Namibian Development Company (Proprietary) Limited

On 1 April 2014 the Group acquired 100% of the voting equity interest of Northern Namibian Development Company (Pty) Limited which resulted in the group obtaining control over NNDC. NNDC is principally involved in the mining industry. As a result of the acquisition, the group is expecting to be a significant player in the diamond sector. It is also expecting to reduce costs through economies of scale. The shares were purchased for N\$100.

16. Going concern

The company's only subsidiary, NNDC, is currently the holder of an Exclusive Prospecting License under EPL2633. The company's license application is currently still under consideration by the Minister of Mines and Energy (Namibia). The Minister confirmed in their letter dated 30 November 2010 that the company's mining rights under EPL 2633 will continue to exist as long as the mining license is pending.

The directors are confident that the application for the Mining License will be successful.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations of the company and NNDC receives a mining license.

17. Events after the reporting period

The 100% owner (Mr Q van Rooyen) of the company, has signed a sale of shares agreement on 14 July 2015, with Trustco Resources (Proprietary) Limited (ultimate holding company Trustco Group Holdings Limited listed on the JSE and NSX) for N\$3.621 billion payable in equity of Trustco Group Holdings Limited (TTO), 772.1 million TTO shares at N\$4.69 per share. Per definition, the "Closing Date" of the transaction will be the date upon which the Mining License had been issued to the company in terms of the Mineral Act.

18. Related parties

| Relationship | |
|--|--|
| Subsidiaries | Northern Namibia Development Company (Pty) Ltd |
| Entities in which board members have significant interest | Trustco Group International (Pty) Ltd |
| | Next Investments (Pty) Ltd |
| | Trustco Air Services (Pty) Ltd |
| | Trustco News (Pty) Ltd |
| | Trustco Fleet Management Services (Pty) Ltd |
| | Foxtrot Properties (Pty) Ltd |
| | Portsmut Hunting Safaris (Pty) Ltd |
| | Namibia Medical Investments (Pty) Ltd |
| | Dolphin View 50 Langstrand (Pty) Ltd |
| | Othinge Investments (Pty) Ltd |
| | Morse |
| Directors | Q van Rooyen |
| | C van Rooyen |
| | Group 2015 |
| Related party balances | N\$'000 |
| Amounts included in trade receivable (trade payable) regarding related parties | |
| Trustco News (Pty) Ltd | (3) |
| Trustco Air Services (Pty) Ltd | (396) |
| Trustco Fleet Management Services (Pty) Ltd | 0 |
| Portsmut Hunting Safaris (Pty) Ltd | (154) |
| Related party transactions capitalised to intangible assets | |
| Rent paid to related parties | |
| Next Investments (Pty) Ltd | 290 |
| Charter fees paid to related party | |
| Trustco Air Services (Pty) Ltd | 1099 |
| Advertising paid to related parties | |
| Trustco News (Pty) Ltd | 6 |
| Expenses supported by related party | |
| Next Investments (Pty) Ltd | 8590 |