



TRUSTCO GROUP HOLDINGS LIMITED
Incorporated in the Republic of Namibia
(Registration number 2003/058)
NSX Share Code: TUC
JSE Share Code: TTO
ISIN Number: NA000AORF067
("Trustco" or "the Company")

ADDENDUM TO THE SHARE PURCHASE AGREEMENT AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. Introduction

Trustco shareholders ("**Shareholders**") are referred to the cautionary announcement published on the Stock Exchange News Service on 15 November 2016 ("**Cautionary Announcement**"), wherein they were advised that Trustco, Trustco Resources Proprietary Limited ("**Trustco Resources**" or "**Purchaser**"), Quinton van Rooyen ("**Seller**"), Huso Investments Proprietary Limited ("**Huso**"), Northern Namibian Development Company Proprietary Limited ("**NNDC**") and Morse Investments Proprietary Limited ("**Morse**") (collectively "**Parties**") were in discussions to amend, *inter alia*, the terms of the settlement of the consideration for the transaction whereby Trustco, through its subsidiary Trustco Resources, will acquire the entire shareholding in Huso ("**Huso Transaction**").

Details of the Huso Transaction were set out in the announcement dated 15 July 2015 and the circular dated 11 September 2015. The terms of the Huso Transaction were approved by Shareholders in general meeting on 5 October 2015. As noted in the announcement dated 5 October 2015, the Huso Transaction is still subject to the fulfilment of certain conditions.

Shareholders are advised that pursuant to the Cautionary Announcement, the Parties have now entered into an addendum ("**Addendum**") to the share purchase agreement ("**Agreement**") regarding the Huso Transaction.

2. Details of the amendments

Details of the material amendments arising from the Addendum ("**Amendments**") are set out below.

Purchase consideration

In terms of the Addendum the total purchase consideration shall remain as N\$3 621 149 000, payable by way of an issue of 772.1 million Trustco shares ("**Shares**") to the Seller, at an issue price of N\$4.69 per share.



The purchase consideration will now be settled as follows:

- an initial payment of N\$672 077 000, payable in 143.3 million Shares, as compensation for the transfer of Huso to Trustco will be payable within 30 days after the closing date of the Huso Transaction; and
- a fixed number of Shares will be payable to the Seller at any time during the payment term (being not later than nine years from the closing date of the Huso Transaction), upon Huso, Morse and NNDC reaching the following cumulative Earnings Before Interest, Tax, Depreciation and Amortisations After Stock Adjustments (“EBITDAASA”) targets:

Event	EBITDAASA target N\$'000 000	Number of Shares '000 000
Upon reaching the first EBITDAASA target of	250	120.2
Upon reaching the second EBITDAASA target of	250	120.2
Upon reaching the third EBITDAASA target of	250	120.2
Upon Reaching the fourth EBITDAASA target of	250	120.2
Upon reaching the final EBITDAASA target of	308.1	148.0
Total	1 308.1	628.8

Indemnity

The Seller will indemnify the Purchaser against any financial loss up to USD 25 million for a period of four years as set out in the agreements relating to EL: 07/2015 in Sierra Leone, referred to in the announcement dated 23 August 2016.

Guarantee

The guarantee by the Seller, recorded in paragraph 6.2.19.1 of the Agreement, of the minimum average EBITDAASA, being the contribution from NNDC and Morse to the Purchaser over the first three-year period, was removed.

Right to terminate

The provision, recorded in paragraph 7.1 of the Agreement, that the Purchaser shall have the right to terminate the Agreement on 6 month’s written notice to the Seller, if, during the first three years of the tenure of the Agreement positive annual EBITDAASA per share contribution to the newly issued shares are not achieved or confirmed Mineral Resources fall lower than 350 000 carats, minus carats mined during the previous year was removed. This was replaced with the provision that either party has the right to terminate the Agreement on 6 month’s written notice should either Party commit a breach of the Agreement.



3. Rationale for the Amendments

In light of the current positive drilling results from the Meya mine in Sierra Leone and its exclusive off-take agreement with Huso's diamond polishing factory operated by Morse, the outlook and mix of profitability underpinning the original Huso Transaction is expected to improve.

Given this positive change in the financial forecast, the Parties have agreed to align the settlement of the purchase consideration for the Huso Transaction with the meeting of financial targets, and to adjust the timing to allow for accelerated and improved profitability in the group's resources segment.

The board is of the view that the amendment of the terms of the Huso Transaction and the aligning the settlement of the purchase consideration with financial targets rather than the proving of a Mineral Resource is more beneficial to Shareholders.

4. Circular to Shareholders

As the Huso Transaction has been approved by Shareholders in general meeting and the Seller is a related party as defined in the JSE Limited Listings Requirements ("Listings Requirements"), the Amendments require Shareholder approval by the passing of an ordinary resolution ("**Ordinary Resolution**") in general meeting. Consequently, a circular regarding the Amendments and a notice convening a general meeting will be posted to Shareholders in due course.

In accordance with the Listings Requirements, the Seller and his associates will be excluded from voting on the Ordinary Resolution. To date, the majority of Shareholders, excluding the Seller and his associates, have provided irrevocable undertakings to vote in favour of the Amendments.

5. Withdrawal of cautionary announcement

Further to the information set out in this announcement regarding the Amendments, caution is no longer required to be exercised by Shareholders when dealing in their Shares.

Windhoek
17 November 2016

By order of the Board

Amanda Bruyns
Company Secretary: Trustco Group Holdings Limited – Windhoek

JSE Sponsor: Sasfin Capital (A division of Sasfin Bank Limited)

NSX Sponsor: Simonis Storm Securities (Pty) Ltd