



TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia

(Registration number 2003/058)

Registered as an external company in South Africa

(External registration number 2009/002634/10)

NSX share code: TUC

JSE share code: TTO

OTCQX share code: TSCHY

ISIN Number: NA000A0RF067

(“Trustco” or “Company”)

Term sheet entered into in terms of which SJSL Investments Limited (“SJSL”) shall have the option to become up to a 70% shareholder in Meya Mining Limited (“Meya”) for a total subscription amount of up to USD 50 million

Trustco shareholders (**“Shareholders”**) are advised that Trustco Resources (Mauritius) (**“Trustco Resources”**) a 100% owned subsidiary of Trustco Resources (Proprietary) Limited and Meya a 65% owned subsidiary of Trustco Resources, Germinate (SL) Limited (**“Germinate”**) a 35% shareholder of Meya and SJSL (**“the Parties”**) entered into term sheets (**“Term sheet”**) on 24 June 2022 and 1 August 2022 (**“Signature Date”**) in terms of which SJSL shall subscribe for such number of shares (**“Subscription Shares”**) in Meya that it shall have an option to become up to a 70% shareholder in Meya for a maximum subscription amount of USD 50 million (**“the Transaction”**).

It is important to note that the Term Sheet is subject to definitive agreements being concluded as well as the conditions set out below.

As at the date of this announcement, the exchange rate between USD and NAD is 16.5796.

The Transaction will be executed in 7 tranches, as set out in paragraph 1 and 2 below.

Tranche 1-5 shall be executed via a subscription of the Subscription Shares (“**the Subscription Transaction**”), and tranche 6-7 shall be executed via SJSL exercising its option will allow SJSL to be part of the subscription for the Subscription Share (“**the Option Transaction**”).

The proposed terms of the Transaction are set out below:

1. The Transaction

SJSL, or its nominee, shall be issued and allotted the following percentage of Subscription Shares upon payment of the prescribed subscription price on the prescribed dates subject to the prescribed conditions as set out below.

Tranche	Subscription Date	Subscription Price US\$	Percentage of the Total Share Capital of Meya
1	Within 5 days of the Signature Date of the Term Sheet	750 000	2.5%
2	Within 5 days of consent (“Consent”) from Meya funders to reschedule repayments by extending the repayments start date by 12 months.	750 000	Additional 2.5%
3	Within 30 days of the Consent.	1 500 000	Additional 4.3%
4	16 August 2022	500 000	Additional 1.4%
5	26 August 2022	1 500 000	Additional 4.3%
6	SJSL have the option, at its election, to subscribe to an additional 15% of Subscription Shares. The option should be exercised no later than 15 September 2022.	5 000 000	Additional 15%
7	SJSL have the option, at its election, to subscribe to an additional 40% of Subscription Shares. The option should be exercised no later than 90 days from the date	40 000 000	Additional 40%

	that the Meya River Resource Statement had been signed off by SRK Consulting (Canada).		
	TOTAL	50 000 000	70%

2. Option Conditions

2.1 Tranche 6 (“Sixth Tranche”)

SJSL shall be issued with an option (“**Sixth Tranche Option**”) allowing SJSL, at its election, to exercise such Sixth Tranche Option and be issued with an additional 15% of Subscription Shares (“**Sixth Tranche Subscription Shares**”) such that it shall be a 30% shareholder of Meya, post such issuance, for a subscription price of USD 5 000 000 (“**Sixth Tranche Subscription Proceeds**”), subject to the following:

- 2.1.1 The Sixth Tranche Option is capable of being exercised by SJSL in its sole capacity;
- 2.1.2 The Sixth Tranche Option is only capable of being exercised by SJSL issuing written notice (“**Sixth Tranche Exercise Notice**”) to Meya of its intention to do so, provided such Sixth Tranche Exercise Notice is provided to Meya on or before 15 September 2022; and
- 2.1.3 Should SJSL elect to exercise the Sixth Tranche Option, the Sixth Tranche Subscription Proceeds shall be payable within 2 days of the provision of the Sixth Tranche Exercise Notice.

2.2 Tranche 7 (“Seventh Tranche”)

SJSL shall be issued with an option (“**Seventh Tranche Option**”) allowing SJSL, at its election, to exercise such Seventh Tranche Option and be issued with an additional 40% of Subscription Shares such that it shall be a 70% shareholder of Meya, post such issuance, for a subscription price of USD 40 000 000 (“**Seventh Tranche Subscription Proceeds**”), subject to the following:

- 2.2.1 The Seventh Tranche Option is capable of being exercised by SJSL in its sole capacity;
- 2.2.2 The Seventh Tranche Option is only capable of being exercised by SJSL issuing written notice (“**Seventh Tranche Exercise Notice**”) to Meya of its intention to do so provided

such Seventh Tranche Exercise Notice is provided to Meya on or the date falling 90 days of the completion of a resource statement (“**Meya Resource Statement**”) by SRK Canada which Resource Statement shall be compliant with the National Instrument 43-101 standard and be completed within 180 days of the Signature Date; and

2.2.3 Should SJSL elect to exercise the Seventh Tranche Option, the Seventh Tranche Subscription Proceeds shall be payable within 2 days of the provision of the Seventh Tranche Exercise Notice.

2.3 Re-purchase of Subscription Shares by Meya

If SJSL does not exercise its option to purchase the additional Subscription Shares in accordance with tranches 6 and 7, then Meya Shareholders shall be entitled to re-purchase the Subscription Shares issued to SJSL for the total amount paid as subscription monies by SJSL to Meya.

2.4 Disposal of Subscription Shares by SJSL

If SJSL does not exercise its option to purchase the additional Subscription Shares in accordance with tranches 6 and 7, then SJSL shall be entitled to dispose of the Subscription Shares issued to it for the total amount paid as subscription monies by SJSL to Meya.

3. Use of funds

The proceeds from the Transaction shall be used as follows:

- 3.1.1 Proceeds from the first and second tranches, and if required a portion of the proceeds from the third and fourth tranches shall be used to fund the Meya Resource Statement.
- 3.1.2 The balance of the proceeds from the Subscription Proceeds shall be used for the implementing of the Mine Plan and increase production.

4. Rationale for the Transaction

The rationale for the Transaction includes:

- 4.1 Trustco transitioned from managing fully-owned and operated businesses, to an investment entity which invests in a diverse portfolio of companies operating within

the emerging markets. This transaction enables Trustco to partially exit its investment in Meya in accordance with the Group's investment strategy.

- 4.2 The Transaction would enable Meya to scale production at an accelerated pace.
- 4.3 This would allow Trustco to re-balance the bigger investment portfolio.

5. Description of Meya Mining

MeYa Mining is registered in the Republic of Mauritius and holds and operates a diamond mine within the eastern province of Sierra Leone, under a large-scale mining licence, ML 02/2019 covering an area of 129.38 km². Its primary focus is to implement MeYa's underground mine plan in accordance with the 15 year mine design and schedule as reviewed by SRK. MeYa's initial exploration programme in Sierra Leone indicates a resource of 7 million carats, which underpins the above mentioned 15 year mine plan.

MeYa initiated the underground mine development in January 2021, with the first blast at the Portal (access) on the 11th of February 2022. At the current development rate, MeYa will extract the first ore from the underground mine in September 2022 and the first diamonds to the market by November 2022.

6. Conditions Precedent

The Transaction will be subject to fulfilment of the following conditions precedent:

- 6.1 SJSL board and the shareholders approving the Transaction;
- 6.2 in SJSL's opinion, there being no material adverse change in the business, operations, assets, position (financial, trading or otherwise), profits or prospects of MeYa;
- 6.3 Completion of the necessary legally binding and definitive agreements in accordance with the Term Sheet (collectively, the "**Transaction Documents**") which Transaction Documents shall be executed as soon as practically possible.
- 6.4 No legislation or regulation being proposed or passed that would prohibit or materially restrict the implementation of the Transaction Documents or the participation in the Joint Venture of SJSL;
- 6.5 such other conditions precedent as may be required by SJSL to properly implement the Transaction.

7. Warranties and other Significant Terms of the Agreement

The Term Sheet contains warranties which are standard for a transaction of this nature.

8. Financial Information

The value of the net assets of Meya, sourced from Trustco's audited results for the 11 months ended 31 August 2021 ("**Trustco Results**"), was N\$ 1 186 637 000.

The loss attributable to Meya as sourced from the Trustco Results was N\$ 331 900 000.

The aforementioned Trustco Results were audited and were prepared in terms of IFRS.

9. Classification of the Transaction

The Transaction is classified as a category 1 transaction in terms of section 9 of the Listings Requirements of JSE Limited and accordingly is required to be approved by an ordinary resolution of Trustco shareholders.

10. Circular

A circular containing the full details of the Transaction, incorporating a notice convening the required general meeting of Trustco shareholders will be distributed to Trustco shareholders in due course at which time the salient dates and times of the Transaction, including the date of the general meeting, will be announced on SENS.

11. Withdrawal of cautionary

Shareholders are referred to the cautionary announcement released on SENS on 30 June 2022 and are advised that as terms of the Transaction have been announced, such cautionary announcement is herewith withdrawn and shareholders are advised that caution is no longer required to be exercised when dealing in the Company's securities in relation to the Transaction.

Shareholders are however advised that the cautionary announcement dated 11 October 2021 regarding the agreement ("**Management Agreement**") entered into between Next



Capital Ltd (“**Next**”) and Trustco in terms of which Next has been appointed to provide the management services to Trustco, has not been withdrawn yet and will be renewed in due course.

Windhoek, Namibia,

4 August 2022

Komada Holdings (Pty) Ltd

Company Secretary and Investor Relations Services to Trustco Group Holdings Limited

JSE Sponsor

Vunani Sponsors

NSX Sponsor

Simonis Storm Securities Proprietary Limited – Windhoek

OTCQX Sponsor

J.P Galda & Co – New York