

JCI Limited (“the Company” or “JCI”)

COMMUNICATION UPDATE TO SHAREHOLDERS REGARDING LEGAL MATTERS AND PROGRESS ON FINANCIAL STATEMENTS

17 August 2015

Randgold and Exploration Company Limited matter:

During 2008 Randgold and Exploration Company Limited (“Randgold”) and African Strategic Investment (Holdings) Limited [formerly known as Randgold Resources Holdings Limited] (as plaintiffs) instituted 5 claims against Gold Fields Operations Limited [formerly known as Western Areas Limited], as defendant (“Gold Fields”). The causes of action arose out of the alleged misappropriation of shares issued in Randgold Resources Limited and Afrikander Lease Limited during the Brett Kebble Era. The relief claimed is for damages allegedly suffered by the plaintiffs and includes sums representing the value of the misappropriated shares (at several alternative dates) or the proceeds from the disposal thereof, together with interest and costs.

This action was held in abeyance between the plaintiffs and defendant for some 6 years - **that is until March 2015 when Gold Fields joined JCI Limited (“JCI”) as a third party to the action**, claiming that (if Gold Fields is declared to be liable to the plaintiffs for the alleged misappropriation of the shares – which it denies) then JCI (and others) should be declared to be joint wrongdoers with Gold Fields in respect thereof, and that to the extent that Gold Fields (as defendant) is declared liable to the plaintiffs, it is entitled to recover from JCI (if **it is found to be a joint wrongdoer) a contribution in respect of JCI’s responsibility for the damages allegedly suffered by the plaintiffs, together with interest and costs.**

JCI has instructed its attorneys to attend to the matter, and they have delivered a plea on **JCI’s behalf to the Gold Fields’ third party notice** during June 2015, and in which JCI has inter alia -

- denied that it is a joint wrongdoer with Gold Fields (as alleged);
- disputed that the alleged misappropriations of the shares (even if established) is attributable to it;
- contended that the claim has in any event (even if established) prescribed or lapsed due to the inordinate delay in prosecuting the claims;
- agreed to abide the decision of the court (if the claim is established and found not to have prescribed or lapsed), against (and because of) an indemnity furnished by Rand Gold to JCI in terms of which JCI will be indemnified by Rand Gold in respect of any amount for which JCI, and may be held to be liable as a contribution to Gold Fields, together with costs.

Copies of pleadings exchanged thus far are available for inspection and copying at JCI’s offices during normal business hours.

Charles Orbach matter:

As previously reported, this matter concerns a claim instituted by Consolidated Mining Management Services Limited (being a subsidiary of JCI Limited) against its former statutory auditors, Charles Orbach and Company, for damages in the amount of R321 million, together with interest thereon and costs, arising out of what is alleged to have been breaches by the defendant of its duties in respect of the statutory audit for the financial year ending 31 March 2004. The damages are constituted, inter alia, by losses sustained in various scrip lending transactions concluded during the Brett Kebble era.

This action - in which senior counsel and experts are employed - is presently being worked-up for trial. We are hopeful for a special allocation for hearing in the later part of 2016.

Black Bear Resources Limited matter:

On 13 July 2015 Black Bear Resources Limited's ("Black Bear") 326 173 387 shares in JCI Limited were sold by public auction, fetching an amount of R600,000. The proceeds from **this public auction will be applied against Black Bear's indebtedness to JCI Limited**, pursuant to various costs orders entered against Black Bear.

JCI Limited Annual Financial Statements:

The Company has previously reported on the progress of finalising the Annual Financial Statements. Discussions are continuing with the South African Revenue Services and as soon as the tax matters are resolved the Company will be in a position to complete the outstanding Annual Financial Statements. Shareholders will be kept advised on progress.