

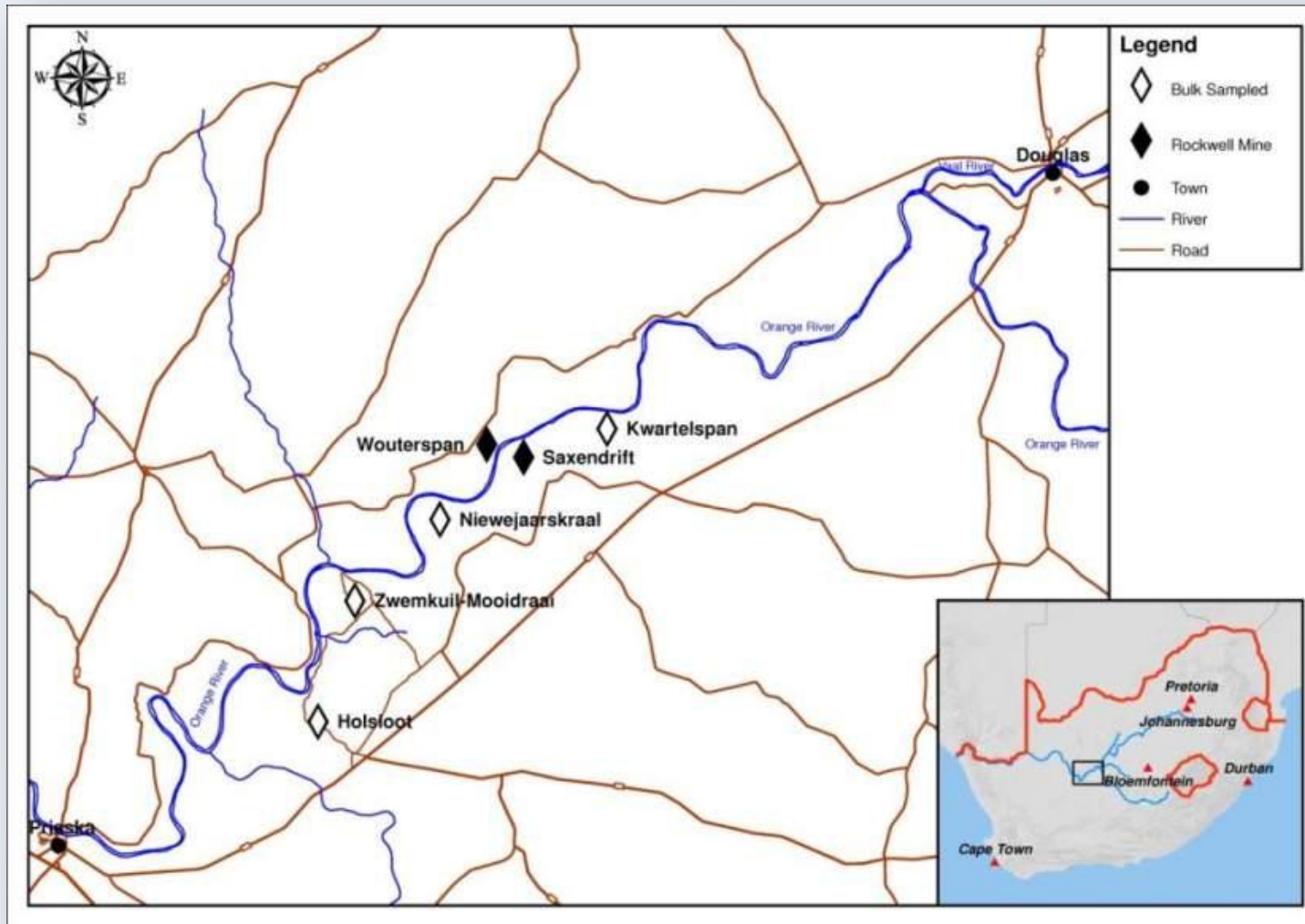
Middle Orange River operations: Nieuwejaarskraal



Nieuwejaarskraal property

- Located in the Northern Cape Province of South Africa
 - Along the south bank of the middle Orange River between Douglas and Prieska
- Area has been the site of intense alluvial diamond activity since the 19th century
- Middle Orange River, especially the stretch between Douglas and Prieska are historically important diamond mining centres
 - Alluvial deposits have been mined here for over 100 years
- Project lies 13km downstream of Saxendrift Mine, approximately 66km southwest of Douglas
- 110km southwest of Kimberley, the administrative capital of the Northern Cape Province and the historic centre of the South African diamond mining industry

Location of Nieuwejaarskraal project: Northern Cape Province



Nieuwejaarskraal plans for new production plant

- New high-volume processing plants planned
 - Latest diamond recovery technologies which are significantly more efficient than traditional DMS and pan plant configurations
- Intention to deploy high-volume X-ray technology being implemented at Saxendrift to achieve efficiency improvements over current flow sheets
- Timing predicated on availability of funding but unlikely to commence before the end of fiscal 2012



Nieuwejaarskraal mineral rights

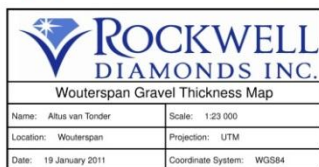
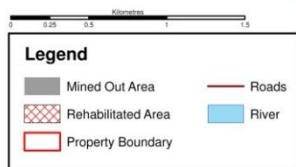
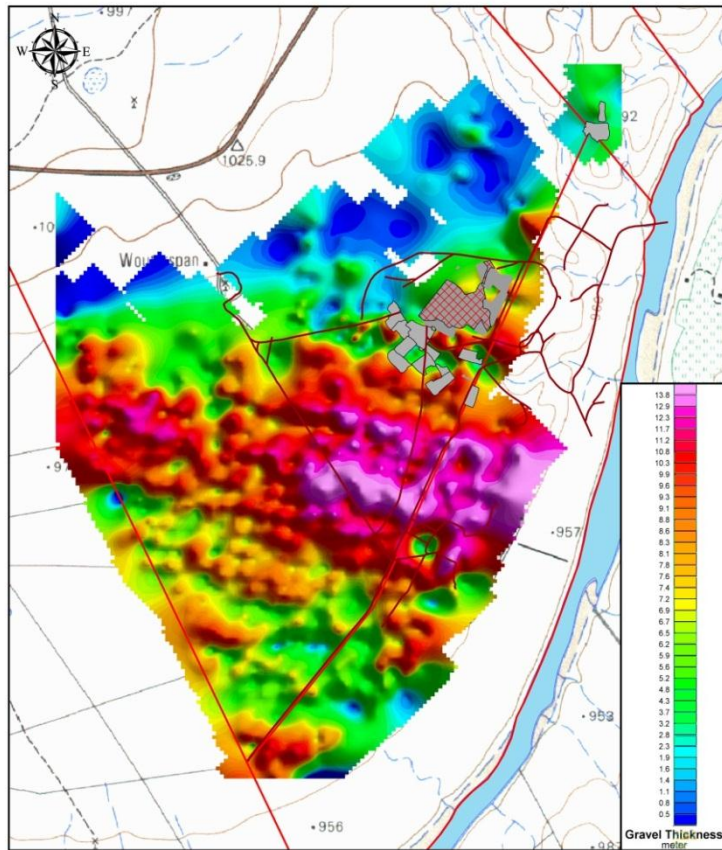
- Ten year Mining Right granted in April 2006
 - Expires in 11 April 2016, subject to ability for renewal in terms of provisions of Section 18 of MPRDA
- Ministerial consent in terms of Section 11 of MPRDA obtained and converted mining right ceded and executed in February 2009
 - Registered in Mining Titles Registration Office in March 2009
- All mining activities are to be conducted by Saxendrift Mine (Pty) Ltd



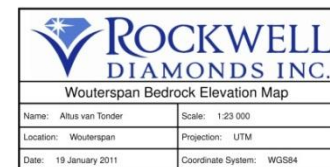
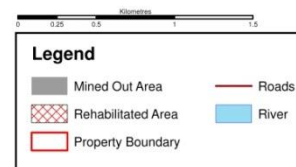
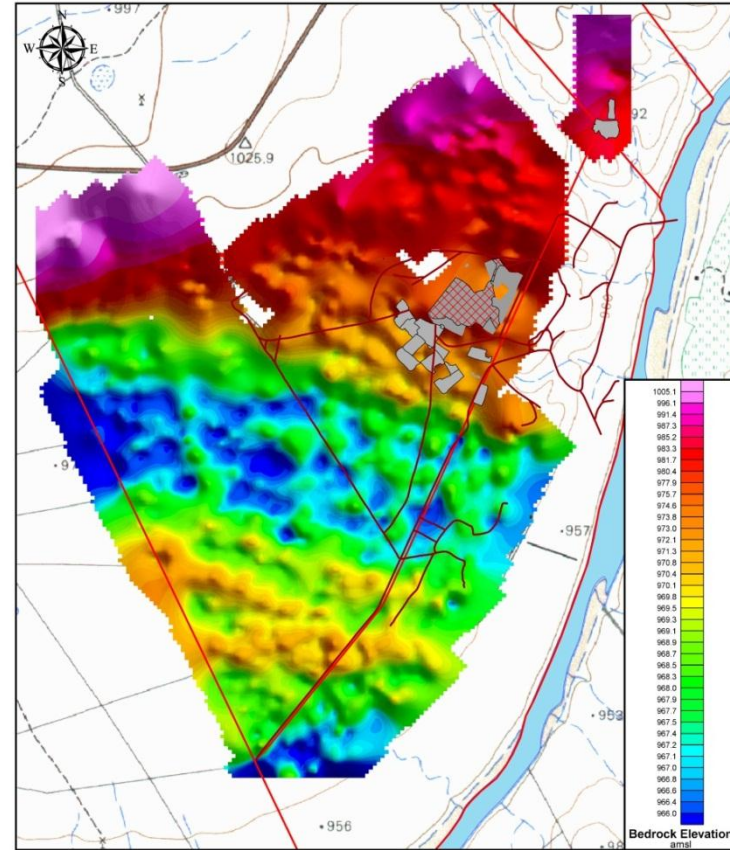
Nieuwejaarskraal geological setting

- Three terraces (A, B, and C) known to exist on mine property
 - Occurring at progressively lower elevations on northwest slope
- Bedrock well exposed in workings and shale and tillite of the Karoo age Dwyka Group
 - Displays an irregular erosional surface with gully and pothole features creating high diamond trapping potential
- Palaeochannel depositional packages of Middle Orange River are preserved at different elevations above the present Orange River bed, namely:
 - Lower (+20m or C) Terrace: 0-30m
 - Intermediate (or B) Terrace: 30-60m
 - Upper (+70m or A) Terrace: 60-90m
 - High Terrace: + 110m

Wouterspan geological maps



Gravel Thickness



Bedrock Elevation

Nieuwejaarskraal reserves

Property	Category	Volume (m ³)	Grade	Value (USD/ct)	
		Feb 28 2011	(ct/100m ³)	43-101	FY2011
Nieuwejaarskraal	Inferred	20,630,000	0.84	\$2,029	

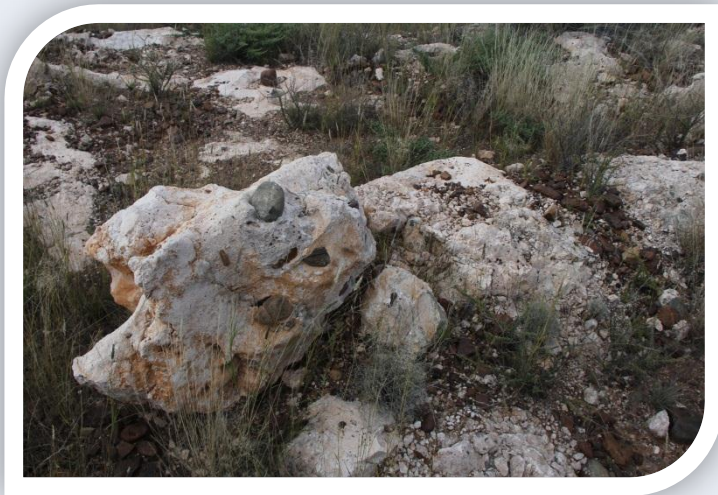


Nieuwejaarskraal resource over time: grade and carat values

- Full scale operations commissioned in August 2002 and put on care and maintenance in December 2005
 - 760,000m³ of gravel mined and 800,000t processed through DMS plant at average recovered grade of 1.26ct/100m³
 - 8,456cts recovered (by Trans Hex) from terrace A Rooikoppie gravels sold at similar prices to Saxendrift production
- Work done by RDI on neighbouring Saxendrift mine led to increased diamond recoveries
 - Expected average grade increased from 0.8ct/100m³ to average of 1.3ct/100m³
 - Similar improvements feasible at Nieuwejaarskraal from applying same methods
- Historic similarity of diamond values between Nieuwejaarskraal and Saxendrift suggests that carats value of USD2,029/ct for the Nieuwejaarskraal project (at inferred resource classification) is reasonable

Niewejaarskraal diamond size distribution

- Cumulative Size Frequency Distribution of production from terrace A deposits on Niewejaarskraal project and Saxendrift mine indicates similar characteristics of diamond population
- Niewejaarskraal only mined Rooikoppie gravels under Trans Hex's tenure
 - Extrapolating results of Saxendrift Mine diamond production from both fluvial alluvial gravels and Rooikoppie gravels implies similar frequency distributions for Niewejaarskraal



Life of Mine

- Preliminary estimation of six year mine life based on inferred mineral resources only
- Exploration targets or additional property acquisitions would increase LOM
- On-going exploration to identify additional resources on B terrace expected to lengthen LOM
- Not considered in estimated life-of-mine plan due to speculative nature of these exploration targets



Nieuwejaarskraal rehabilitation

- Rehabilitation liabilities estimated by Trans Hex in December 2005 for sudden closure and planned closure or decommissioning, as required by DME
 - R4,3m currently held as a guarantee in name of Trans Hex
 - Rockwell created a single trust fund to cover rehabilitation guarantees for all Saxendrift project properties
 - In process of replacing all Trans Hex guarantees with Rockwell guarantees



Niewejaarskraal : Economic analysis

Niewejaarskraal Preliminary Assessment: Key Parameters

Inferred Resources	20,630,000 m ³
Average Grade	0.84 ct/100 m ³
Average sales value	USD 2,029/ct
Proposed monthly throughput	340,000 m ³
Proposed mine life (inferred resources)	6 years
Operating Costs	ZAR 45/m ³
Mining Royalties	0.5-7%
Capital required to bring mine into production	ZAR 130,000,000
Earthmoving fleet budget	N/A
Tax	28%

Key Results

	Base Case	10% Price Escalation
IRR	123%	183%
NPV at discount values of:		
15%	ZAR 450,000,000	ZAR 1,067,000,000
20%	ZAR 369,000,000	ZAR 869,000,000
25%	ZAR 304,000,000	ZAR 715,000,000

Niewejaarskraal : Independent valuation value (100%)

- Conducted by Evans & Evans Inc. (Vancouver, Canada), July 2011
- DCF methodology with WACC ranging between 25.4% and 29.0%
- Assuming 5 year LOM
- Resources, grades and carat prices based on NI 43-101 reports
 - Diamond prices inflating at 4% p.a.
- Fair market value for 100% of Niewejaarskraal:
 - Determined to be ranging from \$50.5m to \$57.4m