



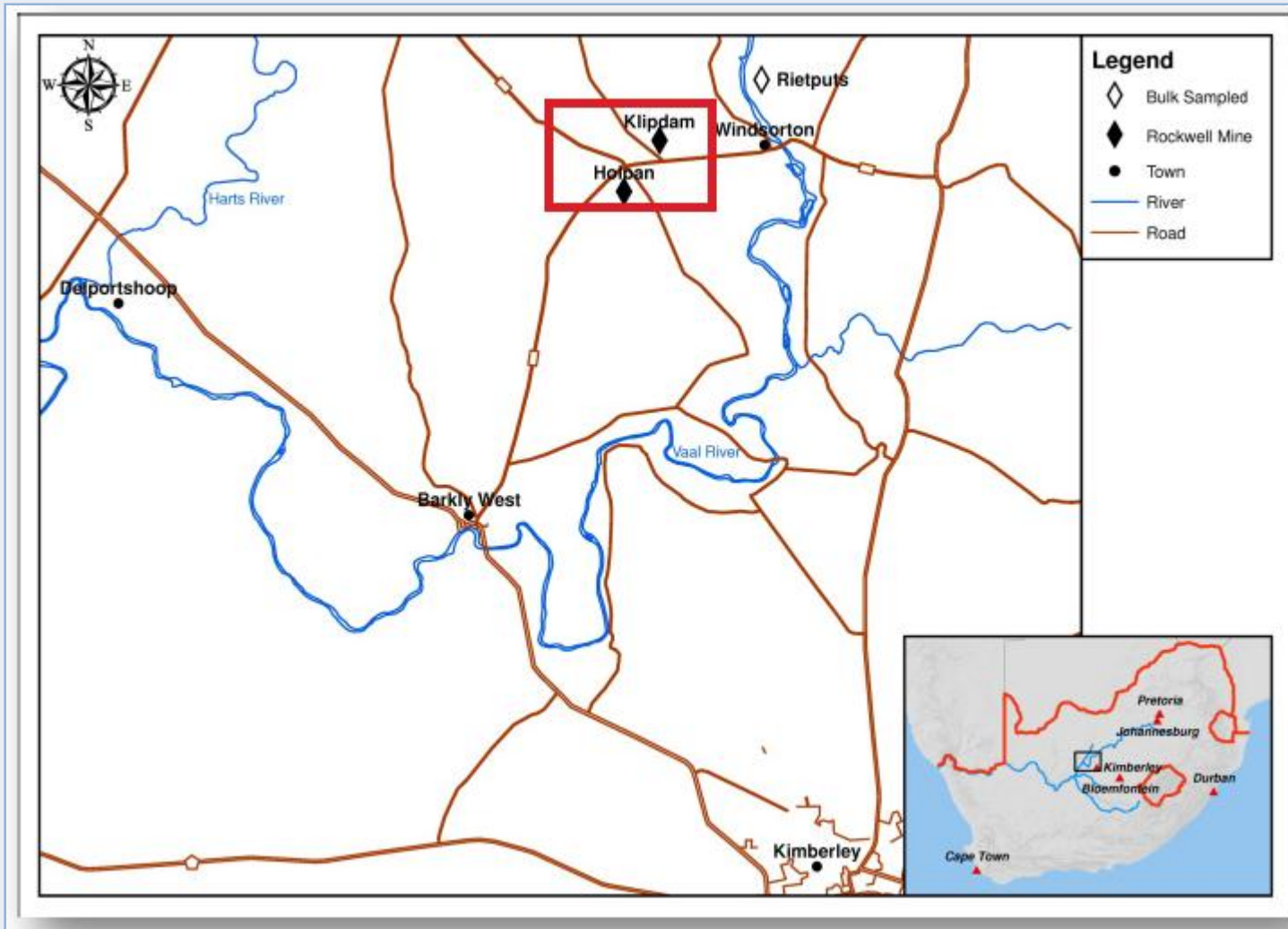
Vaal River operations: Klipdam mine



Klipdam property

- Situated in the Barkly West District of the Northern Cape Province
 - Approximately 45km NNW of Kimberley and some 770km from Johannesburg
- Barkly West district including the towns of Barkly West and Windsorton are important historical diamond mining centres
 - Alluvial and kimberlite deposits have been mined for over 100 years
- Located some 6km west of the Vaal River on a well-defined palaeochannel of Tertiary (presumed early-Miocene) age
 - Comprised of the Klipdam and Holpan (on care and maintenance) mining properties and the Erf 1 and Erf 2004 prospecting properties

Location of the Klipdam project: Northern Cape



Klipdam mineral rights

- Application for Conversion of Old Order Mining Right accepted by DMR June 2004 and converted December 2007 (Valid to December 2022)
- Klipdam Diamond Mining Co (KDMC), a wholly owned subsidiary of Rockwell owns the right
 - Applied for section 11 cession to cede converted right to HCVWD in May 2008
 - Updated EMPR submitted to DMR in April 2010 is awaiting approval

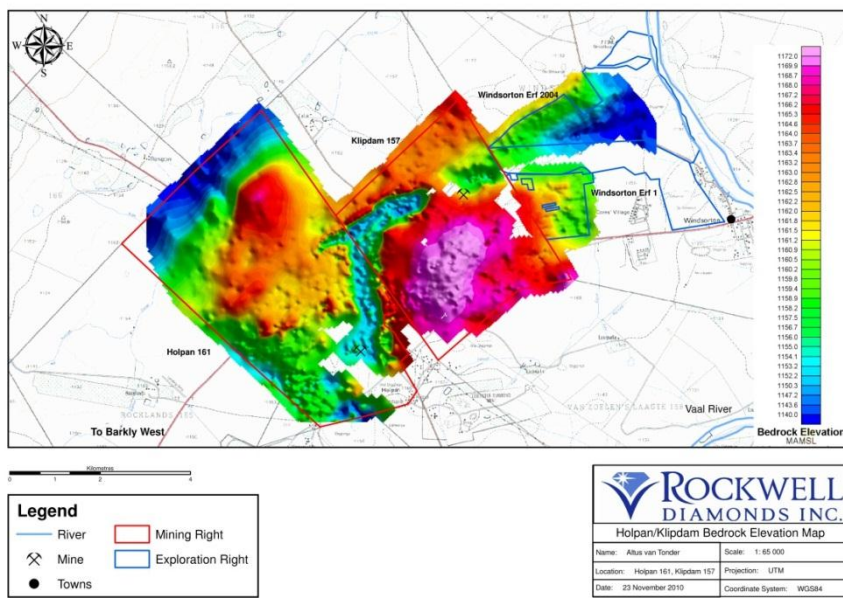


Klipdam geological setting

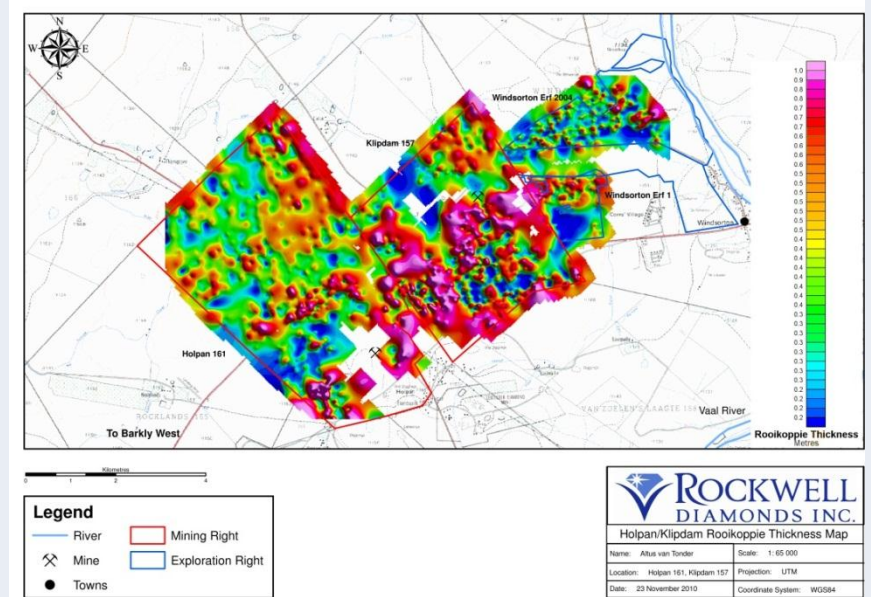
- Alluvial diamond deposits comprise well developed palaeochannel features containing extensive coarse gravel sequences which are capped by calcretised sand and silt layers and a few coarser gravel lenses
- Extensive colluvial Rooikoppie layer blanketing land surface surrounding Klipdam palaeochannel
- Bedrock is primarily Ventersdorp lava and with pseudokarst solution features frequently filled with Rooikoppie gravels



Klipdam geological maps



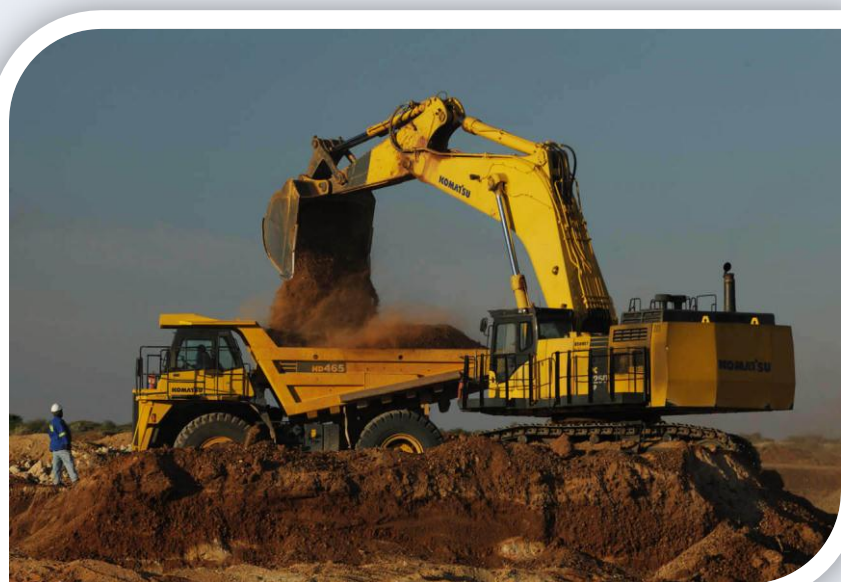
Bedrock Elevation



Rooikoppie Thickness

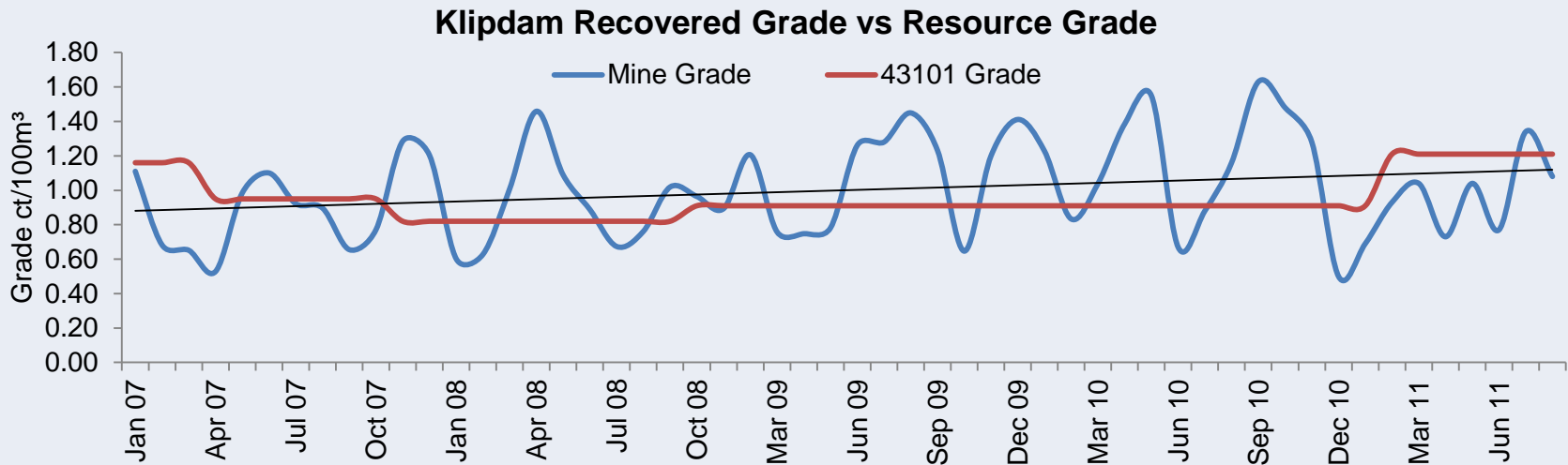
Klipdam reserves and grades

Property	Category	Volume (m ³)	Grade	Value (USD/ct)	
		Feb 28 2011	(ct/100m ³)	43-101	FY2011
Klipdam	Indicated	1,907,900	1.21	\$1,049	\$1,119
	Inferred	949,000			



Klipdam resource over time: grade and carat value

- February 2009 – November 2010: 30,660ct sold for combined average of USD804/ct



- ▶ Diamond size distribution
 - ▶ Upper size of gravels for final recovery plant is 40mm
 - ▶ Allowing recovery of diamonds up to 590ct
 - ▶ Lower economic cut-off is estimated at 2mm

Life of Mine

- At current mining/processing rate of 160,000m³/month at 85% of plant design mining could continue for further 3.2 years
 - However costs of mining paleao channel uneconomical at present
- On-going exploration to convert inferred resources to indicated resources on the mine properties and identification of additional resources on Erfs 1 and 2004 will also affect downstream life of the mine



Klipdam rehabilitation

- Rehabilitation guarantees are held in five year term deposit
 - R150,000 deposited monthly with total funds of R4.0m
- Additional investment policies amounting to R6,0m to secure DME and Eskom guarantees

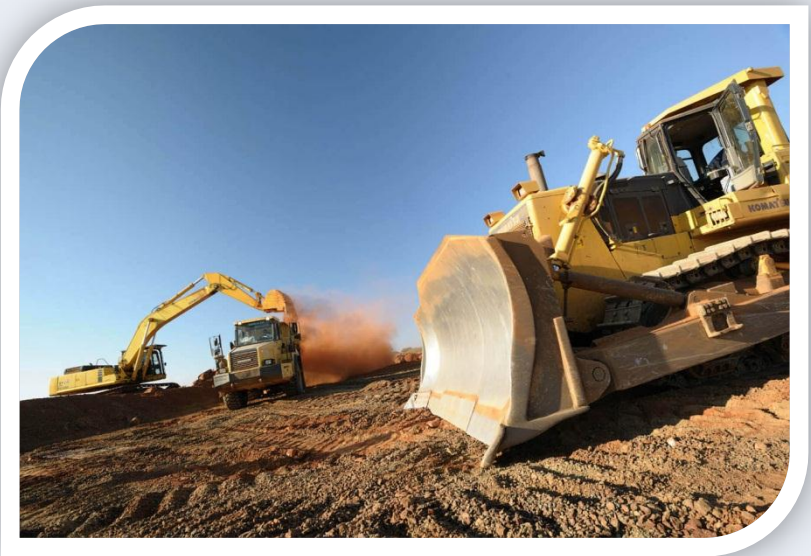


Klipdam financial information (fiscal 2011)

Volume (m ³)	891,609
Carats	7,469
Average grade (Carats per 100m ³)	0.96
Sales (Carats)	8,008
Value of sales (US\$)	9,622,911
Average Value (US\$ per carat)	1,202

Klipdam: Independent valuation value (100%)

- Conducted by Evans & Evans Inc. (Vancouver, Canada), July 2011
- DCF methodology with WACC ranging between 22.4% and 25.0%
- Assuming 1 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 Klipdam:
 - Determined to be approximately \$4.9m



Klipdam turnaround initiatives

- Mining migrated from paleo channel to mine to Rooikoppie gravels
 - Diamonds can be recovered at significantly lower unit cost
- Potential LOM to be extended beyond the one year life previously reported

