

ROCKWELL DIAMONDS INC.
MANAGEMENT INFORMATION CIRCULAR

For Annual General and Special Meeting

Date: July 25, 2014

**Place: 1500-1055 West Georgia Street,
Vancouver, B.C., Canada**

Dated this 16th day of June, 2014

containing information as at June 16, 2014 unless otherwise indicated

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ROCKWELL DIAMONDS INC.

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INFORMATION CIRCULAR

Unless otherwise indicated, this Information Circular (the “**Circular**”) contains information as at June 16, 2014.

GENERAL INFORMATION

This Circular is being furnished in connection with the solicitation of proxies by management of Rockwell Diamonds Inc. (the “**Company**” or “**Rockwell**”) for use at the annual general and special meeting of shareholders (the “**Meeting**”) to be held on July 25, 2014 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

“Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

Unless otherwise stated, all dollar amounts in this Circular are expressed in Canadian dollars.

No person is authorized to give any information or to make any representation not contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or proxy solicitation.

PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of the Company, for use at the Meeting, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

Persons or Companies Making Solicitation

The enclosed Instrument of Proxy (“**Instrument of Proxy**”) is solicited by management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the Instrument of Proxy. Solicitation may be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by management as set forth in this Circular.

Appointment and Revocation of Proxies

The persons named in the accompanying Instrument of Proxy are directors and or officers of the Company. **A shareholder has the right to appoint a person, other than the persons named in the enclosed Instrument of Proxy, to attend and act for him on his behalf at the Meeting. To exercise this right, a shareholder must strike out the names of the persons named in the Instrument of Proxy and insert the name of his nominee in the blank space provided, or complete another Instrument of Proxy. To be effective, the completed Instrument of Proxy must be deposited with the Registrar and Transfer Agent, Computershare Investor Services Inc., as set out below.**

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed Instrument of Proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (b) using a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed Instrument of Proxy for the toll free number, the holder’s account number and the proxy access number; or
- (c) using the internet through the website of the Company’s transfer agent at www.computershare.com/proxy. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed Instrument of Proxy for the holder’s account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 "Communication with Beneficial Owners of Securities of a Reporting Issuer" that permit it to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from our transfer agent, Computershare Trust Company of Canada ("**Computershare**"). The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These security holder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and are being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended, (the “BCA”), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Notice to Shareholders in South Africa

Shareholders on the South African Register must only complete the SA proxy form.

Please take careful note of the following provisions regarding the action required by a Rockwell shareholder registered on the Rockwell South African Register:

1. If you have disposed of your Common Shares in Rockwell, please forward this Circular to the purchaser of such shares or the CSDP, broker or agent through whom you disposed of such shares.

The Meeting convened in terms of this Circular will be held on Friday, July 25, 2014 at 10:00 a.m. Vancouver, British Columbia, Canada time at the Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada.

2. The Meeting

- Certificated Shareholders and “own name” dematerialised Shareholders.

You are entitled to attend, or be represented by proxy, at the Meeting.

If you are the registered holder of certificated Rockwell Common Shares or you hold dematerialised Rockwell shares in your own name and if you are unable to attend the Meeting of Rockwell shareholders convened in terms of this Circular and wish to be represented at the Meeting, you must complete and return the attached form of proxy in accordance with the instructions therein so as to be received by the South African transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by no later than 10:00 a.m. (local time) on Wednesday, July 23, 2014.

- Dematerialised Shareholders other than with “own name” registration

If you do not hold your dematerialised Rockwell shares in your own name, you must provide your CSDP or broker with your voting instructions in terms of the custody agreement entered into with your CSDP or broker. Alternatively, if you wish to attend the Meeting in person, you must request your CSDP or broker to provide you with a letter of representation to authorise you to attend and vote your shares in terms of the custody agreement with your CSDP or broker.

Voting and Exercises of Discretion by Proxies

The Instrument of Proxy affords the Shareholder an opportunity to specify that the Common Shares registered in their name shall be voted or withheld from voting in respect of the election of directors and the appointment of auditors. The Instrument of Proxy also affords the Shareholder the opportunity to specify that the Common Shares registered in their name shall be voted in favour of or against any

resolutions proposed for approval at the Meeting in accordance with such direction.

On any ballot that may be called for, the Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in respect of the election of directors and the appointment of auditors and voted in favour of or against the resolution authorizing the directors to fix the remuneration of the auditors, in each case in accordance with the specifications made by Shareholders in the manner referred to above.

In the absence of any direction in the Instrument of Proxy, it is intended if management's proxy holders are selected, that such shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular. The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters, which may properly be brought before the Meeting. At the time of printing this Circular, management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters, which are not now known to management, should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Common Shares are listed for trading in Canada on the Toronto Stock Exchange (the "TSX") under the symbol RDI and in the Republic of South Africa on the Johannesburg Stock Exchange (the "JSE") under the symbol RDI.

The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares.

As of June 16, 2014 there were 53,523,244 Common Shares issued and outstanding, each Common Share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each Common Share of which he is the holder. As at the date hereof there are no preferred shares issued or outstanding.

The board of directors (the "Board") of the Company has fixed June 16, 2014 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record on the close of business on the Record Date who either personally attend the Meeting or who complete and deliver a proxy in the manner and subject to the provisions set out under the heading Appointment and Revocation of Proxies above will be entitled to have his or her Common Shares voted at the Meeting or any adjournment thereof.

In respect of the South African register, the Board of the Company has fixed June 20, 2014 as the record date for determination of persons entitled to receive notice of the Meeting and 18 July 2014 for determination of persons entitled to vote at the Meeting (the "SA Record Date"). Only shareholders included on the South African register on the close of business on the SA Record Date who either personally attend the Meeting or who complete and deliver a proxy in the manner and subject to the provisions set out under the heading Appointment and Revocation of Proxies above will be entitled to have his or her Common Shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, the only persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common of the Company as at June 16, 2014 are:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Daboll Consultants Limited	10,200,000	19%

Note:

- (1) The above information was supplied to the Company by the shareholders and from the insider reports available at www.sedi.ca.

The Company's Annual Information Form ("AIF") filed on www.sedar.com on May 30, 2014 with the securities commissions or similar regulatory authority in British Columbia, Alberta and Ontario is specifically incorporated by reference into, and forms an integral part of, this Information Circular. A copy of the AIF may be accessed at www.sedar.com or upon request by a shareholder without charge from the Company's Corporate Communications department at 15th Floor, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1, telephone number: 604-684-6365 or fax number 604-681-2741.

Financial Statements

The audited consolidated financial statements of the Company for the fiscal year ended February 28, 2014, report of auditor, and related management discussion and analysis will be placed before the Meeting. These documents have been filed with the securities commissions or similar regulatory authorities in Alberta, British Columbia and Ontario. Copies of the documents may be obtained by a shareholder upon request without charge from the Company's Corporate Communications department at 15th Floor, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1, telephone number: 604-684-6365 or fax number 604-681-2741.

ANNUAL MEETING BUSINESS

Votes Necessary to Pass Resolutions

Except where otherwise noted, a simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. With respect to the election of directors, if there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

Appointment of Auditor

KPMG Inc., Chartered Accountants, KPMG Crescent, 85 Empire Road, Parktown, 2193, Private Bag 9, Parkview, 2122, South Africa, will be nominated at the Meeting for appointment as auditor of the Company.

Election of Directors

The term of office of each of the current directors of the Company expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director.

Advance Notice Provision

On July 26, 2013, the shareholders of the Company approved the alteration of the Company's articles for the purpose of adopting advance notice provisions (the "Advance Notice Provision"). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board of directors of the Company (the "Board") are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the BCA or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share

ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision which is available in Schedule "A" of the Company's Information Circular filed on July 3, 2013 under the Company's profile on SEDAR at www.sedar.com.

The size of the Board was determined at seven (7) at the last annual general and special meeting. There are seven (7) directors currently serving on the Board. The Board of Directors of the Company has determined that seven directors be elected to the Board at the Meeting. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is vacated earlier in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Majority Vote Policy

The Board has adopted a policy stipulating that if the votes in favour of the election of an individual director nominee at a meeting of shareholders represent less than a majority of the Common Shares voted and withheld, the nominee will submit his or her resignation promptly after the Meeting for the consideration of the Nominating and Governance Committee. The Nominating and Governance Committee will make a recommendation to the Board after reviewing the matter, and the Board's decision to accept or reject the resignation offer will be disclosed to the public. The nominee will not participate in any Nominating and Governance Committee deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.

The disclosure in the following table sets out the names of management's seven nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, the period of time during which each has been a director of the Company and the number of Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at June 16, 2014. The section Biographical Information about Board Nominees, following the table, includes each nominee's principal occupation, business or employment (for the five preceding years for new director nominees).

Name, Position and Country of Residence	Period a Director of Rockwell	Securities Beneficially Owned or Controlled⁽¹⁾
Mark Bristow ⁵ Director and Chairman Beau Champ, Mauritius	Since March 2007	948,483 Common Shares 178,333 Options
Richard J.Linnell ^{3,4,7} Director Johannesburg, South Africa	Since November 2009	73,333 Options
Willem Jacobs ^{2,3,6} Director Pretoria, South Africa	Since November 2009	136,666 Options
Stephen Dietrich ^{2,8} Director Johannesburg, South Africa	Since February 2012	20,000 Options
Johan van't Hof ^{2,4,9} Director Toronto, Canada	Since September 2011	20,000 Options
James Campbell ¹² President and Chief Executive Officer Pretoria, South Africa	Since June 2011	250,536 Common Shares 833 333 Options
Rick Menell ¹⁰ Director Johannesburg, South Africa	Since January 2013	10,000 Options

Notes:

1. The information as to the number of Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees and is based on insider reports filed on www.sedi.ca as at June 16, 2014.
2. Member of the Audit Committee
3. Member of the Nominating and Corporate Governance Committee
4. Member of the Compensation Committee
5. Mark Bristow holds the following stock options: Options to purchase 33,333 Shares at \$0.90 per share expiring on December 7, 2014; options to purchase 50,000 Shares at \$0.975 per share expiring on October 8, 2015; options to purchase 75,000 Shares at \$0.48 per share expiring October 12, 2016 and options to purchase 10,000 Shares at \$0.21 per share expiring December 12, 2022 and options to purchase 10,000 Shares at \$0.40 per share expiring October 9, 2023.
6. Willem Jacobs holds the following stock options: Options to purchase 33,333 Shares at \$0.90 per share expiring on December 7, 2014, options to purchase 33,333 Shares at \$0.975 per share expiring on October 8, 2015 options to purchase 50,000 Shares at \$0.48 per share expiring on October 12, 2016 and options to purchase 10,000 Shares at \$0.21 per share expiring December 12, 2022 and options to purchase 10,000 Shares at \$0.40 per share expiring October 9, 2023.
7. Richard Linnell holds the following stock options: Options to purchase 20,000 Shares at \$0.90 per share expiring on December 7, 2014; options to purchase 33,333 Shares at \$0.975 per share expiring on October 8, 2015 and options to purchase 10,000 Shares at \$0.21 per share expiring December 12, 2022 and options to purchase 10,000 Shares at \$0.40 per share expiring October 9, 2023.
8. Stephen Dietrich holds the following stock options: Options to purchase 10,000 Shares at \$0.21 per share expiring December 12, 2022 and options to purchase 10,000 Shares at \$0.40 per share expiring October 9, 2023.
9. Johan van't Hof holds the following stock options: Options to purchase 10,000 Shares at \$0.21 per share expiring December 12, 2022 and options to purchase 10,000 Shares at \$0.40 per share expiring October 9, 2023.
10. Rick Menell holds the following stock options: Options to purchase 10,000 Shares at \$0.21 per share expiring December 12, 2022 and options to purchase 10,000 Shares at \$0.40 per share expiring October 9, 2023.

Biographical Information about Board Nominees

The following information as to principal occupation, business or employment is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.

DR. MARK BRISTOW – Director and Chairman

Dr. Mark Bristow was appointed to the Company's Board of Directors in October 2006. Dr. Bristow comes to Rockwell with 20 years' experience in exploration, development, project and corporate finance and management in the mining sector in Africa.

From 1992 to 1995, Dr. Bristow had executive responsibility for the exploration and new business activities of Randgold & Exploration. In August 1995 he was appointed managing director and subsequently, in October 1995, CEO of Randgold Resources, which he helped establish as Randgold & Exploration's international mining and exploration subsidiary and subsequently built it into an independent, public gold mining and exploration company which is listed on the London Stock Exchange as well as NASDAQ in New York. He has held director positions on the boards of: Harmony Gold Mining Company Limited; Durban Roodepoort Deep Limited; Blyvooruitzicht Gold Mining Company Limited; Buffelsfontein Gold Mines Limited; and The Grootvlei Proprietary Mines Limited and until recently AFPLATS Plc., the AIM listed, junior Platinum company. Besides his affiliation with Randgold, Dr. Bristow was the Chairman of SOMISY (Syama) until that company was sold to Resolute in 2004. He is currently the Chairman of the SOMILO Board of Directors (Loulo Gold Mining Company), Goukoto S A (Goukoto Gold Mining Company), KibaliSarl (Kibali Gold Mining Company), Tongon SA (Tongon Gold Mining Company), MorilaSA (Morila Gold Mining Company) and has been a member of the President of Senegal's Economic Advisory Committee as well as the President of Mali's advisory council. He is also the non-executive Chairman of Midway Resources International Limited and AIP Holdings Limited. He is a fellow of the Geological Society of South Africa and he holds a PhD in geology from Natal University.

Dr. Bristow has been CEO of Randgold Resources, a publicly-traded company since it was incorporated in 1995. He currently is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	From	To
Midway Resources Int'l.	Director and non-executive chairman	November 2005	Present
Randgold Resources Limited	CEO and Director	August 1995	Present
Rockwell Diamonds Inc.	Director and non-executive chairman	December 2006 September 2011	Present Present

RICHARD J. LINNELL - Director

Richard has been active in the mineral resources business for nearly 40 years and has significant global experience in the development and marketing of resources and commodities. He joined Middelburg Steel & Alloys as Marketing Manager for the Stainless Steel division in 1985 and was subsequently involved in the establishment of the Columbus Stainless Steel Project. He then became General Manager of the Manganese Division of Samancor, a joint venture between the then Billiton Plc. and the Anglo American Corporation. Samancor had a dominant position globally in manganese and chrome markets. He then moved to head Billiton Plc's Exploration and Development activities within Africa, and gained considerable experience in Guinea, Mauritania, Sudan, Morocco, Democratic Republic of Congo, Zambia, as well as South Africa.

Richard retired from BHP Billiton in 2001 and made a successful transition to the junior exploration and mining sector where he has been involved in the creation, raising of funds, development, and management of several private and listed junior and mid-tier exploration and mining companies, including the roles of non-Executive Chairman and Director of companies listed on the Sydney, Toronto, London and Johannesburg stock exchanges.

He is currently non-Executive Director of New Kush Exploration and Mining, Acrux Resources Ltd, Wogen Resources SA Ltd and Nimag Pty Limited. He is Chairman of IPSA Ltd

Aside from his direct interests in mineral exploration and mining Company's Richard was the originator of the Bakubang Initiative, a Forum designed to revive the South African Junior Mining Industry which lead to the establishment of the New Africa Mining Fund. He was also a member of the Electricity Council (representing the mining industry) which was the forerunner of Eskom Limited before corporatisation.

Richard has a BSc (Hons) London External Degree from the University College of Rhodesia and Nyasaland, which was then an External London College.

Mr.Linnell is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	From	To
Brinkley Mining Company Ltd	Chairman	2008	2009
Chrome Corporation Ltd	Chairman	2007	2009
Coal of Africa Ltd	Chairman	2001	2012
GRD MinprocLtd	Director	2008	2009
IPSA Ltd	Non-Executive Chairman	2010	Present
Mag Industries Corporation	Director	2006	2011
Maghreb Minerals Plc.	Chairman	2008	2011
Moydoy Mines International Inc.	Director	2007	2010

Company	Positions Held	From	To
Gold Mines of Algeria Ltd	Chairman	2005	2010
Rockwell Diamonds Inc.	Director	October 2009	Present
Sacoil Holdings Limited	Chairman	2004	2013
Falkland Gold and Minerals Ltd	Chairman	2004	2010

WILLEM JACOBS - Director

Willem has over 25 years' experience in the engineering, mining and investment sectors, including 20 years in executive, Chief Executive and Chief Operating Officer, and Board Level of private and public companies. His experience includes an excellent track record in the Industrial Minerals industry, including mining and production of low grade deposits, marketing, product development, and product and company positioning. He has worked and operated globally in complex and multi-cultural environments which includes seasoned working knowledge of people, systems, legal frameworks in North and South America, Australia, the Far East including China, the Middle East, Japan and India. He also has extensive experience and a proven track record in corporate turnarounds, mergers and acquisitions, and post-acquisition alignment and optimizations of combined business entities.

He joined Price Waterhouse in 1984 as a Principal Consultant and managed the Strategy and Corporate Finance Practice in Johannesburg, prior to becoming Executive Director of Cullinan Holdings Limited from 1990 to 1995. During this period he was also the CEO of Cullinan Precision Engineering, Chairman of Cullinan Minerals, and Chairman of Cullinan Bleaching Clays, a joint venture between SudChemie (Germany) and Cullinan Holdings Limited. From 1996 to 1998 he was Chief Executive of ABB Flexible Automation (Southern Hemisphere), and thereafter the CEO of IMERYS Africa and Australia from 1998 to March 2001. He subsequently served as a non-Executive Director and Chairman of various private resource investment and industrial minerals companies, and in May 2007 assumed the role of Country Manager of all Teal Mining and Exploration activities in the Democratic Republic of Congo until December 2008. He is currently a Director of Congo Supply and Maintenance s.p.r.l.

Willem completed a BPL Honours degree at the University of the Orange Free State in 1982, a Master of Commerce at Rand Afrikaans University in 1985, and a D.Com in Economics at the University of South Africa in 1998. Research, study and course work towards his Masters in Commerce and Doctoral in Commerce degrees was completed at Duke University and the Wharton Business School in the USA respectively. He further completed specialist courses at Wharton Business School in the areas of mergers and acquisitions as well as strategy.

Willem Jacobs is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	From	To
Congo Supply and Maintenance	Director	January 2009	Present
Europe Minerals BV	Non-Executive Director	2001	2007
Randgold Resources	General Manager	February 2010	Present
Rockwell Diamonds Inc.	Director	October 2009	Present
Teal Mining and Exploration	Country Manager	May 2007	December 2008

JOHAN VAN'T HOF

President and Chief Executive Officer of Tonbridge Corporation, a Toronto based merchant bank and financial advisory firm since 2003.

From 2004 to 2011, he was also president and CEO of Tonbridge Power Inc., where he was responsible for managing the executive team directing the completion of the Montana Alberta Tie Project, a 345 km 230 kV power line connecting Alberta to the United States electrical grid. He led the team in seven

financing transactions amounting to \$250M, including the completion of a \$161M senior construction loan facility with the US Department of Energy under the 2009 Stimulus Bill. Tonbridge Power was sold in 2011 to Enbridge Corp.

Mr. van't Hof has several years of experience in project finance, utility financing and restructuring transactions. From 1991 to 2001, he was a project finance and privatization partner at PricewaterhouseCoopers where he was head of the electricity project finance practice. He completed electricity financing projects and privatizations in several countries, as well as financing and privatization transactions involving airports, correctional facilities and roads around the world.

Earlier in his career, he was seconded to the Ontario Securities Commission for a term in corporate finance and investigations. He has taught at the University of Toronto for twelve years and the School of Accountancy for the Institute of Chartered Accountants of Ontario final examinations.

He received an MBA from the Rotman School of Business at the University of Toronto, and is a Chartered Accountant and a CPA in Ontario.

He is also a Colleague of the Royal Canadian College of Organists, born in the Netherlands and is a dual citizen with Canada.

Johan van't Hof is or was within the past five years, an officer and/or director of the following public companies

Company	Positions Held	From	To
Rockwell Diamonds Inc	Director	September 2011	Present
Tonbridge Power Inc	Director	March 2004	June 2011
Crystallex International Corporation	Director	March 2004	December 2011

STEPHEN DIETRICH

Mr. Dietrich has a wealth of knowledge both at operational and management level in the diamond industry, having spent over twenty years with the De Beers Group, the latter part as Financial Director of De Beers Consolidated Mines Limited and De Beers Group Services.

He is a Chartered Accountant (SA) and served on the Board of a public utility.

Stephen Dietrich is or was within the past five years, an officer and/or director of the following public companies

Company	Positions Held	From	To
Rockwell Diamonds Inc	Director	February 2012	Present
SA Post Office Ltd	Director	July 2007	July 2012

JAMES CAMPBELL – President and Chief Executive Officer

James Campbell is a geologist and mining executive with an extensive career in the diamond sector, most recently as Vice President New Business for Lucara Diamond Corp. (“Lucara”) and as Managing Director of African Diamonds plc, which was acquired by Lucara in 2010; prior to that he had worked with the DeBeers group for over 20 years.

James holds a degree in Mining & Exploration Geology from the Royal School of Mines (Imperial College, London University) and an MBA with distinction from Durham University. James is a Fellow of the Institute of Mining, Metallurgy & Materials, Fellow of the South African Institute of Mining & Metallurgy, Chartered Engineer (UK), Chartered Scientist (UK), a Professional Natural Scientist (RSA) and a member of the Institute of Directors of South Africa.

Company	Positions Held	From	To
Rockwell Diamonds Inc.	Director and CEO	June 2011	Present

Company	Positions Held	From	To
Stellar Diamonds plc	Director	February 2002	May 2014

RICK MENELL, B.A. (Hon.), MA, M.Sc – Director

Richard (Rick) Menell has over 35 years of experience in the mining industry with particular expertise in exploration, corporate management and finance. He trained as an exploration geologist. He worked for Anglovaal Mining from 1992 to 2006 and served as CEO since 1997. Prior to that he was an Investment Banker with JP Morgan in New York and Melbourne. Since 2008 he is the Special Advisor to Teal Exploration and Mining Inc. He held executive positions at Village Main Reef Gold Mining Company, Teal Exploration and Mining, African Rainbow Minerals and Anglovaal Gold and Board appointments at Village Main Reef Gold Mining Company, Bateman Engineering, African Rainbow Minerals, Harmony Gold Mining, Assmang, Telkom, Anglovaal Gold and the Standard Bank.

Mr. Menell is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	From	To
Rockwell Diamonds Inc.	Director	January 2013	Present
Anglovaal Holdings	Director	November 1995	April 2011
	President & CEO	January 2008	April 2011
Goldfields Limited	Director	November 2010	Present
Standard Bank of SA Limited	Director	December 1995	January 2011
The Weir Group plc	Director	November 2009	Present

CORPORATE GOVERNANCE

Mandate of the Board

The Board adopted a formal mandate as outlined in Rockwell’s Corporate Governance Policies and Procedures Manual (the “**Manual**”) on February 28, 2008. The Manual mandates the Board to: (i) assume responsibility for the overall stewardship and development of the Company and monitoring of its business decisions, (ii) identify the principal risks and opportunities of the Company’s business and ensure the implementation of appropriate systems to manage these risks, (iii) oversee ethical management and succession planning, including appointing, training and monitoring of senior management and directors, and (iv) oversee the integrity of the Company’s internal financial controls and management information systems. In addition, the Manual includes written charters for each committee. Further, the Manual encourages but does not require continuing education for its directors and it contains a code of ethics, policies dealing with issuance of news releases and disclosure documents, as well as share trading black-out periods. A copy of the Manual is available for review at the Company’s website www.rockwelldiamonds.com

The attendance record of the directors for the 12 months ended February 28, 2014 is as follows:

Name	Board Meetings Attended	% of Board Meetings Attended
Mark Bristow	5	100
James Campbell	5	100
Stephen Dietrich	5	100
Willem Jacobs	5	100
Richard Linnell	5	100
Johan van’t Hof	5	100

Name	Board Meetings Attended	% of Board Meetings Attended
Rick Menell	4	80

Composition of the Board

Applicable governance policies require that a listed issuer’s Board of Directors determine the status of each director as independent or not, based on each director’s interest in or other relationship with, the corporation. Applicable governance policies recommend that a Board be constituted with a majority of directors who qualify as independent directors (as defined below). A Board should also examine its size with a view to determining the impact of the number of directors upon the effectiveness of the board, and the board should implement a system which enables an individual director to engage an outside advisor at the expense of the corporation in appropriate circumstances. The Manual allows for retention of independent advisors for board members when they consider it advisable.

Under applicable policies, an “independent” director is one who has no direct or indirect material relationship with the Company. Generally speaking, a director is independent if he or she is free from any employment, business or other relationship which could, or could reasonably be expected to, materially interfere with the exercise of the director’s independent judgement. A material relationship includes having been (or having a family member who has been) within the last three years an employee or executive of the Company or having been employed by the Company’s external auditor. An individual who (or whose family member) is or has been within the last three years, an executive officer of an entity is deemed to have a material relationship as is any individual who (or whose family members or partners) received directly or indirectly, any consulting, advisory, accounting or legal fee or investment banking compensation from the Company (other than compensation for acting as a director or as a part time chairman or vice-chairman).

The Board proposes seven nominees for the office of director of whom five of the nominees can be considered as “independent” directors. The “independent” nominees are Willem Jacobs, Richard Linnell, Johan van’t Hof, Stephen Dietrich and Rick Menell. These nominees are considered independent by virtue of not being executive officers of the Company, not having a material relationship with the Company and having received no compensation other than in their role as independent directors. The non-independent directors (and the reasons for that status) are Mark Bristow (Chairman) and James Campbell (President and CEO).

The Board monitors the activities of the senior management through regular meetings and discussions amongst the Board and between the Board and senior management. The Board is of the view that its communication policy between senior management, members of the Board and shareholders is good. The Board is satisfied with the integrity of the Company’s internal control and financial management information systems.

Committees of the Board

The Manual requires that (i) committees of the Board be composed of at least a majority of independent directors (ii) the Board expressly assume responsibility, or assign to a committee of directors responsibility, for the development of the Company’s approach to governance issues, (iii) the Audit Committee be composed only of independent directors, and the role of the Audit Committee be specifically defined and include the responsibility for overseeing management’s system of internal controls, (iv) the Audit Committee have direct access to the Company’s external auditor, and (v) the Board appoint a Nominating and Governance Committee, composed of a majority of independent directors, with the responsibility for proposing new nominees to the Board and for assessing directors on an ongoing basis.

As well as an Audit Committee, the Board also has a Compensation Committee and a Nominating and Governance Committee.

Audit Committee

The Board has established an Audit Committee which currently consists of Willem Jacobs, Stephen Dietrich and Johan van't Hof. The Audit Committee carries out its responsibilities under applicable laws, regulations and stock exchange requirements with respect to the employment, compensation and oversight of the Company's independent auditors and other matters under the authority of the committee. See further disclosure in Item 20 of the Company's AIF filed on www.sedar.com on May 30, 2014 with respect to the Audit Committee and its relationship with the Company's independent auditors. The Company adopted an Audit Committee Charter on February 28, 2008 and it is included in the Manual. The Audit Committee Charter is also available for viewing at the Company's website at www.rockwelldiamonds.com.

Compensation Committee

The Board has established a compensation committee which currently consists of Richard Linnell and Johan van't Hof. The compensation committee recommends compensation for the directors and executive officers of the Company. See further disclosure under Statement of Executive Compensation below. The Compensation Committee Charter was adopted on February 28, 2008 and is included in the Manual. This Compensation Committee Charter is available to view at the Company's website at www.rockwelldiamonds.com.

The function of the compensation committee is to review, on an annual basis, the compensation paid to the Company's executive officers and directors, to review the performance of the Company's executive officers and to make recommendations on compensation to the Board.

The Compensation Committee also periodically considers the grant of stock options. Options have been granted to the executive officers and directors and certain other service providers taking into account competitive compensation factors and the belief that options help align the interests of executive officers, directors and service providers with the interests of shareholders.

Nominating and Governance Committee

The Board has established a nominating and governance committee (the "NG committee") which currently consists of Richard Linnell and Willem Jacobs.

The NG committee has the responsibility of developing and recommending to the Board the Company's approach to corporate governance and assists members of the Board in carrying out their duties. The NG committee also reviews all new and modified rules and policies applicable to governance of listed corporations to assure that the Company remains in full compliance with such requirements as are applicable to the Company.

The nominating function of the NG committee is to evaluate and recommend to the Board the size of the Board and persons as nominees for the position of a director of the Company and to formalize the process for ensuring the nomination of high calibre directors and proper director succession planning. The Company has formal procedures for assessing the effectiveness of Board committees as well as the Board as a whole. Under the Manual, this function is to be carried out annually under the direction of the NG committee and those assessments are then provided to the Board.

Board Decisions

Good governance policies require the Board of a listed corporation, together with its chief executive officer, to develop position descriptions for the Board and for the chief executive officer, including the definition of limits to management's responsibilities. Any responsibility, which is not delegated to senior management or to a committee of the Board remains with the Board.

Recruitment of New Directors and Assessment of Board Performance

Good governance policies require that (i) every board of a listed corporation implement a process for assessing the effectiveness of the board and the committees of the board and the contribution of individual directors, (ii) every corporation provide an orientation and education program for new directors, and (iii)

every board review the adequacy and form of compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director.

See the discussion under Nominating and Governance Committee above.

Directorships

The Election of Directors section above in this Information Circular provides details of other reporting issuers of which each director is a director or officer as at the date hereof.

Orientation and Continuing Education

The Company has traditionally retained experienced mining people as directors and hence the orientation needed is minimized. When new directors are appointed, they are acquainted with the Company's mineral projects and the expectations of directors. Board meetings generally include presentations by the Company's senior management and project staff in order to give the directors full insight into the Company's operations.

Ethical Business Conduct

The Board has adopted an ethics policy (set out in the Manual) which is available for download from the Company's website at www.rockwelldiamonds.com. The Board also believes that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. See the discussion under Nominating and Governance Committee above.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. The NG Committee is mandated to oversee an annual formal assessment of the Board and its three committees namely the audit committee, compensation committee and the NG committee.

STATEMENT OF EXECUTIVE COMPENSATION

General Provisions

"Named Executive Officer" ("**NEO**") means each of the following individuals:

- (a) a Chief Executive Officer ("**CEO**");
- (b) a Chief Financial Officer ("**CFO**");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at February 28, 2014.

Compensation Discussion and Analysis

The Company's compensation policies and programs are designed to be competitive with similar resource companies and to recognize and reward executive performance consistent with the success of the Company's business.

The Board has established a compensation committee consisting of Richard Linnell and Johan van't Hof. The function of the compensation committee as set out in the Manual is to assist the Board in fulfilling its responsibilities relating to the compensation practices of the executive officers of the Company. To achieve this purpose, the compensation committee has the duty, responsibility and authority to:

- (a) recommend to the Board the form and amount of compensation to be paid by the Company to directors for service on the Board and on Board committees. The compensation committee shall review director compensation at least annually;
- (b) annually review the Company's base compensation structure and the Company's incentive compensation, stock option and other equity-based compensation programs and recommend changes in or additions in such structure and plans to the Board as needed;
- (c) recommend to the Board the annual base compensation of the Company's executive officers and senior managers (collectively the "**Officers**");
- (d) recommend to the Board the range of increase or decrease in the annual base compensation for non-Officer personnel providing services to the Company;
- (e) recommend to the Board annual corporate goals and objectives under any incentive compensation plan adopted by the Company for Officers and non-Officer personnel providing services to the Company, and recommend incentive compensation participation levels for Officers and non-Officer personnel providing services to the Company under any such incentive compensation plan. In determining the incentive component of compensation, the Committee will consider the Company's performance and relative shareholder return, the values of similar incentives at comparable companies and the awards given in past years;
- (f) evaluate the performance of Officers generally, and in light of annual corporate goals and objectives under any incentive compensation plan;
- (g) periodically review with the Chairman and CEO their assessments of corporate officers and senior managers and succession plans, and make recommendations to the Board regarding appointment of officers and senior managers;
- (h) provide oversight of the performance evaluation and incentive compensation of non-Officer personnel providing services to the Company;
- (i) administer the Company's stock option and other equity based compensation plans and determine the annual grants of stock options and other equity based compensation; and
- (j) recommend to the NG committee the qualifications and criteria for membership on the compensation committee.

Report on Executive Compensation

The Valuation Report on executive compensation has been authorized by the compensation committee. The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company although the compensation committee guides it in this role. As part of its mandate, the Board determines the type and amount of compensation for the Company's executive officers. In addition, the Board reviews the methodology utilized by the Company for setting salaries of employees throughout the organization.

The compensation committee receives competitive market information on compensation levels for executives.

Mr. James Campbell, President and CEO and Mr. Gerhard Jacobs, the CFO, serve the Company on a full-time basis.

Philosophy and Objectives

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's Shareholders.

In compensating its senior management, the Company has employed a combination of base salary, bonus compensation and equity participation through its share option plan.

Base Salary

In the Board's view, paying base salaries that are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies within the industry is compiled from a variety of sources, including surveys conducted by independent consultants and national and international publications.

Bonus Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. Bonuses are awarded at the discretion of the Board. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the compensation committee, and such recommendations are generally based, if necessary, on survey data provided by independent consultants. Bonus compensation was awarded as per the previous years' approval from shareholders in the form of shares issued.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Company's share option plan. Stock options are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options are generally granted to senior executives and vest on terms established by the compensation committee.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

Compensation of the Chief Executive Officer

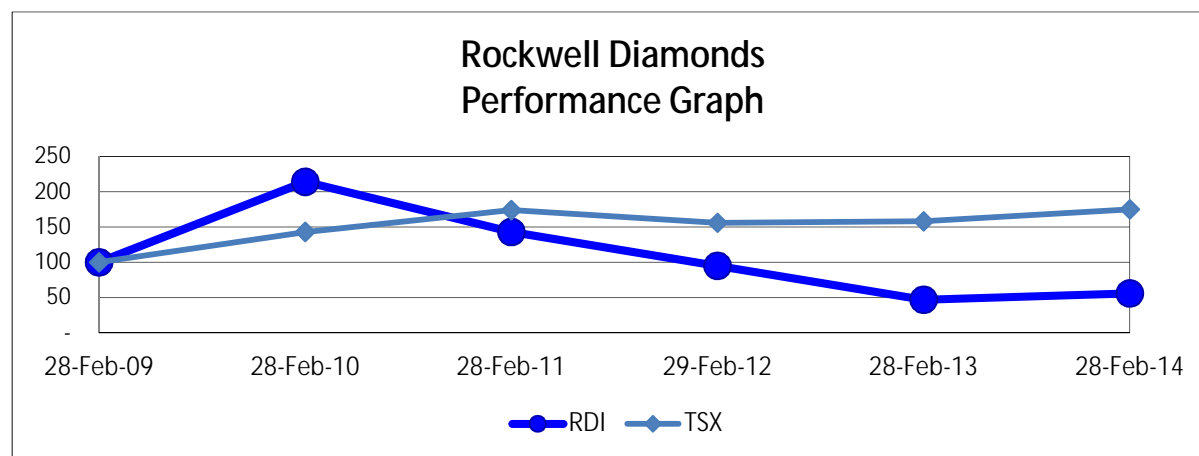
Under the Manual, the compensation of the CEO is to be approved by the Board. Base salary and bonus levels are determined taking into account independent market survey data.

The compensation committee reviews the grants of stock options to directors, management, employees and consultants. Options have been granted in prior years taking into account competitive compensation factors and the belief that options help align the interests of such persons with the interests of shareholders.

As noted above under Bonus Compensation, incentive that may be paid to the CEO and any other member of the Executive or senior management team are determined in respect of the individuals and management team achieving strategic objectives and milestones which are set at the beginning of each year by the compensation committee and approved by the Board.

Performance Graph

The following graph compares the cumulative total return to a shareholder who invested \$100 in Common Shares of the Company on February 29, 2009 until February 28, 2014 with the cumulative total return of the TSX.



The Company's compensation policies and programs are designed to be competitive with similar junior mining exploration companies and to recognize and reward executive performance consistent with the success of the Company's business.

As a result of the credit crisis, commodities prices collapsed, with diamonds being particularly hard hit. This, coupled with uncertainty raised from an unsolicited take-over attempt resulted in a collapse in the share price.

The performance of management cannot be measured on the share price, but in maintaining liquidity, increasing production and reducing costs. The fact that the Company is still in operation where many of its peers have failed completely is evidence of the commitment and creativity of management in ensuring that the Company is still operational.

Senior employees' salaries were brought in line with the market albeit at the lower end of the percentile and the employees that were on par with the market were given inflation related increases. Union employees were granted band specific increases, as negotiated, to narrow disparities.

Actions, Decisions or Policies Made after February 28, 2014

Given the evolving nature of the Company's business, the Board and its compensation committee continue to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above. No actions, decisions or policies have been made since February 28, 2014 that would affect a reader's understanding of NEO compensation.

Option Based Awards

The Company has in place a rolling share option plan dated for reference September 9, 2011 (the "**Plan**"). Under TSX policies the Plan must be submitted to shareholders for renewal every three years. The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company.

Under the Plan, a maximum of 10% of the issued and outstanding Common Shares of the Company may be reserved for issuance. Options up to this limit may be granted at the discretion of the Board, or the Compensation Committee, to eligible optionees (the "**Optionees**"). In addition, as the number of issued and outstanding Common Shares of the Company increases, the number of options available for granting to eligible optionees will increase. As at the date hereof there are options outstanding to purchase an aggregate of 4,836,431 Common Shares representing approximately 7.9% of outstanding Common Shares.

The Plan is administered by the Compensation Committee of the Company. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than ten years after the issuance of such option. Previous grants of option-based awards are taken into account when considering new grants of options. Subject to the requirements of the policies of the TSX and the prior receipt of any necessary regulatory approval, the Board may, in its absolute discretion, amend or modify the Plan or any outstanding option granted under the Plan, as to the provisions set out in the Plan.

The following is a summary of the material terms of the Plan:

- Currently all options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to ten years;
- for stock options granted to employees or service providers (inclusive of management company employees), the Company must ensure that the proposed optionee is a bona fide employee or service provider (inclusive of management company employees), as the case may be, of the Company or any subsidiary;
- if an optionee ceases to be employed by the Company (other than as a result of termination with cause) or ceases to act as a director or officer of the Company or a subsidiary of the Company, any option held by such optionee may be exercised within 90 days after the date such optionee ceases to be employed as an officer or director or, as the case may be;
- if an optionee dies, any vested option held by him at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;
- in the case of an optionee being dismissed from employment or service for cause, such optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- the minimum exercise price of an option granted under the Plan must not be less than the Market Price calculated the day before the grant (as defined in the Plan);
- vesting of options shall be in accordance with the option commitment in the Plan or otherwise, at the discretion of the Board, and will generally be subject to: (i) the service provider remaining employed by or continuing to provide services to the Company or any of its affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its affiliates during the vesting period; or (ii) the service provider remaining as a director of the Company or any of its affiliates during the vesting period;
- the maximum aggregate number of shares issuable upon exercise of options to non-employee directors must not exceed 1% of the total Common Shares of the Company outstanding at any time and no more than \$100,000 in total award value per non-employee director on an annual calendar basis; and
- the Board reserves the right in its absolute discretion to terminate the Plan with respect to all Plan shares in respect of options which have not yet been granted hereunder.

The Plan has the following restrictions, which restrictions may only be superceded by the Company obtaining approval of the disinterested shareholders (defined below) of the Company in each instance:

- (i) Common Shares being issuable to Insiders under the Plan, when combined with all of the Company's other share compensation arrangements, exceeding 10% of the outstanding Common Shares;
- (ii) Common Shares to be issued to Insiders under the Plan, when combined with all of the Company's other share compensation arrangements, exceeding 10% of the outstanding Common Shares in any 12 month period;
- (iii) Common Shares being issuable to independent directors under the Plan, when combined with all of the Company's other share compensation arrangements, exceeding 1% of the outstanding Common Shares of the Company; and
- (iv) a reduction in the exercise price of an option granted hereunder to an Insider or an extension of the term of an option granted hereunder benefiting an Insider.

Options are generally granted to corporate executives in the first quarter of each year as part of the annual compensation review. Any special compensation is typically granted in the form of options. Options are granted at other times of the year to individuals commencing employment with the Company. The exercise price for the options is based on the volume weighted average of the closing price of the shares of the Company on the TSX for the 5 days prior to the date of grant.

Summary Compensation Table

The compensation paid to the NEOs during the Company's three most recently completed financial years ended February 28, 2012, February 29, 2013 and February 28, 2014 is as set out below:

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans			
James Campbell	2014	350,208	59,443	39,721	Nil	Nil	Nil	Nil	449,372
	2013	362,278	Nil	Nil	50,190	Nil	Nil	Nil	412,468
	2012	270,000	Nil	550,000	Nil	Nil	Nil	Nil	820,000
Gerhard Jacobs CFO	2014	283,379	44,583	35,749	Nil	Nil	Nil	Nil	363,711
	2013	297,536	Nil	17,135	47,806	Nil	Nil	Nil	362,477
	2012	303,843	Nil	28,800	Nil	Nil	Nil	Nil	332,643
Michael Hunt ⁽⁴⁾ former COO	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	137,886	Nil	141,176	Nil	Nil	Nil	Nil	279,062
Graham Chamberlain ⁽⁵⁾ former COO	2012	168,375	Nil	Nil	Nil	Nil	Nil	Nil	168,375

Notes:

- The Company's South African executives are compensated in South African Rand ("ZAR") and have been presented in Canadian dollars at an exchange rate of 1 Canadian dollar = ZAR 9.5329 (2013:ZAR 8.3682 and 2012:ZAR 7.4239) the average monthly rate in effect for the year ended February 28, 2014.
- These amounts represent the dollar amount based on the grant date fair value of the award for the year ended February 28, 2014. The options granted in the Company's financial year ended February 28, 2014 were granted pursuant to the Share option plan. For compensation purposes, the Black-Scholes option valuation model has been used to determine the fair value on the date of grant. The Black-Scholes option valuation is determined using the expected life of the stock option, expected volatility of the Company's Common Share Price, expected dividend yield, and risk-free interest rate. The Black-Scholes grant date fair value for awards granted on October 9, 2013 was 100% of the option exercise price.

- These amounts include annual non-equity incentive plan compensation, such as bonuses and discretionary amounts for the year ended February 28, 2014.
- Mr Hunt commenced employment July 11, 2011 with the Company and was appointed Chief Operating Officer and resigned on October 28, 2012.
- Mr. Chamberlain commenced employment with the Company and was appointed Chief Operating Officer on November 1, 2009 and resigned on December 31, 2011.

Incentive Plan Awards

Outstanding Option-based Awards

The following table sets out all share-based awards and option-based awards outstanding as at February 28, 2014, for each NEO:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ¹
James Campbell ⁽²⁾ President and CEO	100,000 733,333	0.40 0.75	October 9, 2023 October 12, 2016	Nil Nil
Gerhard Jacobs ⁽³⁾ CFO	90,000 75,000 60,000 53,333	0.40 0.21 0.48 0.975	October 9, 2023 December 12, 2022 October 12, 2016 October 8, 2015	Nil \$2,250 Nil Nil

Notes:

- The value at February 28, 2014 is calculated by determining the difference between the closing price of the Company's Common Shares at February 28, 2014 (\$0.295 per Common Share) underlying the option on the TSX and the exercise price of the options.
- Mr Campbell was appointed CEO effective June 1, 2011.
- Mr. Jacobs was appointed as CFO effective July 19, 2010.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plan awards (value vested or earned) during the year ended February 28, 2014, for each NEO:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
James Campbell President and CEO	Nil	Nil
Gerhard Jacobs CFO	\$2,250	Nil

Note:

- These amounts represent the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. The value of each amount has been determined by taking the difference between the market price of the option at date of exercise and the exercise or base price of the option under the option-based award on the vest date.

The Company has no pension plans for its directors, officers or employees.

Termination and Change of Control Benefits

As at February 28, 2014 the following NEO's of the Company had written employment contracts between themselves and the Company:

- Gerhard Jacobs dated August 1, 2010; and

- James Campbell date June 1, 2011;

Under these agreements Gerhard Jacobs, and James Campbell are to work full time for the Company and are eligible to receive stock options and a performance based bonus at the discretion of the compensation committee and the Board, as well as other standard benefits made available by the Company. Please see Summary Compensation Table above.

There are no other compensatory plans or arrangements, with respect to the NEOs resulting from the resignation, retirement or any other termination of employment of the NEO's or from a change of any NEO's responsibilities following a change in control except Gerhard Jacobs.

Potential Payments upon Termination

The following table provides information concerning the value of payments and benefits following termination of employment of each NEO under various circumstances. Payments vary based on the reason for termination and the timing of a departure. The amounts below are calculated as if the NEO's employment had been terminated on February 28, 2013. Receipt of payments on termination is contingent on the NEO delivering a release to the Company.

NEO		Termination Without Cause	Change of Control
James Campbell ⁽¹⁾	Salary	\$175,104	\$700,414
	Bonus	Nil	Nil
	Options	Nil	Nil
Gerhard Jacobs ⁽²⁾	Salary	\$141,689	\$283,378
	Bonus	Nil	Nil
	Options	Nil	Nil

Notes:

1. Mr. Campbell was appointed as CEO on June 1, 2011.
2. Mr. Jacobs was appointed as CFO on July 19, 2010.

Compensation of the Company's South African executives (including Mr. Campbell) was paid to them in South African Rand (ZAR). In the above table, an exchange rate of CDN\$1 = ZAR 9.5329 was used.

Except as outlined above, there are no contracts, agreements, plans or arrangements that provide for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement or a change in control of the Company.

Director Compensation

Director Compensation Table

Each director of the Company, who is not an executive officer, is paid an annual director's fee of \$25,000. Each director who is a member of the audit committee receives an additional \$5,000. Each director receives a fee per meeting attended (\$750 per board meeting, \$1,000 per other meeting) and 10,000 share options per annum. The share options are increased to 15,000 share options per annum should a director opt not to receive meeting fees.

The compensation provided to the directors, excluding a director who is included in disclosure for an NEO for the Company's most recently completed financial year of February 28, 2014 is:

Name	Fees earned (\$)	Share-based Awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Mark Bristow	28,750	Nil	3,972	Nil	Nil	Nil	32,722

Name	Fees earned (\$)	Share-based Awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Richard John Linnell	28,750	Nil	3,972	Nil	Nil	Nil	32,722
Willem Jacobus Jacobs	37,750	Nil	3,972	Nil	Nil	Nil	41,722
Johan van't Hof ⁽²⁾	40,750	Nil	3,972	Nil	Nil	Nil	44,722
Stephen Dietrich	38,750	Nil	3,972	Nil	Nil	Nil	42,722
Rick Menell ²	28,750	Nil	3,972	Nil	Nil	Nil	32,722

Notes:

1. Rick Menell was appointed a director from January 2013.

The following table sets out all share-based awards and option-based awards outstanding as at February 28, 2014, for each director, excluding a director who is already set out in disclosure for a NEO for the Company:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Mark Bristow	33,333	0.90	Dec 7, 2014	Nil	Nil	Nil
	50,000	0.975	Oct. 8, 2015	Nil	Nil	Nil
	75,000	0.48	Oct 12, 2016	Nil	Nil	Nil
	10,000	0.21	Dec 12, 2022	850	Nil	Nil
	10,000	0.40	Oct 9, 2023	Nil	Nil	Nil
Richard John Linnell	20,000	0.90	Dec 7, 2014	Nil	Nil	Nil
	33,333	0.975	Oct. 8, 2015	Nil	Nil	Nil
	10,000	0.21	Dec 12, 2022	850	Nil	Nil
Willem Jacobus Jacobs	33,333	0.90	Dec 7, 2014	Nil	Nil	Nil
	33,333	0.975	Oct. 8, 2015	Nil	Nil	Nil
	50,000	0.48	Oct 12, 2016	Nil	Nil	Nil
	10,000	0.21	Dec 12, 2022	850	Nil	Nil
	10,000	0.40	Oct 9, 2023	Nil	Nil	Nil
Johan Van't Hof	10,000	0.21	Dec 12, 2022	850	Nil	Nil
	10,000	0.40	Oct 9, 2023	Nil	Nil	Nil
Stephen Dietrich	10,000	0.21	Dec 12, 2022	850	Nil	Nil
	10,000	0.40	Oct 9, 2023	Nil	Nil	Nil
Rick Mennell	10,000	0.40	Oct 9, 2023	Nil	Nil	Nil

Note:

1. The value at February 28, 2014 is calculated by determining the difference between the closing price of the Company's Common Shares at February 28, 2014 (\$0.2950 per Common Share) underlying the option on the TSX and the exercise price of the options.

There was no value vested or earned under any incentive plan during the Company's fiscal year ended February 28, 2014.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out the equity compensation plan information for the fiscal year ended February 28, 2014.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders - (the Plan)	4,836,431	\$0.54	515,893
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	4,836,431	\$0.54	515,893

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the 12 months ended February 28, 2014, or has any interest in any material transaction in the current year other than in respect of the share option plan and as set out herein or in a document disclosed to the public.

Flawless Diamonds Trading House

Flawless Diamonds Trading House (Pty) Ltd (“Flawless Diamonds Trading House” or “**FDTH**”) is a private company where one director, D.M. Bristow, and certain former directors and/or officers of the Company, namely, Messrs. Brenner, J.W. and Van Wyk are shareholders. Rockwell owns a 20% interest in FDTH which was acquired with effect from May 5, 2010 for consideration of approximately \$100,000.

Flawless Diamonds Trading House is a registered diamond broker which provides specialist diamond valuation, marketing and tender sales services to the Company for a fixed fee of 1% of turnover which is below the market rate charged by similar tender houses. FDTH was established in 2006 to provide a professional marketing and sales facility to market and sell Rockwell’s diamond production. Rockwell had no prior experience of marketing high quality alluvial gemstone production and needed to position itself in relation to new diamond legislation which was being implemented at the time that Rockwell was establishing itself in the South African market. It was strategically important for Rockwell to have access to a strong and secure dedicated marketing facility to maximize revenue from the sale of its unique diamond production.

FDTH operates from South Africa’s internationally recognized high security diamond trading and manufacturing hub known as Jewel City, Johannesburg. FDTH was established and is still run by experienced and internationally recognized diamantaire. The facility is operated by a small and highly

experienced marketing and valuation team which collectively has over 100 years of rough diamond valuation, marketing and sales experience. FDTH follows rigorous diamond handling, security, and Kimberley Process protocols, and all marketing and sales procedures are monitored and facilitated by a proprietary computer based system. This system provides independent and transparent verification of results for sellers and buyers, and is acknowledged in the industry as a leading standard for transacting diamond sales. Aside from providing marketing and sales to Rockwell, FDTH also conducts sales on behalf of other small South African producers. During fiscal 2014 FDTH was responsible for selling 100% (or \$41.1 million) of the Company’s aggregate diamond sales.

Relationship with Diacore (previously Daboll Consulting Ltd., an affiliate of the Steinmetz Diamond Group)

Diacore, an affiliate of the Steinmetz Diamond Group, owns 19.4% (10.2 million Rockwell Common Shares).

Rockwell Diamonds Inc. has a Marketing and Beneficiation Agreement with Diacore (previously Steinmetz Diamond Group) which was initially signed in October 2007. Under the terms of the agreement high valued rough diamonds produced by Rockwell are sold to Diacore at the market price. Rockwell receives 90% of the price up front with the remaining 10% payable on sale of the polished stone. The diamonds are cut and polished by Diacore’ master cutters and on sale of the polished diamonds, Rockwell participates equally in the profits from the sale. The partnership was originally set up for stones exceeding \$500,000 in value, but was extended to include all stones exceeding 10 carats in 2009. In May 2011, the agreement was broadened further to include all stones larger than 2.8 carats.

The partnership has been successful for both counterparties as Diacore has access to Rockwell’s pipeline of high valued stones, while Rockwell participates in the upside potential on the final sale of the stones where there is significant value leverage. Rockwell is the only diamond producer with a marketing and beneficiation agreement of this nature. Rockwell has generated total revenue of \$8.5 million from its profit shares in terms of the joint venture in the last three years, with the sale of 6,184 carats, while Diacore has access to the large and exceptional gemstones which are its speciality. As the stock of special stones in the joint venture increases, so Rockwell’s potential for value added revenues grows. With the recent extension of the agreement to include stones exceeding 2.8 carats, the benefits for Rockwell will increase.

Diacore is also a creditor of the Company having loaned it \$2 million on June 2, 2011 under a convertible loan agreement. Two addendums to the loan were signed on June 19 and July 8, 2013 to allow conversion of the \$2 million Loan into maximum of 12,235,686 Common Shares, only during the 21 day period prior to June 26, 2015, and extending the loan to June 26, 2015.

PARTICULAR OF MATTERS TO BE ACTED UPON

A. Share Bonus

In light of the liquidity position of the Company for several years and to relieve pressure on working capital, the Company wishes to compensate senior officers and staff members with a share bonus (“Share Bonus”). In this regard, the Company intends to issue a maximum of 960,000 Common Shares (or 2% of the current 53,523,244 Common Shares) to the persons in the approximate amounts as set out below:

	Title	No. of Share Bonus
James Campbell	President and Chief Executive Officer	200,000 Shares
Gerhard Jacobs	Chief Financial Officer	75,000 Shares
Glenn Norton	Group Technical Manager	150,000 Shares
Richard Mhlontlo	Group HR Manager	125,000 Shares

	Title	No. of Share Bonus
Jeffrey Brenner	Sales & Marketing Manager	100,000 Shares
Various members of senior staff		310,000 Shares
Total		960,000 Shares

The number of Common Shares allocated to each individual was finalized at the meeting of the Compensation Committee which was held in April 2014. If the allocation amounts listed above are altered prior to the Common Shares being issued, the Company will issue a news release disclosing the new allocation of Common Shares. Of the persons listed above, only Mr. Campbell and Mr. Jacobs are considered insiders of the Company.

After consideration of all relevant factors, including a review of the financial statements of the Company, management is of the view that the allocation of a maximum of 960,000 Common Shares to senior officers and staff members is reasonable and in the best interests of the Company.

Accordingly, disinterested shareholders (disinterested meaning excluding the 250,536 Common Shares owned by Mr. Campbell and the Common Shares held by Mr. Jacobs which at the date of this Information Circular is 163,000 Common Shares) will be asked to approve the following ordinary resolution in order to ratify the issuance of the Common Shares pursuant to the Share Bonus:

“**RESOLVED**, as an ordinary resolution by disinterested shareholders, that the issuance of a maximum of 960,000 Common Shares pursuant to the Share Bonus be and is hereby ratified and approved.”

B. Approval of Continuance of Share Option Plan

As set out in the material terms under heading “Securities Authorized for Issuance Under Equity Compensation Plans” the maximum number of Shares that may be reserved for issuance under the Company’s Plan at any point in time is 10% of the total number of issued and outstanding Shares of the Company at the time Shares are reserved for issuance pursuant to a grant of options under the Plan. This type of plan is called a “rolling” plan because as options are exercised, the base of outstanding issued shares on which the 10% applies increases.

Pursuant to the policies of the TSX, the continuation of the Plan requires shareholder approval at every third annual general meeting of the Company by ordinary resolution.

As at the date hereof there are options outstanding to purchase an aggregate of 4,836,431 Shares, representing approximately 9.04% of the current issued and outstanding Shares.

All previously allocated options will continue unaffected by approval or disapproval of the resolution.

If shareholders fail to approve the resolution for the renewal of the Plan, the Company will not be in a position to grant further options and all previously granted options will not be available for re-allocation if the options are cancelled prior to exercise.

At the Meeting, shareholders will be asked to vote on the following resolution, with or without variation:

“**RESOLVED** that:

1. the currently available and unallocated options issuable pursuant to the Plan are hereby approved and authorized until July 25, 2017;
2. the Plan is hereby continued, subject to the requirement that the Plan be again submitted to shareholders of the Company for approval by no later than the July 25, 2017 at the 2017 annual meeting of the shareholders of the Company or such earlier date as required by the policies of the TSX;

3. the Company has the ability to continue granting options under the Plan on a 10% of issued Shares rolling basis until July 25, 2017; and
4. any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give full effect to the intent and purpose of this resolution.”

The Board recommends that shareholders vote in favour of the continuation of the Plan.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE CONTINUATION OF THE SHARE OPTION PLAN, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

A copy of the Plan may be obtained by contacting the Company’s Investor Relations department at 15th Floor, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4H8, telephone number: 604-684-6365 or fax number 604-681-2741. A copy of the Plan will also be made available at the Meeting for review by any Shareholder.

MANAGEMENT CONTRACTS

Management services were provided to the Company by HDSI pursuant to a corporate services agreement dated for reference November 28, 2008. Except for HDSI, there are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

ADDITIONAL INFORMATION

The audited consolidated financial statements of the Company for the year ended February 28, 2014, the Valuation Report of the auditor thereon and the management discussion and analysis will be placed before the Meeting.

Additional information and a copy of the financial statements may be obtained from www.sedar.com and upon request from the Company at 15th Floor, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H8, telephone number: 604-684-6365 or fax number 604-684-8092.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

The contents of this Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, June 16, 2014.

BY ORDER OF THE BOARD

“James A. H. Campbell”

**James Andrew Hartley Campbell
President and Chief Executive Officer**