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Non-Independent QP	Mr Glenn A Norton (Pr. Sci. Nat.) of Rockwell Resources Inc.
Effective Date	6 February, 2015
Prepared for	Rockwell Diamonds Inc.
Purpose	Mineral Resource Update. All of the information presented in this summary has been extracted from the document entitled <i>Technical Report on the Remhoogte/Holsloot Alluvial Diamond Project, Hay District, The Republic of South Africa</i> , for Rockwell Diamonds Inc. (effective date 6 February, 2015)
Company Year End	28 February
Personal Inspection	Site visits by independent QP 17-19 March, 2015. All prospect areas, infrastructure and plants visited
General Location	Located in the Hay district of the Northern Cape Province of South Africa approximately 195km southwest of Kimberley. The operations are located on Remhoogte 152 (1,585ha) and Holsloot 47 (1,049ha).
Licence Status	<ul style="list-style-type: none"> <li>The Holsloot property is held by Saxendrift Mine (Pty) Ltd under Prospecting Right 735/2006PR</li> <li>The Mining Right for Remhoogte is held by Pioneer, a wholly owned subsidiary of Trans Hex (Pty) Ltd.</li> <li>The shares of Pioneer have been purchased by Bondeo from TransHex; a Section 11 has been acquired (transferring the Mining Right from Pioneer to Bondeo). A subsequent Section 11 will be required to cede the Mining Right from Bondeo to Saxendrift Mines (Pty) Ltd.</li> </ul>
BEE Compliance	An agreement with Siyancuma Capital (Pty) Ltd will allow for the sale of 30% of the Saxendrift project once all of the suspensive conditions have been fulfilled. An accepted Social & Labour Plan is in place, covering all of the Rockwell operations.
Climate, Infrastructure, Access	Located in an arid to semi-arid, Karoo environment. Electrical power and water resources have been accounted for. Mining personal readily available. Tailings and waste disposal sites have been identified. Operations accessed by good network of all-weather gravel roads.
Deposit Types	Alluvial diamond deposits preserved in fluvial-alluvial palaeochannel and deflation gravels (Rooikoppie) in Orange River terraces.

## HISTORY

During the years 1926-1937, the farm Remhoogte was a proclaimed diggings, from which some 6,087ct were recovered. In this time a number of large stones were reported, viz. 133ct, 74ct, 62ct, 45ct, 38ct, 31ct, 30ct, and 18ct.

From August-December 1999, Pioneer Minerals, a wholly-owned subsidiary of TransHex processed an unknown amount of Rooikoppie gravel (estimated around 28,000T) and recovered 158.83cts with an average size of 1.91ct/st and USD647/ct. Three small areas were selected and drilled by Pioneer on a 100m x 100m grid to indicate the presence and thickness of Rooikoppie gravels and the underlying fluvial-alluvial gravels. The gravels lie on a plateau some 65-80m above the present Orange River. The sequence consists of a variably calcreted braided alluvial deposit ("Fluvial-alluvial Gravel") which is overlain by an extensive Rooikoppie gravel – the Rooikoppie gravel in this instance is predominantly an eluvial deposit, with minor colluvial occurrences. The bedrock to the Remhoogte deposit is soft Dwyka shale and minor Dwyka tillite.

During TransHex's tenure, only the high terrace was drilled and no bulk-sampling was completed, although six such samples were planned. RC drilling on the Remhoogte-Holsloot properties included 1,606 boreholes for a total of 13,021m. Drilling was undertaken in 2002 on a 200X100m grid and, in 2003, infilled on the north-eastern area of the terrace to achieve a 50X50m grid spacing.

Steyn Diamante has been operating on Remhoogte-Holsloot since March 2014. Mainly colluvial Rooikoppie gravels have been sampled from the properties, with one small, non-representative sample of fluvial-alluvial gravels. During January 2015, Rockwell

appointed RBG Surveys (Pty) Ltd to survey the areas sampled by Steyn. The surveyed sample volumes as at 6 February, 2015 totals 1,123,877m<sup>3</sup>. The diamond register indicates that some 10,379.48ct were recovered during the period 17 March 2014 to 6 February, 2015. These stones were sold on the open market for some USD2,900/ct. The largest stone sold during this period was 178ct. The calculated sample grade for the Rooikoppie gravel on Remhoogte/Holsloot is approximately 0.9ct/100m<sup>3</sup>.

## GEOLOGICAL SETTING

The present Orange River between Douglas and Prieska, generally referred to as the Middle Orange River (MOR) displays a meandering channel morphology, best developed in areas underlain by the Dwyka Group. Palaeochannel depositional packages of the MOR are preserved at different elevations above the present Orange River bed. Diamondiferous Rooikoppie gravel scree slopes higher than the oldest preserved fluvial deposits suggest that even older and higher elevation palaeo-deposits were present and have been removed completely by erosion.

The ages of these terraces young with decreasing elevation and vary from Pleistocene-Pliocene for the lower terraces to Plio-Miocene for the upper terraces. Conversely, the probability of preservation decreases with increasing age and elevation. The most consistent high level palaeo deposit, and the one on which the geological model for this area was developed, occurs between 60-90m above river level. These deposits represent palaeomeanders exhibiting a wavelength of approximately 13km and an amplitude of about 6km, very similar to that of the modern-river. These gravel deposits occur at about 1000 masl. and generally slope slightly to the south, away from the Orange

River. Both the calcrete cap and the bedrock exhibit this same slope. The meanders are generally covered entirely by either calcrete or wind-blown sand, or both, but careful mapping have defined points of entry and emergence of palaeochannel deposits from underneath the upper calcrete cap, along the valley scarps.

Frequency of occurrence suggests that the known deposits represent the complete palaeochannel profile for this section of the river. The correspondence in palaeo- and modern river morphology, for this cycle, indicates that this sector of the Orange River system remained in relative equilibrium since, probably, the Miocene. All the preserved meanders at this elevation lie to the south of the present river channel suggesting that meander cut-off occurred mostly along the northern loops of the meanders. This may be an indication of regional slope to the south or slow, continuous uplift to the north.

The primary sources of diamonds trapped in the palaeogravels of the Orange River are kimberlites and intermediate secondary sources like eluvial, colluvial and fluvial deposits in the catchment regions of the Vaal and Orange rivers. These diamonds were deposited along the course of the river in favourable trap sites either in bedrock-traps or in point-bar complexes and within-channel bars, particularly in meanders, scour pools and areas of divergent flow.

The bedrock on both Remhoogte and Holsloot is Dwyka shales. The gravel terrace has been described as a high-level "A" terrace. Both colluvial and fluvial-alluvial gravel units are known to exist on the Remhoogte and Holsloot properties. Little is known currently regarding the composition of the gravel units or their distribution patterns.



**Rooikoppie and fluvial-alluvial gravel units**



**Mineralisation**

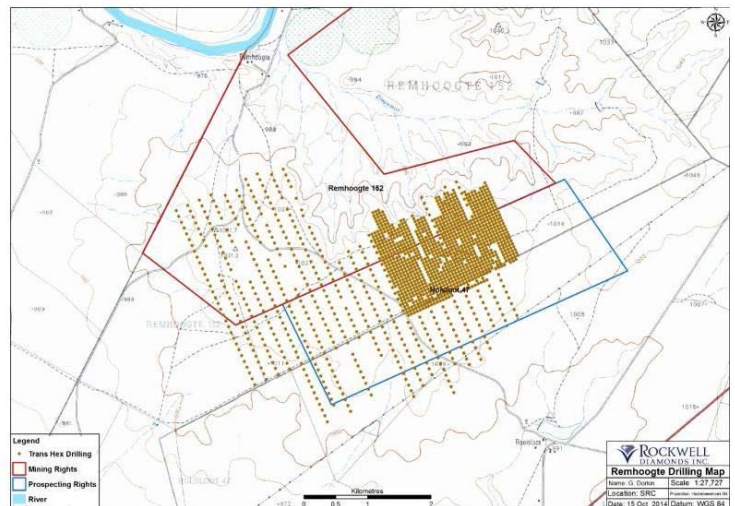
The palaeochannel gravels are mineralised by diamonds derived from the weathering and erosion of kimberlites present in the headwaters of the palaeo-Vaal River system. Colluvial and eluvial post-depositional modification of these fluvial-alluvial deposits resulted in the formation of the Rooikoppie gravels.

**EXPLORATION**

Due to the nature of mineralization of alluvial diamond deposits with low grades and large stone sizes, it is not possible to assay for diamond. To date no other minerals or elements that can be assayed are known to show positive (or negative) relationships with diamonds in alluvial deposits. Consequently, neither borehole nor pit samples are collected for assay. Rather, large bulk-samples are typically processed to determine in-situ grades and diamond qualities.

**DRILLING**

During TransHex's tenure, only the high terrace was drilled and no bulk-sampling was completed. RC drilling on the Remhoogte-Holsloot properties included 1,606 boreholes for a total of 13,021m. Drilling was undertaken in 2002 on a 200X100m grid and, in 2003, infilled on the north-eastern area of the terrace to achieve a 50X50m grid spacing



No drilling by Rockwell has taken place on Remhoogte/Holsloot as yet.

**SAMPLING**

The gravels on Remhoogte/Holsloot were mined and processed by Steyn as an owner-operator. A hydraulic excavator was used to remove the Rooikoppie gravel off of the calcreted sequence. No in-pit screening was employed and all of the gravel was loaded onto Articulated Dump Trucks ("ADT's") and transported to one of the plant sites. The gravels were, subsequently, screened and processed through one of two sampling plants.

The processing plant on Holsloot comprises a fines Dense Media Separation stream, a mid-fraction Bourevestnik bulk X-Ray stream and a coarse BV stream. There are two plants on Remhoogte - the first consists of a fines pan stream and a coarse BV stream and the second one comprising two double 16ft pan

plants. The concentrate from the pan plant was transported to Holsloot where it was processed through the BV plant.

The final hand-sort of the diamonds was done by the project manager, in the presence of Steyn or his wife. The diamonds would then be removed from site and stored in a secure location. As appropriate, the diamonds would then be transported to Kimberly, to one of the Tender Houses for cleaning and sale.



**Screens (above) and containers housing the coarse- and fines streams BV plants (below) on Holsloot**



**MINERAL PROCESSING**

No mineral processing has yet been completed by Rockwell

**MINERAL RESOURCE ESTIMATES**

The Mineral Resources as at 28 February, 2015 were estimated by Rockwell's Manager, Resources, G. Norton, (Pr. Sci. Nat.), a Qualified Person who is not independent of the Company and reviewed by Dr. T.R. Marshall (Pr. Sci. Nat.), a Qualified Person who is independent of the Company and is responsible for the estimate.

Although some of the available drilling is at 50m spacing and +10,000cts have been sold from the project, the confidence in the estimated volume and grade data is only considered at an Inferred classification for Rooikoppie gravels.

TERRACE COMPLEX	BOTTOM CUT-OFF	VOLUME (m <sup>3</sup> )	GRADE (ct/100m <sup>3</sup> )	VALUE (USD/ct)
Rooikoppie	5mm	7,056,000	0.9	2,900

Extensive historical drilling combined with limited, reconnaissance sampling the Remhoogte/Holsloot properties indicates that Exploration Targets of some 3-4Mm<sup>3</sup> of fluvial-alluvial gravel might be expected to exist on Remhoogte and Holsloot with target grades of some 0.4-1.5cpt. Average diamond values, based on the 2014/2015 sale of +10,000cts on the open market, should be within the range USD2,500-4,000/ct.

It is important to note that these Exploration Targets, or statements of the potential quantity and grade, are conceptual in nature. There has been insufficient exploration in these areas to define a mineral resource and it is uncertain if further exploration will result in the targets being delineated as a mineral resource. Further exploration programmes in the exploration target areas have been deferred until trial mining commences.

**FORWARD PLANNING (2016)**

Very little is known regarding the specific geology of the Remhoogte/Holsloot deposits. As a result, the following recommendations have been made:

1. As a priority, Rockwell geologists should characterise the units based on the experience gained from the other Rockwell operations. This is expected to assist with grade and value control during the forthcoming bulk-sampling and trial-mining programmes.
2. The drill database should be evaluated in order to estimate available gravel volumes, especially the fluvial-alluvial units with more certainty than presently possible. To this end, it is recommended that approximately 10% of the existing holes should be re-drilled to determine the extent to which the original TransHex drill data can be relied upon. The results of this initial programme is expected to indicate how many additional holes (and/or which areas) may need to be drilled to upgrade the Exploration Target volume to Resource classification.
3. Grade and value information can only be recovered from bulk-sampling of both the Rooikoppie and fluvial alluvial gravels. It is recommended that the current screening and sampling plants on Remhoogte and Holsloot be used to process the gravels in the short term.
4. During August and September 2014, Mr Glenn Norton (Rockwell Diamonds Group Technical Manager) and Dr Kurt Petersen (Metal Dog Minerals) completed a due diligence on the capability of the Steyn processing plants. This study noted that, while all plants are essentially new, with everything still neatly painted and

in good order, there are some concerns regarding matching of capacity of the front-end (screening) with the back-end (processing). It will be necessary to match the back-end of the plants to the resources, i.e. throughputs of concentration equipment based on mineral content, size distributions and any other gravel characteristic which needs to be taken cognisance of.

Furthermore, the Petersen study recommended a number of modifications to increase processing capacity and to bring them up to Rockwell's operating standards. Inter alia, the following suggestions were made:

- Weightometers should be added to the plants to enable accurate measurement of plant throughput;
- The current top cut-off size is 40mm – this should be re-considered as-and-when diamond size-frequency distribution for the project is better understood;
- The BV plants should be optimised by changing split sizes to utilise equipment better;
- The throughput of the pan plants should be decreased to improve efficiency for the Rooikoppie gravels;
- While the current in-pit screens should continue to be used in the short-term, a single in-field screening plant ("IFS") should be considered as part of the upcoming technical studies;

- The setup and configuration of the de-sanding screens should be investigated as it is thought that the current arrangement may constitute a bottleneck. Currently six, in-pit screens (Finlay-type, double deck) with a throughput capacity of some 200tph are utilised.

It is recommended that the sampling programme start with the Rooikoppie gravels on Holsloot and proceed to the fluvial-alluvial deposits on Remhoogte once the gravels have been verified by drilling (re-drilling). The prospecting programme should be planned to estimate/upgrade the Mineral Resources that may exist on the Remhoogte and Holsloot properties and initiate technical and economic studies which may culminate in the completion of a Preliminary Economic Assessment by the end of FY2016. Advance to any subsequent exploration phase is contingent on positive results in the initial drilling and sampling programme.

Rockwell has proposed a budget of ZAR5M for the exploration drilling programme on Remhoogte/Holsloot, as well as a budget of ZAR13M/month for the Rooikoppie sampling exercise, with a planned increase to some ZAR15M/month when the fluvial-alluvial sampling is initiated. It is planned that cash flow from operations on the Project following completion of the Acquisition will be used to fund this work programme.

