

# Goldman Sachs Global Natural Resources Conference

Sept 2012



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# Topics

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# Salient Features

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- **Highly experienced Board of Directors with proven track record of success**
- **Sufficient cash resources to sustain current operations**
- **Liqhobong mine in Lesotho is primary asset**
  - World's third largest undeveloped kimberlite resource as measured by contained carats
  - Definitive Feasibility Study (DFS) for +1 million carats per annum production largely complete
    - Initial results encouraging
  - Specials since January 2012: 28 carat, 36 carat & 74 carat (and crushed 4 X 100 carats)
  - Pilot Plant modifications to reduce breakage completed, August 2012
- **Exciting exploration portfolio in Botswana**
  - BK11 Mine under care and maintenance – produced 19,000 carats of diamonds to date
  - 87.5% ownership of BK16 pipe
  - Largest exploration land package in Botswana



**176**  
kimberlites in the  
Orapa, Tsabong  
and Kokong  
fields

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# The Team

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Lucio Genoves  
Non-Executive Chairman



Tim Wilkes  
Chief Executive Officer



Paul Sobie  
Non-Executive Director



Braam Jonker  
Non-Executive Director



Julian Treger  
Non-Executive Director



Mike Wittet  
Non-Executive Director



Grant Ferriman  
Chief Financial Officer

Highly  
experienced  
Board with  
proven track  
record

# The Assets: Location

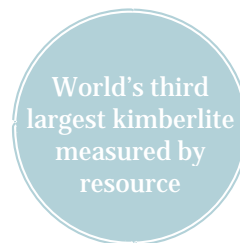


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# The Assets: Liqhobong

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- **Company's primary focus**
- **DFS on Main Treatment plant near completion with initial result encouraging**
  - 30 million carats in situ
  - 18 year life of mine
  - 1 million + carats per annum by 2015
  - 75% owned (25% Government of Lesotho)
  - All necessary licenses in place
- **Pilot Plant operating since Q1 2011**
  - Recovered 172,000 carats aggregate to date
  - 600 carats aggregate "Specials" mined to date (including estimated crushed)
  - Current production of circa 200,000 carats per annum
  - Provided significant ore body knowledge



# The Assets: Liqhobong

## - Mineral Resource Statement

LIQHOBONG MINERAL RESOURCE			
Insitu Mineral Resource (Total Resource)			
	Tons	Cpht	Carats
Indicated	38,539,000	31.25	12,041,600
Inferred	52,280,000	33.88	17,713,000
<b>Total Resource</b>	<b>90,819,000</b>	<b>32.76</b>	<b>29,754,600</b>
Open Pit Resource (included in mine model)			
	Tons	Cpht	Carats
Probable Reserves	37,232,000	31.22	11,625,200
Inferred Reserves	22,518,000	33.62	7,571,300
<b>Total Resource</b>	<b>59,750,000</b>	<b>32.13</b>	<b>19,196,500</b>



# The Assets: Liqhobong - Geology of Main Pipe

## K5

- Approx. 33.1% of Main Pipe
- High grade (42 cpht)
- Enlarges at depth
- Contains large & high value stones

## K2

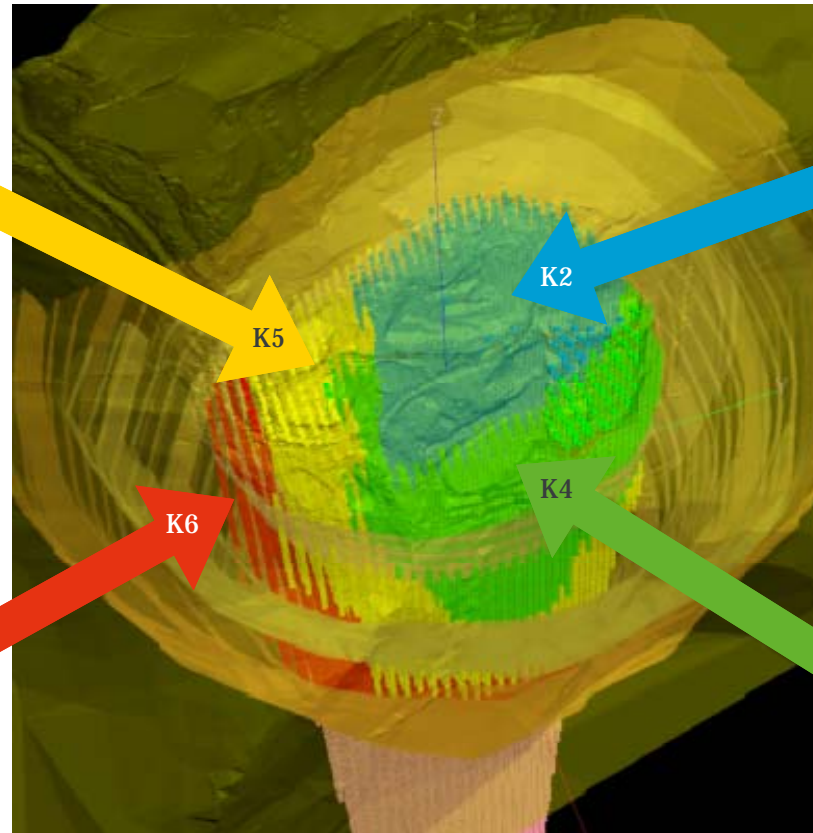
- Approx. 37.1% of Main Pipe
- Grade of 24 cpht
- Decreases in volume at depth

## K6

- Approx. 22.7% of Main Pipe
- High grade (35 cpht)
- Enlarges at depth
- Large framesite diamond found (>250 carats)

## K4

- Approx. 7.1% of Main Pipe
- Only found in upper levels
- Grade of 31 cpht

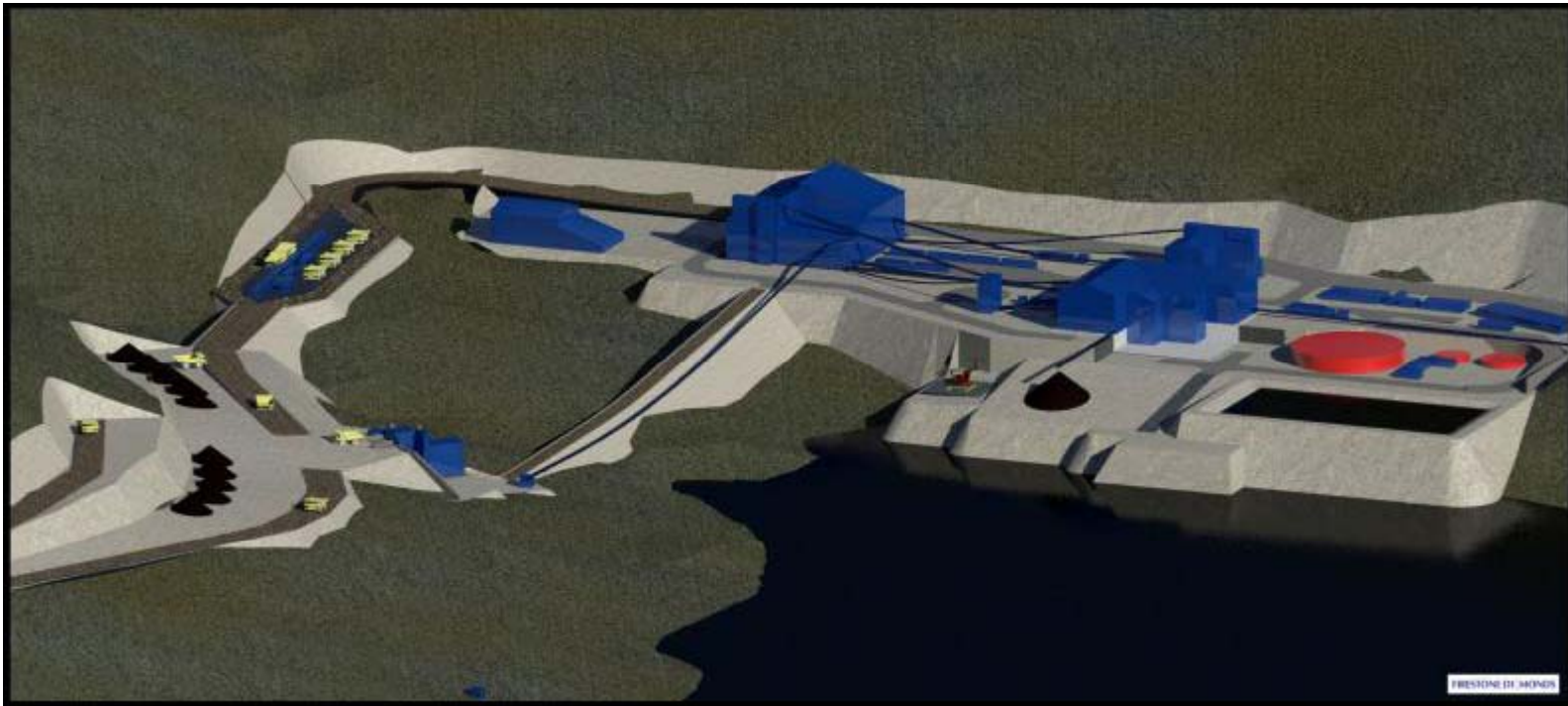


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## The Assets: Liqhobong - Proposed Plant Layout

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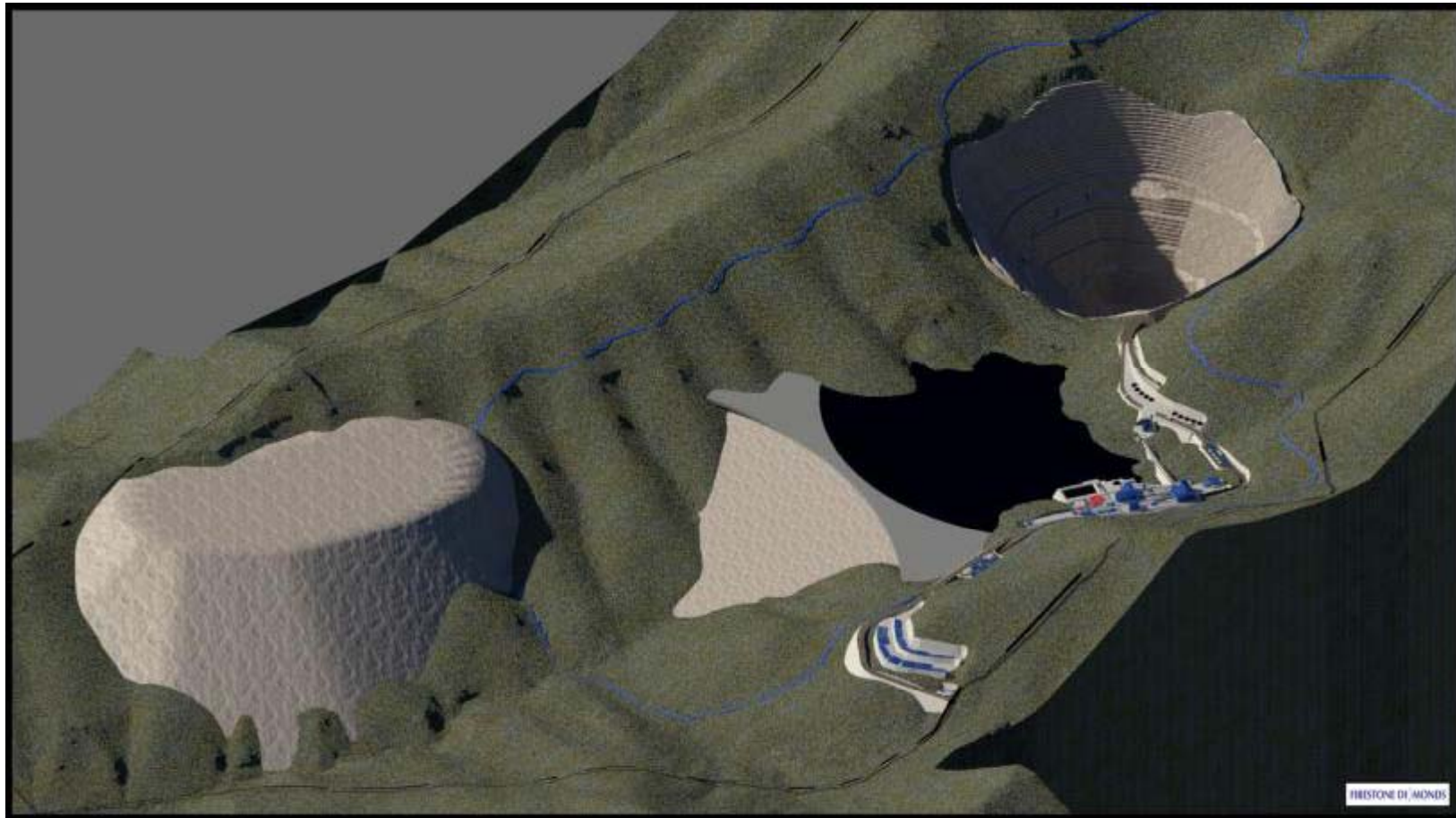
- Custom built plant: simple scrubbing, screening, crushing and concentration design
- 2 x 250 tph Streams = 500tph capacity, @3.6Mtpa



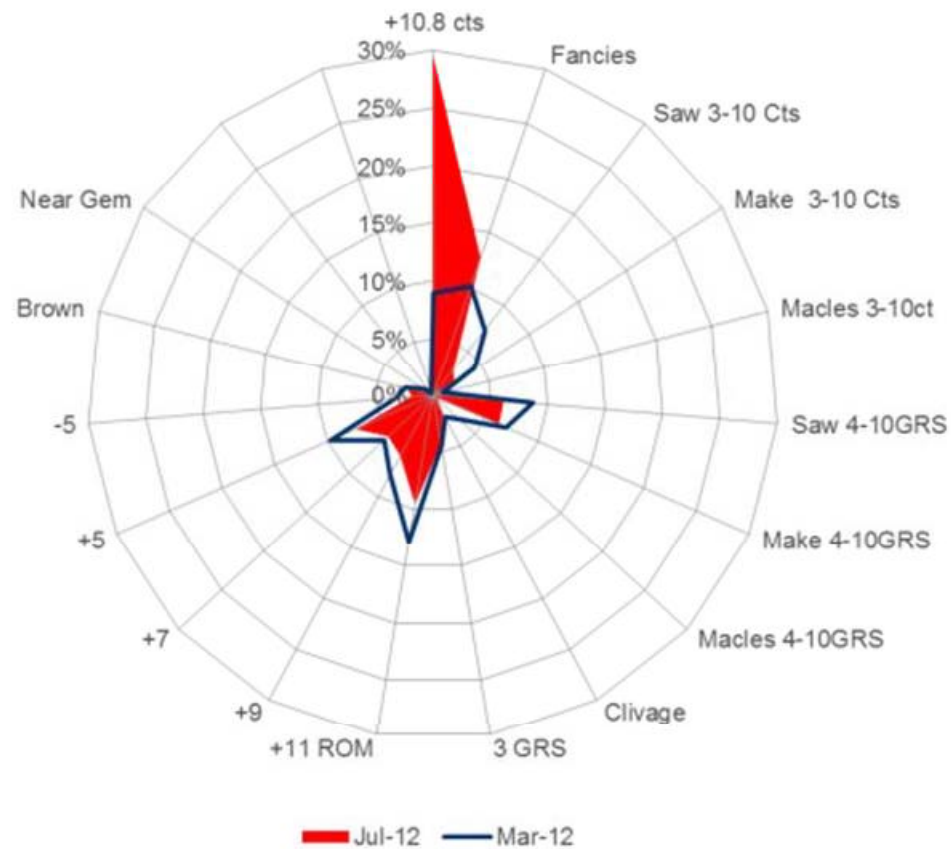
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## The Assets: Liqhobong - Proposed Infrastructure Layout

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# The Assets: Lqhobong - Diamond Assortment Footprint



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## The Assets: Lihobong - Specials

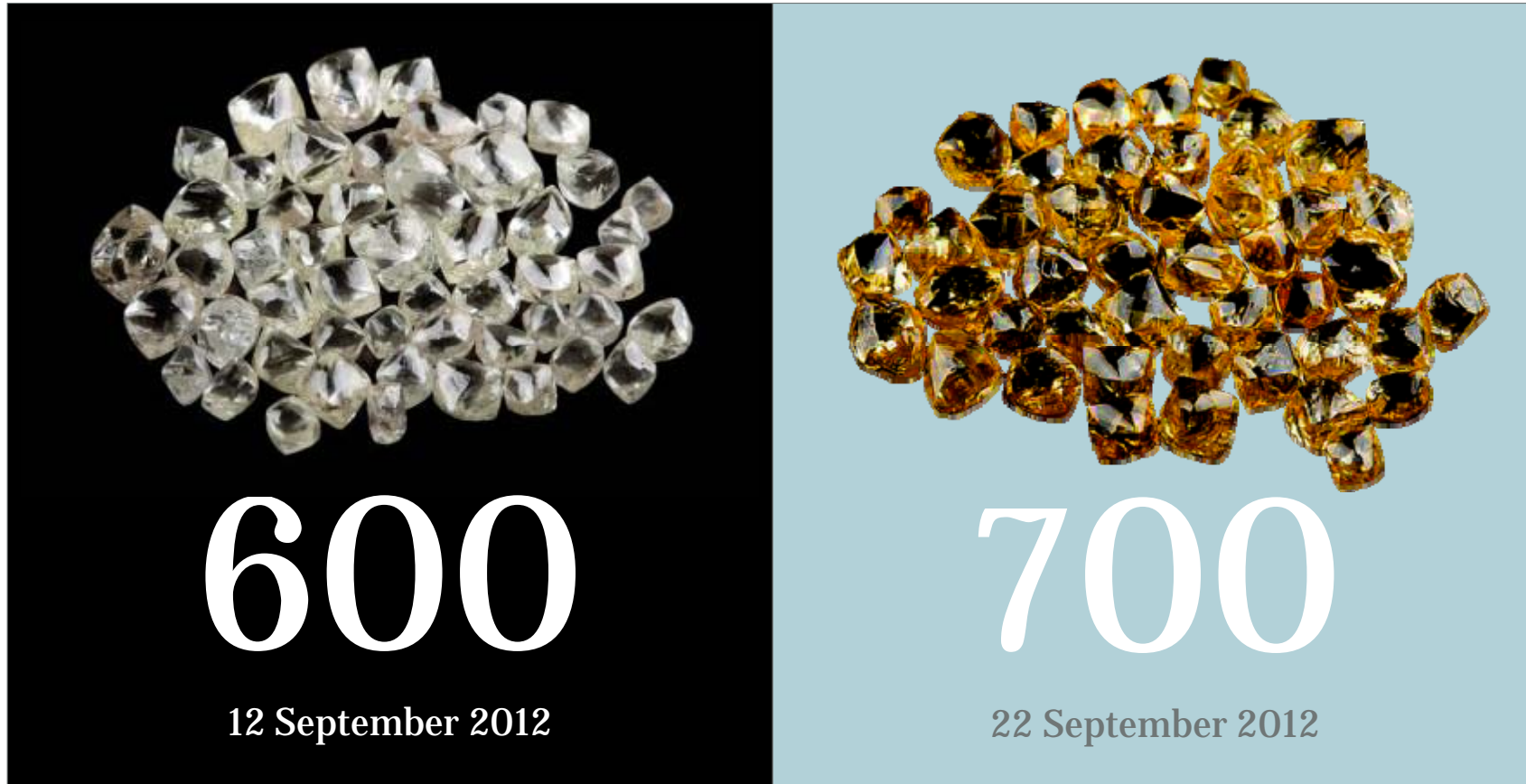
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## The Assets: Lihobong - Current Daily Production (carats)

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# The Assets: BK11 & Exploration Portfolio

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→ **BK11 placed under care and maintenance in March 2012**

- 19,000 carats aggregate mined to date
- \$173 /carat average recovered
- Care and maintenance due to operational challenges combined with market weakness

→ **Largest diamond exploration portfolio in Botswana**

- 176 kimberlites in the Orapa, Tsabong and Kokong kimberlite fields
- Significant potential for further discoveries at Tsabong and Kokong

→ **Board is currently considering strategic alternatives to unlock value from Botswana portfolio**

- Board not willing to compromise on shareholder value
- Current market weakness could delay decision



Largest  
exploration  
portfolio in  
Botswana

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# Competitive Advantage

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## → Management

- Highly experienced Board with diversified skills set
- Board composition ideally suited for next phase development of Company

## → Assets

- Strong future production base with significant exploration blue sky
- Existing producer with production ramp-up to +1m carats imminent
- Value range of diamonds and high cpht grade provides consistent cash flow with significant upside from “specials”

## → Financial

- Cash position sufficient to sustain current operations
- Potential dilution from future development to be minimised by external funding
- Discussions with potential financiers well underway





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# The Opportunity

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## → Exposure to Diamond industry

- One of only three UK listed junior diamond producers
- Lack of new economical diamond discoveries bodes well for future diamond prices and industry

## → Company

- Share price at all time low on back of down turn in market
- Company trading at deep discount to intrinsic value (Market capitalisation of GBP26m)
- High cpht occurrence combined with quality distribution provides higher level of assurance and reduced risk
- Potential significant adjustment in value once DFS and development finance is announced



# Questions?

