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Information in this presentation is correct as at 12 June 2012
FULL YEAR 2011 RESULTS HIGHLIGHTS

GEM DIAMONDS’ UNIQUE PRODUCTION

- Letšeng’s exceptional white and coloured diamonds
- Ellendale’s exceptional fancy yellow diamonds

VALUE CREATION

- Growth Projects
  - Letseng Expansion - Project Kholo
  - Ghaghoo Mine Development
- Sales & Marketing
- Capturing Margin Downstream
Full Year 2011 Results Highlights

**REVENUE**
- **US$396m**
  - +49% from 2010

**EBITDA**
- **US$180m**
  - +119% from 2010
  - EBITDA margin at 45%

**BASIC EPS (continuing operations)**
- **US$0.47**
  - +213% from 2010

**CASH GENERATION**
- **US$203m**
  - +116% from 2010
Letšeng’s exceptional white and coloured diamonds

Letšeng has produced 4 of the 5 largest white diamonds recovered this century

- 603ct (2006) US$12.4m
- 493ct (2007) US$10.4m
- 478ct (2008) US$18.4m
- 550ct (2011) US$16.5m + polished upside
- 2.79ct (2010) US$199k per carat
- 184ct (2010) Sold for a combined total of US$22.7m
- 196ct (2010)
- 28.36ct (US$142k per carat)
Ellendale’s exceptional fancy yellow diamonds

Ellendale is regarded as the world’s leading producer of fancy yellow diamonds

• Average price achieved - US$ 4,326 per carat (as at end Q1 2012)

• Major producer of high quality fancy yellow diamonds
Value Creation

- Growth Projects
  - Letseng Expansion - Project Kholo
  - Ghaghoo Mine Development

- Sales & Marketing
- Capturing Margin Downstream
Letšeng Expansion – Project Kholo
Letšeng Expansion - Project Kholo

- Implementation underway, with ramp up to full production by July 2014
- Early procurement, detail design and early earth works commenced in Q1 2012
- Project manager and owner’s team members appointed
- Work in progress to issue new mining contract for expanded production
- From 2020, carat production remains in the 180-200 kct range
Letšeng Expansion – Project Kholo

<table>
<thead>
<tr>
<th>Letšeng Snapshot - (100% project value)</th>
<th>March 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Kholo capital expenditure (US$m)</td>
<td>280</td>
</tr>
<tr>
<td>Revenue available for Cutting &amp; Polishing</td>
<td>up to 50% by 2017</td>
</tr>
<tr>
<td>Net Cutting &amp; Polishing uplift</td>
<td>10-13%</td>
</tr>
<tr>
<td>Exchange rate (Rand/US$)</td>
<td>7.80</td>
</tr>
<tr>
<td>Project Kholo NPV (US$m) 8% discount rate</td>
<td>652</td>
</tr>
<tr>
<td>Project Kholo IRR</td>
<td>40%</td>
</tr>
<tr>
<td>Project Kholo Payback - from start of project (2012)</td>
<td>2016</td>
</tr>
<tr>
<td>Letšeng NPV (US$m) - 8% discount rate</td>
<td>2 549</td>
</tr>
</tbody>
</table>

- Increasing production to 10 million tonnes
- Improving grade through increased liberation
- Reducing diamond damage
- Reducing unit costs
- Increasing value from sales and marketing activities and downstream cutting and polishing
Ghaghoo Mine Development
Ghaghoo Development

- Capital project of US$85 million
- Phase 1 underway with production planned for H2 2013
- US$19 million spent in 2011 (21% of total Phase 1 capex)/US$45 million planned for 2012 & US$21 million for 2013
- Decline advanced some 150 metres underground
- Results from Phase 1 will provide updated valuation metrics and underpin future strategy

**Key metrics:**
- Grade
- US$ per carat
- Milling characteristics for improved liberation
- Mining conditions

**Strategic options:**
- U/G - Double up
- U/G - Maximum production
- Open-pit
Ghaghoo Mine Development

Carats recovered

<table>
<thead>
<tr>
<th>Year</th>
<th>Carats ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>160</td>
</tr>
</tbody>
</table>

Capital expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>50</td>
</tr>
<tr>
<td>2013</td>
<td>20</td>
</tr>
<tr>
<td>2014</td>
<td></td>
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</tbody>
</table>

Tonnes treated

<table>
<thead>
<tr>
<th>Year</th>
<th>mt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>0.3</td>
</tr>
<tr>
<td>2014</td>
<td>0.6</td>
</tr>
</tbody>
</table>

*includes sustaining and expansion capital
Sales & Marketing

Product differentiation

Letšeng is currently the leading producer of Elite diamonds - this position to grow after expansion

Best of the best - coarseness and Type IIa proportion produces the best elite rough

Elite Production Market Share

Letšeng’s production increases following Project Kholo expansion
Sales & Marketing

Rough Sales Strategy

Gem Diamonds’ unique, high value production - marketed through multiple methodologies to maximise value achieved.

- Brought in-house to exercise control
- Target appropriate clients to maximise market competition
- Improve market offering
- Build direct relationships with clients & partners

<table>
<thead>
<tr>
<th></th>
<th>Q1 10</th>
<th>Q2 10</th>
<th>Q3 10</th>
<th>Q4 10</th>
<th>Q1 11</th>
<th>Q2 11</th>
<th>Q3 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ per Carat</td>
<td>1,753</td>
<td>1,714</td>
<td>1,680</td>
<td>3,291</td>
<td>2,385</td>
<td>3,448</td>
<td>3,178</td>
</tr>
</tbody>
</table>

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Sales & Marketing

Polished Sales Strategy

GROWTH

- Access post mine gate margins on high quality production
- Grow revenue / margin
- Plan to grow manufacturing to 50% of Letšeng’s production by 2017

PROTECTION

- Flexibility of strategy allows allocation of production to rough or polished distribution as the case may be, whichever is the strongest market at any particular time.

DOWNSTREAM CHANNELS

- Polished wholesale clients
- Branded auction platform
- Partnered - select clients; jewellery manufacturers/retail
- HNWI Clientele
Capturing Margin On Select Exceptional Diamonds

Exceptional product, exceptional profit

- **Promise** (603ct) Rough Value $12.4m
- **Light** (478ct) Rough Value $18.4m
- **Star** (550ct) Rough Value $16.5m
- **GRAFF**
  - Polished Value $75m
  - Polishing Costs $2/3m est.

- **GRAFF**
  - Polished Value $35m
  - Polishing Costs $2/3m est.
Thank You