THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions commencing on page 4 of this circular apply through this document. Whilst the entire circular is important and should be read, particular attention should be paid to page 2 entitled "Action required".

If you have disposed of all your shares in DiamondCorp, please forward this circular to the purchaser of such shares or to the broker, CSDP or agent through whom the disposal was effected.

DIAMONDCORP PLC

Share code on AIM: DCP Share code on the JSE: DMC
ISIN: GB00B183ZC46
(Incorporated in England and Wales)
(Registration number 05400982)
(SA company registration number 2007/031444/10)
("DiamondCorp" or "the Company")

CIRCULAR TO SHAREHOLDERS

regarding the specific issue of 1,650,000 warrants to AOF in terms of the funding transaction entered into between AOF and DiamondCorp;

and incorporating

- **a notice of general meeting of ordinary shareholders; and**
- **a form of proxy for completion by certificated and own-name dematerialised shareholders.**

Investment Bank and Sponsor

Investec Bank Limited
Investec Bank Limited
(Registration number 1969/004763/06)

Independent Reporting Accountants

Deloitte.
Deloitte & Touche
Registered Auditors

Date of issue: Friday, 15 August 2008

Copies of this circular, in English only, may be obtained from the registered office of DiamondCorp, details of which are contained inside this cover, from Friday, 15 August 2008.

CORPORATE INFORMATION

Directors:

Euan Arthur Worthington	*Non-Executive Chairman*
Paul Robert Loudon	*Chief Executive Officer*
Nick Richard Allen	*Non-Executive Director*
Jonathan Willis-Richards	*Non-Executive Director*

Company Secretary and Chief Financial Officer:

John Charles Forrest

Registered office (UK):

First Floor
Georgian House
63 Coleman Street
London EC2R 5BB

Registered office (SA):

Ruby Farm 691
Kroonstad
9499
South Africa
(PO Box 6016, Kroonheuwel, Kroonstad, 9501)

Investment Bank and Sponsor:

Investec Bank Limited
100 Grayston Drive
Sandown
2196
Johannesburg
(PO Box 785700, Sandton, 2146)

Nominated Adviser and Broker on AIM:

Cenkos Securities plc
6.7.8 Tokenhouse Yard
London EC2R 7AS

Legal Advisers as to SA law:

Werksmans Inc.
155, 5th Street
Sandown
Sandton
2196
Johannesburg
(Private Bag 10015, Sandton, 2146)

Solicitors as to UK Law:

Cobbetts LLP
58 Mosley Street
Manchester
M2 3HZ

Auditor:

Deloitte & Touche LLP
City House
126 – 130 Hills Road Cambridge
CB2 1RY

Reporting Accountants:

Deloitte & Touche
Registered Auditors
The Woodlands
20 Woodlands Drive
Woodmead, Sandton, 2146
(Private Bag X6, Gallo Manor, 2052)

Transfer Secretaries in SA:

Computershare Investor Services (Pty) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Transfer Secretaries in UK:

Computershare Investor Services plc
The Pavilions
Bridgewater Road
Bristol BS99 6ZZ
(Postal address as above)

Date and place of Incorporation:

22 March 2005
England and Wales

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The definitions commencing on page 4 of this circular apply mutatis mutandis to this contents page.

ACTION REQUIRED

The definitions commencing on page 4 of this circular apply mutatis mutandis to this page.

If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, legal adviser, accountant or other professional adviser immediately.

If you have disposed of all your DiamondCorp shares, this document should be handed to the purchaser of such shares or the broker, CSDP, banker or other agent through whom such disposal was effected.

CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH OWN-NAME REGISTRATION

If you are a certificated shareholder or a dematerialised shareholder who has elected own-name registration, you are entitled to attend, or be represented by proxy at, the general meeting. If your shares are held through a nominee or broker, you must inform such nominee or broker of your intention to attend the general meeting and obtain the necessary letter of representation from that nominee or broker or provide your nominee or broker with your voting instructions should you not be able to attend the general meeting in person.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by DiamondCorp at their registered office at First Floor, Georgian House, 63 Coleman Street, London, EC2R 5BB, by no later than 10:00 am (UK time), or by Computershare SA at their registered office at Ground Floor, Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107 by no later than 11:00 am (SA time) on Thursday, 28 August 2008.

DEMATERIALISED SHAREHOLDERS OTHER THAN WITH OWN-NAME REGISTRATION

If you are a dematerialised shareholder other than with own-name registration, then your CSDP or broker, as the case may be, should contact you to ascertain how you wish to cast your vote at the general meeting, and thereafter cast your vote in accordance with your instructions. This should be done in terms of the agreement entered into between you, as a dematerialised DiamondCorp shareholder and the CSDP or broker. If you, as a dematerialised DiamondCorp shareholder have not been contacted by your CSDP or broker, as the case may be, it would be advisable for you to contact your CSDP or broker and furnish them with your instructions.

Should you wish to attend the general meeting you should timeously inform your CSDP or broker of your intention to attend and vote at the general meeting and obtain the necessary letter of representation from that nominee or broker.

SALIENT FEATURES

The definitions commencing on page 4 of this circular apply mutatis mutandis to this page.

The salient features provide an outline of the information contained in this circular, which circular should be read in its entirety for a full appreciation hereof.

INTRODUCTION

On Monday, 28 July 2008, DiamondCorp announced that, subject to the relevant conditions precedent, a funding transaction was entered into between DiamondCorp and AOF in terms of which AOF will issue DiamondCorp with a US$5,000,000 bond, to be repaid by semi-annual coupon payments, capital amortisation payments and the issue to AOF of 1,650,000 warrants for conversion into DiamondCorp shares, subject to shareholder approval. Further detail is outlined in paragraph 2.

In terms of the Listings Requirements, the issue of warrants to AOF constitutes a specific issue and thus shareholder approval representing not less than three-fourths (75%) of the votes exercisable by shareholders present and voting at a general meeting, either in person or by proxy, is required.

GENERAL MEETING

The general meeting will be held on Monday, 1 September 2008 at 10:00 am (UK time) at DiamondCorp's UK registered office: First Floor, Georgian House, 63 Coleman Street, London, EC2R 5BB.

IMPORTANT DATES AND TIMES

	2008
Last day for receipt of forms of proxy for the general meeting by no later than 10:00 am (UK time) and 11:00 am (SA time), respectively	Thursday, 28 August
General meeting to be held at 10:00 am (UK time)	Monday, 1 September
Results of the general meeting released on SENS and RNS	Monday, 1 September
Results of the general meeting to be published in the press	Tuesday, 2 September

DEFINITIONS

Throughout this circular, its appendices and attachments, unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words signifying one gender include the other and words denoting natural persons include juristic persons and associations of persons:

"Act"	the Companies Act of South Africa, 1973 (Act 61 of 1973), as amended;
"AIM"	the Alternative Investment Market operated by the London Stock Exchange plc;
"AOF funding transaction" or "funding transaction"	the transaction governed by the collective agreements, dated Friday, 25 July 2008 between DiamondCorp and AOF relating to the US$5,000,000, 12% coupon bond and the attached 1,650,000 warrants to be issued to AOF in terms of a specific issue, including the Bond Agreement, the Deed of Warrant and the Charge;
"AOF issue" or "specific issue"	the 1,650,000 million warrants to be issued to AOF, subject to shareholder approval, in terms of the AOF funding transaction, further details of which are contained in paragraph 2;
"AOF"	African Opportunities Fund L.P (registration number MC-20466), a limited partnership entity registered in the Cayman Islands;
"Bond Agreement"	the agreement entered into between DiamondCorp and AOF, relating to the 12% US$5,000,000 bond to be issued by AOF to DiamondCorp, in terms of the overall funding transaction;
"certificated shareholders"	holders of certificated shares, represented by a paper share certificate or other physical document(s) of title, which shares have not been surrendered for dematerialisation in terms of the Strate system;
"certificated shares"	DiamondCorp shares, other than dematerialised shares;
"the Charge"	the agreement entered into between DiamondCorp and AOF, relating to the pledge of the issued and outstanding share capital of DiamondCorp Holdings Limited, a wholly-owned subsidiary of DiamondCorp, limited to the extent of the amount outstanding, in the event of default;
"Computershare SA"	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a private company incorporated in South Africa;
"Combined Code"	the code of best practice including the principles of good governance published in July 2006 by the Financial Reporting Council;
"CSDP"	Central Securities Depository Participant, defined in section 1 of the Securities Services Act;
"Deed of warrant"	the agreement entered into between DiamondCorp and AOF, relating to the issue of 1,650,000 warrants to be granted to AOF, in terms of the overall funding transaction;
"Deloitte"	Deloitte & Touche, Registered Auditors (practice number 902276);
"dematerialisation"	the process by which certificated shares are converted to dematerialised shares in electronic form;

"dematerialised shareholders"	holders of dematerialised shares;
"dematerialised shares"	DiamondCorp shares that have been converted to an electronic form in accordance with Strate, which shareholding is recorded in the sub-register of shareholders maintained by a CSDP;
"DHL"	DiamondCorp Holdings Limited (registration number IBC648117), a company registered in the BVI and wholly owned by DiamondCorp;
"DiamondCorp shares" or "shares"	ordinary par value shares of 3 pence each in the share capital of DiamondCorp;
"DiamondCorp" or "the Company"	DiamondCorp plc (registration number 05400982), incorporated in England and Wales and registered in South Africa under company registration number 2007/031444/10;
"directors" or "board"	the board of directors of DiamondCorp;
"EPS"	earnings per share;
"exchange rate on the last practicable date"	R14.5193/£;
"the Guarantee"	the guarantee, as detailed in the Bond Agreement, whereby DiamondCorp shall procure that its wholly owned subsidiary, Soapstone, effects a charge or guarantee in favour of AOF over the mining equipment to be purchased by Soapstone, limited to the extent of the repayment amount outstanding, in the event of default;
"general meeting"	the general meeting of ordinary shareholders to be held on Monday, 1 September 2008 at time 10:00 am (UK time) at DiamondCorp's registered office; First Floor, Georgian House, 63 Coleman Street, London, EC2R 5BB, to approve the specific issue;
"group"	collectively, DiamondCorp and its subsidiaries;
"HEPS"	headline earnings per share;
"Investec"	Investec Bank Limited (registration number 1969/004763/06), a public company incorporated in South Africa;
"JSE"	the JSE Limited (registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the Securities Services Act;
"Lace"	Lace Diamond Mines (Pty) Ltd (registration number 2005/007856/07), a company incorporated in South Africa, and 74% effectively owned by DiamondCorp;
"last practicable date"	the last practicable date prior to the finalisation of this circular, being Friday, 8 August 2008;
"Listings Requirements"	the Listings Requirements of the JSE;
"NAV"	net asset value;
"own-name registration"	dematerialised shareholders who have registered their shares in their own name with a CSDP or broker in terms of the Custody and Administration of Securities Act, 1992 (Act 85 of 1992), as amended;
"RNS"	Regulatory News Service of the London Stock Exchange plc;

"RSA" or "South Africa" or "SA"	the Republic of South Africa;
"Securities Services Act"	the Securities Services Act, 2004 (Act 36 of 2004), as amended;
"SENS"	the Securities Exchange News Service of the JSE;
"shareholders"	the holders of DiamondCorp shares;
"Strate"	the settlement and clearing system used by the JSE, managed by Strate Limited (registration number 1998/022242/06), incorporated with limited liability in South Africa and registered in terms of the Securities Services Act;
"Shanduka"	Shanduka Resources (Proprietary) Limited (registration number 2002/017835/07), a company incorporated in South Africa;
"Soapstone"	Soapstone Investments (Proprietary) Limited (registration number 2006/011940/07), a company incorporated in South Africa;
"Sphere"	Sphere Investments (Proprietary) Limited (registration number 2002/014002/07), a company incorporated in South Africa and wholly owned by Sphere Holdings;
"this circular"	this circular to ordinary shareholders, dated Friday, 15 August 2008, relating to the AOF specific issue and incorporating a notice of general meeting and a form of proxy;
"TNAV"	tangible net asset value; and
"UK"	United Kingdom.

DIAMONDCORP PLC

Share code on AIM: DCP Share code on the JSE: DMC
ISIN: GB00B183ZC46
(Incorporated in England and Wales)
(Registration number 05400982)
(SA company registration number: 2007/031444/10)
("DiamondCorp" or "the Company")

Directors

Euan Arthur Worthington* *(Chairman)*
Paul Robert Loudon *(Chief Executive Officer)*
Nick Richard Allen*
Jonathan Willis-Richards*

**Independent non-executive*

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

On Monday, 28 July 2008, DiamondCorp announced that, subject to the relevant conditions precedent, a funding transaction was entered into, between DiamondCorp and AOF. The terms of the collective agreements that govern the funding transaction include the issue to AOF of 1,650,000 warrants, at a strike price of 72 pence (AOF specific issue). In terms of the Listings Requirements, shareholder approval is required for a specific issue of warrants where the potential discount to market value of shares at the time of exercise of such warrants is unknown, as is case with the AOF specific issue.

The purpose of this circular is to furnish the company's shareholders with all the relevant information relating to the AOF specific issue, in accordance with the Listings Requirements, and to convene a general meeting of ordinary shareholders in order for them to consider and, if deemed fit, approve the ordinary resolution to effect the AOF specific issue, in terms of the notice of general meeting attached to this circular.

2. THE FUNDING TRANSACTION

2.1 Terms of the funding transaction

The funding transaction dated Friday, 25 July 2008 between DiamondCorp and AOF details the terms under which AOF will provide a US$5,000,000 bond to DiamondCorp. Under the terms of the agreements, DiamondCorp undertakes the following obligations:

- to pay a coupon of 12% p.a (payable semi-annually);
- to make capital repayments according to the following schedule; US$500,000 to be repaid 18 months after the issue date, US$1,000,000 to be repaid 24 months after issue date, US$1,500,000 to be repaid 30 months after the issue date, and the outstanding principal of US$2,000,000 to be repaid on the third anniversary of the issue date; and
- to issue AOF with 1,650,000 warrants, where each warrant confers on the AOF the right to acquire one fully paid share in DiamondCorp at a price of 72 pence per share at any time between the date falling six months after the issue date and the third anniversary of the issue date.

DiamondCorp has the right to redeem the bond at any time after the first anniversary date at between 105 percent and 108 percent of face value (depending on the date of redemption), plus accrued interest.

DiamondCorp has agreed appropriate security with AOF for the funding transaction, in terms of the Charge and the Guarantee.

2.2 Rationale for the funding transaction

Management has focused on accelerating development of Phase Two, which is underground mining at the Lace Mine. Phase Two requires capital expenditure of approximately R100 million (£6.9 million) over 2008 and 2009 to achieve underground production of 4,000 tonnes of kimberlite per day.

The expenditure will be financed in part by the funding transaction with AOF, in part by the equity placement recently completed, and with the balance of funding to be provided by operating cashflow as Lace moves into underground mining later in 2008. Also, DiamondCorp's BEE partners, Shanduka and Sphere, are scheduled to invest an aggregate R26 million (£1.8 million) in 2009 upon completion of a positive feasibility study for Phase Two.

Further detail on the Lace project is contained in paragraph 4.1 below.

2.3 Condition precedent to the funding transaction

The funding transaction is subject to the fulfilment of the following conditions precedent:

– DiamondCorp obtaining shareholder approval for the AOF specific issue;

– no default or event of default having occurred or continuing; and

– both the representation and warranties made by DiamondCorp in the funding transaction being true and complete on and as of the issue date with the same force and effect as if made on and as at that date.

2.4 *Pro forma* financial effects of the AOF specific issue

The table below sets out the unaudited *pro forma* financial effects of the funding transaction on DiamondCorp. The unaudited *pro forma* financial effects are presented for illustrative purposes only and because of their nature may not give a fair reflection of DiamondCorp's results, financial position and changes in equity after the funding transaction has been effected. It has been assumed for purposes of the *pro forma* financial effects that the funding transaction took place with effect from 1 January 2007 for income statement purposes and 31 December 2007 for balance sheet purposes. The directors are responsible for the preparation of the unaudited *pro forma* financial effects.

	Published	***Pro forma***			
		Scenario 1[2]		**Scenario 2[2]**	
	Before funding transaction[1]	**After funding transaction[3]**	**Change[6] (%)**	**After funding transaction[4]**	**Change[6] (%)**
Basic loss per share (p)	**(6.27)**	**(8.45)**	**34.77**	**(8.66)**	**38.12**
Headline loss per share (p)	**(6.26)**	**(8.44)**	**34.82**	**(8.65)**	**38.18**
NAV per share (p)	**38.15**	**39.48**	**3.49**	**37.94**	**(0.55)**
Tangible NAV per share (p)	**20.75**	**22.86**	**10.17**	**20.53**	**(1.06)**
Number of shares in issue	**34,770,408**	**36,420,408**	**4.75**	**34,770,408**	**–**
Weighted average number of shares in issue	**33,501,444**	**34,328,704**	**2.47**	**33,501,444**	**–**

Notes:

1. The "Before funding transaction" financial information is based on DiamondCorp's published audited results for the year ended 31 December 2007.

2. The "After funding transaction" *pro forma* information is presented under two scenarios. Both scenarios incorporate the issue of the US$5mn (£2,504,500) bond to DiamondCorp and include the transaction costs related to the funding transaction. Of the £74,400 transaction costs presented in paragraph 6.2 below, the £30,000 relating to the bond have been expensed through the income statement, whilst the £44,400 relating to the AOF specific issue have been written off against share premium. The income statement has been adjusted for the £300,540 coupon payment on the bond and a once-off IFRS 2 charge of £468,569 relating to the issue of the AOF warrants, as calculated using a Black-Scholes model. It has been assumed that the vesting period of the AOF warrants is 1 July 2007, in scenario 1 and 2, as the vesting period of the warrants is six months after the issue date of the bond, as detailed in paragraph 2.1 above.

3. Scenario 1 presents the case where all the warrants are exercised after six months, being 1 July 2007:
   – EPS and HEPS are adjusted for the exercise of warrants at 1 July 2007.
   – NAV and TNAV are adjusted to include the cash received from the issue of the 1.65 million ordinary shares at 72 pence per share, in addition to the cash received in terms of the loan (net of transaction costs).

4. Scenario 2 presents the case where no warrants are exercised in 2007:
   – EPS and HEPS are calculated using the original weighted average number of shares as published for the period to 31 December 2007.
   – NAV and TNAV are calculated using the original number of shares in issue as published at 31 December 2007 and the cash received in terms of the loan (net of transaction costs).
5. An exchange rate of £0.5009/$, being the closing exchange rate on 31 December 2007, has been used in this *pro forma* analysis.
6. The percentage change has been calculated on rounded numbers.

**Diluted earnings measures have not been presented in this analysis, although DiamondCorp has outstanding options. The net loss per share would only be increased by the exercise of out-of-money options. It is assumed that option holders would not exercise out-of-money options and hence, no adjustment has been made to diluted loss per share for out-of-money share options. This has been the precedent set in DiamondCorp's audited annual financial statements.*

The *pro forma* balance sheet and income statement relating to the AOF specific issue are set out in Appendix 1 to this circular and the independent reporting accountants' report thereon is set out in Appendix 2 to this circular.

3. INFORMATION RELATING TO THE DIRECTORS

3.1 Directors of DiamondCorp and its subsidiaries

Details relating to the directors of DiamondCorp and its subsidiaries are as follows:

Name, age and nationality	Business address	Principal occupation and function	Date appointed
Board of directors of DiamondCorp			
Euan Arthur Worthington (52) British	Six Yards House Stoke Charity Winchester SO21 3PF UK	Non-Executive Chairman	18 May 2006
Paul Robert Loudon (45) Irish	Georgian House 63 Coleman Street London EC2R 5BB UK	Chief Executive Officer	29 March 2005
Dr Jonathan Willis-Richards (53) British	Georgian House 63 Coleman Street London EC2R 5BB UK	Non-Executive Director	18 May 2006
Nicholas Richard Allen (71) British	35 Milton Close Henley-on-Thames Oxfordshire RG9 1UJ UK	Non-Executive Director	29 March 2005
Other			
John Charles Forrest (61) Canadian	Georgian House 63 Coleman Street London EC2R 5BB UK	DiamondCorp Chief Financial Officer, Company Secretary and Director of Lace	29 July 2005
Alistair Gordon Dean Holmes (66) South African	PO Box 2013 Kroonstad 9500 South Africa	Director of Lace	29 July 2005
Ms Pulane Kingston (37) South African	AON House 28 Fricker Road Illovo 2196 Johannesburg South Africa	Director of Lace	29 July 2005

Name, age and nationality	Business address	Principal occupation and function	Date appointed
Gert Johannes (Gerry) Robbertze (64) South African	Block B Homestead Office Park 65 Homestead Avenue Cramerview 2060 South Africa	Director of Lace	29 July 2005
Steve West (54) South African	c/o Lace Mine PO Box 6016 Kroonheuwel 9501 South Africa	Director of Soapstone	24 April 2008
Ronald Makomva (32) South African	Sphere Holdings (Pty) Limited Third Floor The Place 1 Sandton Drive Sandton, 2196	Director of Lace	19 June 2008
Edwin Mungadzi (41) South African	Posnet Suite 167 Private bag X9924 Sandton, 2146	Director of Lace	19 June 2008

***Curriculum Vitae* of the directors of DiamondCorp**

Executive directors:

Euan Arthur Worthington

Euan Worthington has been involved in exploration, mining project development, analysis and corporate finance in the City of London for more than 25 years. He commenced his corporate finance career as Mining Analyst with Hoare Govett stockbroking in 1983, and has held positions as Senior Mining Analyst with Shearson Lehman, Divisional Director and Head of Mining Research for S.G. Warburg Securities, Head of Mining Corporate Finance for BZW and Head of the Metals & Mining Team at ABN Amro. He has worked as an independent mining finance consultant since 2001, and is deputy chairman of African Eagle Resources plc and European Nickel plc, respectively, also listed on AIM. Euan holds a B.Sc. Geology (Hons) from Kings College, London, a DIC (Mineral Resources Engineering) and M.Sc. Mineral Production Management from Royal School of Mines, Imperial College, London. He is registered with the Engineering Council as a Chartered Engineer, a Member of the Society for Mining, Metallurgy and Exploration, a Fellow of the Institute of Materials, Minerals and Mining, an Associate of the Securities Institute and a past chairman of the Association of Mining Analysts.

Paul Robert Loudon

Paul Loudon has more than 20 years of experience in stockbroking, corporate finance and management of junior mining and exploration companies. He commenced his career as a mining journalist for the Australian Financial Review before entering stockbroking as the Mining Analyst for Intersuisse Limited in Sydney. He was partner in mining corporate advisory firm JSL Pacific Ltd before joining Indomin Resources Limited of Toronto as vice-president corporate development. He has been President of Battlefield Minerals Corporation of Toronto and non-executive chairman of BDI Mining Corp. before joining Loeb Aron & Company Ltd, a London corporate finance house specialising in the mining sector, as Head of Equities where he was responsible for raising significant sums of equity capital for resource companies listed in the UK, Canada and Australia, including the initial public offering and AIM listing of Mercator Gold plc, where he served as a founding Director. Paul is a non-executive director of Loeb Aron & Company and an Associate of the Securities Institute.

Dr Jonathan Willis-Richards

Jonathan Willis-Richards holds a Bachelor's degree in Geology from Oxford University and a Master's Degree in Mining Geology from Camborne School of Mines. His PhD (also from Camborne School of Mines) and subsequent research made him internationally known for numerical modelling in the areas of mineralised and fractured geothermal systems. After some time with the UK "Hot Dry Rock" geothermal energy project as geologist, reservoir modeller and finally as Earth Science Manager with lead contractor CSM Associates Ltd, he joined the Resources Engineering Faculty of Tohoku University in Japan to continue computer modelling and research as part of the Japanese geothermal research programme. In 1996 he returned to the UK as a founding Director of London-based mining corporate finance house Loeb Aron & Company Ltd where he is managing Director. He served as non-executive Director of AIM listed Host Europe Plc.

Nicholas Richard Allen

Nick Allen has worked in the mining industry for over 40 years, primarily in diamond mining and marketing, including lengthy periods with Consolidated African Selection Trust Limited, D. Drukker & Zn NV, George Evens of Antwerp and Benguela Concessions Limited. He is a non-executive Director of Mercator Gold plc.

3.2 Directors' interests in DiamondCorp shares

At the last practicable date, the directors had, direct and indirect, beneficial interests in the issued ordinary share capital of the company as set out in the table below:

Director	Direct holding	Indirect holding	Total share holding	Percentage of issued share capital (%)
Paul Robert Loudon*	1,798,052	–	1,798,052	4.8
Richard Nicholas Allen	83,367	–	83,367	0.2
Euan Arthur Worthington	90,000	–	90,000	0.2
Jonathan Willis-Richards**	1,241,666	75,000	1,316,666	3.6
	3,213,085	75,000	3,288,085	8.8

* *All of the shares in which Paul Loudon is beneficially interested are owned by Green Dragon Nominees Pty Limited, a company of which Paul Loudon is the sole shareholder.*

** *1,166,667 of the shares in which Jonathan Willis-Richards has an interest are owned by Loeb Aron & Company Limited, a company with which Jonathan Willis-Richards is connected. There are 75,000 shares in his name, and 75,000 are owned by Maria Esther Galimberti (Wife). All of the other holdings by directors are beneficial.*

Since the company's year-end of 31 December 2007, the only share transaction effected by a director was the purchase of 30,000 shares at a purchase price of 78 pence on 29 May 2008, by Green Dragon Nominees, the company in which Paul Loudon is the sole shareholder.

3.3 Directors' interests in transactions

None of the directors of DiamondCorp have any material beneficial interest, whether directly or indirectly, in any transaction effected by DiamondCorp in the current or immediately preceding financial year, or during an earlier financial year where there remains any outstanding or underperformed aspect.

3.4 Directors' remuneration

There will be no variation in the remuneration to be received by any of the directors as a consequence of the funding transaction.

4. INFORMATION RELATING TO DIAMONDCORP

4.1 Description of business

DiamondCorp was formed to acquire and develop diamond assets in South Africa. DiamondCorp's main project at this time is its 74%-owned Lace diamond mine. Lace is located 200km southwest of Johannesburg, near Kroonstad in the Free State Province of South Africa. The project comprises the Lace kimberlites which have the potential to support a +20-year underground mining operation, and tailings re-treatment activities which are being undertaken while access to the underground is established.

Phase One of the development of Lace has been the processing of the tailings dumps, which commenced in October 2007. Since the start of 2008, management has focused on accelerating development of Phase Two, which is the underground mining at the Lace mine.

Phase Two involves capital expenditure of approximately R100 million (£6.9 million) over two years to achieve underground production of 4,000 tonnes of kimberlite per day. The current year's expenditure will be financed from the recent R26 million (£1.8 million) equity placement to South African institutions. This year's expenditure will fund extraction of the initial bulk sample and achieve trial mining at a rate of 1,000 tonnes per day from the underground operations.

The funding transaction that has been signed with AOF is expected to provide the balance of the funding required for Phase Two, along with future cash flows and a capital injection of R26 million (£1.8 million) by the BEE partners, Shanduka and Sphere.

4.2 Prospects

The acceleration of the Phase Two development positions DiamondCorp to access the kimberlite material 14 months ahead of the original schedule. The underground mining operation at Lace will reposition DiamondCorp as a full-scale mining operation.

DiamondCorp regularly investigates expansion opportunities. During the past six months, DiamondCorp has assessed a number of other diamond production opportunities but none of these have achieved DiamondCorp's hurdle rates for project scale or profitability. No activities were undertaken on DiamondCorp's exploration properties during the quarter.

It is likely that as a result of entering into the funding transaction, DiamondCorp would not declare any dividends, until such time as the bond has been repaid.

4.3 Share capital

The share capital of the Company at the last practicable date is as follows:

	Number of shares	**Capital (£')**
Authorised share capital of 3 pence par value	166,666,666	5,000,000
Share capital before AOF issue		
Issued share capital of 3 pence par value	37,086,995	1,112,610
Share premium		15,788,561
Share capital after the AOF issue		
Issued share capital of 3 pence par value	38,336,995	1,150,110
Share premium (excluding transaction costs)		16,751,061

There are no treasury shares at the last practicable date.

DiamondCorp has issued the following shares since listing on the JSE:

- 16,666 shares as a result of the conversion of warrants at 30 pence on 20 February 2008;
- 49,998 shares as a result of the conversion of warrants at 30 pence on 6 May 2008; and
- 2,249,923 shares to various institutions in terms of the private placement at R11.59 per share on 23 May 2008.

4.4 Litigation

There are no material legal or arbitration proceedings against DiamondCorp and/or its subsidiaries as far as the directors are aware.

4.5 Share trading history

The share trading history of DiamondCorp's shares on AIM and the JSE is set out in Appendix 3 to this circular.

5. OPINION AND RECOMMENDATION

5.1 Directors' recommendation

The directors have considered the terms and conditions of the AOF specific issue and are of the opinion that the AOF specific issue is fair and in the best interests of all of DiamondCorp's shareholders and other key stakeholders and, accordingly, recommend that DiamondCorp shareholders vote in favour of the ordinary resolutions required to implement the AOF specific issue.

The directors of DiamondCorp who beneficially own and/or control DiamondCorp shares intend to vote in favour of the ordinary resolutions to implement the AOF specific issue.

6. GENERAL

6.1 Corporate Governance

DiamondCorp is committed to a high standard of corporate governance and operates to clear principles and procedures of control. DiamondCorp endeavours to comply with the main provisions of the Combined Code and the King II Report on Corporate Governance.

In so doing, the directors recognise the need to conduct the enterprise with integrity in accordance with generally acceptable corporate policies. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders providing a proper and objective perspective of DiamondCorp.

The directors have, accordingly, established mechanisms and policies appropriate to the Company's business in keeping with its commitment to best practices in corporate governance.

Full details of DiamondCorp's corporate governance practices are set out in Appendix 4 to this circular.

6.2 Expenses

The estimated expenses relating to the funding transaction are set out below:

	£'000
Printing	3.3
JSE fee (documentation)	0.7
Independent reporting accountants	7.3
Investment banking and sponsor fees	33.1
Legal fees	30.0
	74.4

6.3 Directors' responsibility statement

The directors, whose names appear in paragraph 3.1 above, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and this circular contains all information required by law and the Listings Requirements.

6.4 Consents

The independent reporting accountants, Deloitte, and the sponsor and investment bank, Investec, have given, and have not prior to the last practicable date withdrawn, their written consents to the inclusion in this circular of their names and, where applicable, their reports, in the form and context in which they appear.

7. GENERAL MEETING AND VOTING RIGHTS

7.1 General meeting

A notice convening the general meeting to approve the specific issue and a form of proxy, for use by registered certificated shareholders and dematerialised shareholders with own-name registration who are unable to attend the general meeting, form part of this circular.

Shareholders are referred to the "Action required" section on page 2 of this circular which contains information as to the actions they need to take in regard to the general meeting.

The general meeting of shareholders will be held at the First Floor, Georgian House, 63 Coleman Street, London EC2R 5BB at 10:00 am (UK time) on Monday, 1 September 2008, in order to consider and if deemed fit pass, with or without modification, the ordinary resolutions required to give effect to the AOF specific issue, as set out in the notice of general meeting.

7.2 JSE requirement

In terms of the Listings Requirements, the ordinary resolution number 1 set out in the notice of general meeting requires the approval of a 75% majority of votes cast in favour thereof by all shareholders present or represented by proxy.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents, in relation to DiamondCorp and where applicable its subsidiaries, will be available for inspection at the Company's registered office during normal office hours from Friday, 15 August 2008 up to the close of business on Monday, 1 September 2008:

– the memorandum and articles of association;
– the collective agreements, including the Bond Agreement, the Deed of Warrant and the Charge;
– directors' service agreements;
– the audited financial statements for the preceding three years;
– the signed report of the independent reporting accountants on the *pro forma* financial information, the text of which is included in this circular as Appendix 2;
– the professional experts' consent letters; and
– a signed copy of this circular.

On behalf of the board

DIAMONDCORP PLC

E A Worthington	**Paul Loudon**
Chairman	*Chief Executive Officer*

15 August 2008

Registered office

First Floor
Georgian House
63 Coleman Street
London EC2R 5BB

FINANCIAL INFORMATION

1. INTRODUCTION

The unaudited *pro forma* consolidated income statement and balance sheet of DiamondCorp, before and after the funding transaction, are set out below. The unaudited *pro forma* income statement and balance sheet have been presented for illustrative purposes only and because of their nature may not give a fair reflection of DiamondCorp's results, financial position and changes in equity after the funding transaction has been effected. It has been assumed for purposes of the *pro forma* statements that the funding transaction took place with effect from 1 January 2007 for income statement purposes and 31 December 2007 for balance sheet purposes. The directors are responsible for the preparation of the unaudited *pro forma* income statement and balance sheet.

PRO FORMA CONSOLIDATED INCOME STATEMENT

	Published[1]	*Pro forma*[2]			
		Scenario 1[3]		Scenario 2[4]	
(£')	**Before funding transaction**	**Adjust-ments**	**After funding transaction**	**Adjust-ments**	**After funding transaction**
Revenue	74,795		74,795		74,795
Cost of sales	(189,403)		(189,403)		(189,403)
Gross loss	(114,608)		(114,608)		(114,608)
Administration expenditure	(2,054,135)		(2,054,135)		(2,054,135)
Operating loss	(2,168,743)		(2,168,743)		(2,168,743)
Interest expense (including warrant costs)	–	(330,540)	(330,540)	(330,540)	(330,540)
IFRS 2 charge relating to warrants	–	(468,569)	(468,569)	(468,569)	(468,569)
Investment revenues – bank deposits	112,492		112,492		112,492
Loss before tax	(2,056,251)		(2,855,360)		(2,855,360)
Income tax expense	(45,000)		(45,000)		(45,000)
Loss for the financial period	(2,101,251)	–	(2,900,360)	–	(2,900,360)
Attributable to the equity holders of the parent	(2,101,251)	–	(2,900,360)	–	(2,900,360)
Basic loss per share (pence)	(6.27)		(8.45)		(8.66)
Headline loss per share (pence)	(6.26)		(8.44)		(8.65)
Weighted average number of shares	33,501,444	827,260	34,328,704		33,501,444

PRO FORMA CONSOLIDATED BALANCE SHEET

	Published[1]	*Pro forma*[2]			
		Scenario 1[3]		Scenario 2[4]	
(£')	**Before funding transaction**	**Adjust-ments**	**After funding transaction**	**Adjust-ments**	**After funding transaction**
ASSETS					
Non-current assets					
Goodwill	4,606,026		4,606,026		4,606,026
Other intangible assets	1,445,567		1,445,567		1,445,567
Property, plant and equipment	4,958,689		4,958,689		4,958,689
	11,010,282		11,010,282		11,010,282
Current assets					
Inventories	986,049		986,049		986,049
Other receivables	136,495		136,495		
Cash and cash equivalents	1,330,707	3,618,100	4,948,807	2,430,100	3,760,807
	2,453,251	3,618,100	6,071,351	2,430,100	4,883,351
Total assets	**13,463,533**	**3,618,100**	**17,081,633**	**2,430,100**	**15,893,633**
Current liabilities					
Current liabilities					
Trade and other payables	(198,609)		(198,609)		(198,609)
Non-current liabilities					
Long term debt	–	(2,504,500)	(2,504,500)	(2,504,500)	(2,504,500)
TOTAL LIABILITIES	**(198,609)**	**(2,504,500)**	**(2,703,109)**	**(2,504,500)**	**(2,703,109)**
NET ASSETS	**13,264,924**	**1,113,600**	**14,378,524**	**(74,400)**	**(13,190,524)**
EQUITY					
Share capital	1,043,112	49,500	1,092,612		1,043,112
Share premium	14,116,306	1,094,100	15,210,406	(44,400)	14,071,906
Warrant reserve	740,949		740,949		740,949
Share option reserve	282,790		282,790		282,790
Translation reserve	82,537		82,537		82,537
Accumulated loss	(3,000,770)	(30,000)	(3,331,310)	(30,000)	(3,331,310)
Total equity	**13,264,924**	**1,113,600**	14,378,524	**(74,400)**	13,190,524
Net asset value per share (pence)	38.15		39.48		37.94
Net tangible asset value per share (pence)	20.75		22.86		20.53
Number of shares issued	34,770,408	1,650,000	36,420,408		34,770,408

Notes:

1. The "Before funding transaction" financial information is based on DiamondCorp's published audited results for the year ended 31 December 2007.

2. The "After funding transaction" *pro forma* information is presented under two scenarios. Both scenarios incorporate the issue of the US$5mn (£2,504,500) bond to DiamondCorp and include the transaction costs related to the funding transaction. Of the £74,400 transaction costs presented in paragraph 6.2 above, the £30,000 relating to the bond have been expensed through the income statement, whilst the £44,400 relating to the AOF specific issue have been written off against share premium. The income statement has been adjusted for the £300,540 coupon payment on the bond and a once-off IFRS 2 charge of £468,569 relating to the issue of the AOF warrants, as calculated using a Black-Scholes model. It has been assumed that the vesting period of the AOF warrants is 1 July 2007, in both scenario 1 and 2, as the vesting period of the warrants is six months after the issue date of the bond, as detailed in paragraph 2.1 above.

3. Scenario 1 presents the case where all the warrants are exercised after six months, being 1 July 2007:
   - Under the income statement, the weighted average number of shares is calculated for the exercise of warrants at 1 July 2007.
   - Under the balance sheet, the share capital and share premium have been adjusted to include the issue of the 1.65 million ordinary shares of a nominal value of 3 pence per share in terms of the AOF specific issue at 72 pence per share. Cash and cash equivalents has been adjusted to include the cash received as a result of the exercise of the AOF warrants, as well as the cash received in terms of the loan, net of the transaction costs.

4. Scenario 2 presents the case where no warrants are exercised in 2007:
   - Under the income statement, the weighted average number of shares is unchanged from the published results at 31 December 2007.
   - Under the balance sheet, cash and cash equivalents has been adjusted for the cash received in terms of the loan, net of the transaction costs.

5. An exchange rate of £0.5009/$, being the closing exchange rate on 31 December 2007, has been used in this *pro forma* analysis.

6. As DiamondCorp was in a net loss position at 31 December 2007, no adjustment for tax has been made with respect to the coupon payments.

7. The percentage change has been calculated on rounded numbers.

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

"The Board of Directors
DiamondCorp PLC
Georgian House,
63 Coleman Street,
London
EC2R 5BB

8 August 2008

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE PRO FORMA FINANCIAL INFORMATION OF DIAMONDCORP PLC

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in paragraph 2.4 on page 8, and in Appendix 1 on pages 15 and 16, of the circular, dated on or about 11 August 2008, issued in connection with the issue of 1,650,000 warrants to the Africa Opportunities Fund L.P that is the subject of this circular of DiamondCorp plc. The *pro forma* financial information has been prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the corporate action might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the pro forma balance sheet being reported on.

Directors' responsibility

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of DiamondCorp plc; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the circular to DiamondCorp plc shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of DiamondCorp plc, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of the company in respect of the corporate actions that are the subject of the circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of DiamondCorp plc and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that, in terms of the sections 8.17 and 8.30 of the JSE Listings Requirements:

– the *pro forma* financial information has not been properly compiled on the basis stated;

– such basis is inconsistent with the accounting policies of the issuer; and

– the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed.

Consent

We consent to the inclusion of this report, which will form part of the circular, to be issued on or about 11 August 2008 in the form and context in which it will appear.

Deloitte & Touche
Registered Auditors

Per **H A Loonat**
Partner

Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead

National executive: G G Gelink *Chief Executive*, A E Swiegers *Chief Operating Officer*, G M Pinnock *Audit,* D L Kennedy *Tax & Legal and Financial Advisory*, L Geeringh *Consulting,* L Bam *Corporate Finance and Strategy*, C R Beukman *Finance*, T J Brown *Clients & Markets,* N T Mtoba *Chairman of the Board,* C R Qually Deputy *Chairman of the Board*

A full list of partners and directors is available on request"

TRADING HISTORY OF DIAMONDCORP SHARES

The share trading history of the Company's shares on AIM and the JSE is set out below, at the last practicable date:

	AIM				JSE*				
	High (pence)	**Low (pence)**	**Close (pence)**	**Volume (shares)**	**High (cents)**	**Low (cents)**	**Close (cents)**	**Volume (shares)**	**Value (R')**
Quarterly									
Q2 2007	88.50	88.50	88.50	698,300	–	–	–	–	–
Q3 2007	95.50	95.00	95.00	3,056,400	–	–	–	–	–
Q4 2007	–	–	103.00	406,500	–	–	–	–	–
Q1 2008	94.00	94.00	94.00	202,200	–	–	–	–	–
Q2 2008	85.00	85.00	85.00	879,700	14.50	14.50	14.50	9800	151,600
Q3 2008	69.50	69.50	69.50	1,090,500	–	–	13.90	1400	19,200
Monthly									
July 2007	95.50	95.00	95.00	2,327,700	–	–	–	–	–
August 2007	–	–	103.00	406,500	–	–	–	–	–
September 2007	–	–	103.00	–	–	–	–	–	–
October 2007	–	–	103.00	–	–	–	–	–	–
November 2007	97.50	96.50	97.50	55,200	–	–	–	–	–
December 2007	96.50	96.50	96.50	114,500	–	–	–	–	–
January 2008	94.00	94.00	94.00	32,600	–	–	–	–	–
February 2008	93.00	93.00	93.00	30,000	–	–	–	–	–
March 2008	–	–	92.50	647,600	–	–	–	–	–
April 2008	85.00	85.00	85.00	202,100	14.50	14.50	14.50	9,800	151,600
May 2008	79.50	79.50	79.50	750,600	–	–	14.50	600	8,600
June 2008	75.50	75.50	75.50	173,000	–	–	14.40	500	7,000
July 2008	69.50	69.50	69.50	166,900	–	–	13.90	300	3,700
Daily									
1/07/2008	72.50	71.00	71.00	15,900	–	–	–	13.90	–
2/07/2008	71.00	71.00	71.00	6,800	–	–	–	13.90	–
3/07/2008	73.00	70.00	73.00	50,400	–	–	–	13.90	–
4/07/2008	73.00	73.00	73.00	11,000	–	–	–	13.90	–
7/07/2008	73.00	73.00	73.00	2,500	–	–	–	13.90	–
8/07/2008	73.00	73.00	73.00	–	–	–	–	13.90	–
9/07/2008	73.00	71.00	71.00	17,000	–	–	–	13.90	–
10/07/2008	70.50	70.50	70.50	13,000	–	–	–	13.90	–
11/07/2008	70.50	70.50	70.50	–	–	–	–	13.90	–
14/07/2008	70.50	70.50	70.50	–	–	–	–	13.90	–
15/07/2008	70.50	70.50	70.50	–	–	–	–	13.90	–
16/07/2008	70.50	70.50	70.50	5,000	–	–	–	13.90	–
17/07/2008	70.50	69.50	69.50	5,000	–	–	–	13.90	–
18/07/2008	69.50	69.50	69.50	–	–	–	–	13.90	–
21/07/2008	70.00	69.50	69.50	–	–	–	–	13.90	–
22/07/2008	69.50	69.50	69.50	5,000	–	–	–	13.90	–
23/07/2008	69.50	69.50	69.50	5,000	–	–	–	13.90	–
24/07/2008	69.50	69.50	69.50	–	–	–	–	13.90	–
25/07/2008	69.50	69.50	69.50	10,000	–	–	–	13.90	–
28/07/2008	69.50	69.50	69.50	–	–	–	–	13.90	–
29/07/2008	69.50	69.50	69.50	5,000	–	–	–	13.90	–
30/07/2008	69.50	68.00	68.00	5,000	–	–	–	13.90	–
31/07/2008	68.00	68.00	68.00	–	–	–	–	13.90	–
1/08/2008	68.00	68.00	68.00	5,000	–	–	–	13.90	–
4/08/2008	68.00	67.50	67.50	5,000	11.00	11.00	11.00	500	5,500
5/08/2008	67.50	67.50	67.50	5,000	–	–	–	–	–
6/08/2008	67.50	63.00	63.00	14,500	–	–	–	–	–
7/08/2008	63.00	63.00	63.00	4,800	–	–	–	–	–
8/08/2008	63.00	63.00	63.00	1,100	–	–	–	–	–
11/08/2008	63.00	63.00	63.00	40,000	–	–	–	–	–

**DiamondCorp listed on the JSE on 31 March 2008, and hence only has trading data on the JSE since that time.*

Source: *Inet Bridge and DataStream.*

CORPORATE GOVERNANCE

Excerpts from DiamondCorp's Corporate Governance policy are outlined below:

"The board is responsible for approving company policy and strategy. It meets regularly throughout the year and there are a number of matters that are reserved for its decision. Management supply the directors with appropriate and timely information and the directors are free to ask for any further information they consider necessary. Copies of all press announcements made by the Company are also circulated to the Board. Directors may take independent professional advice at the company's expense and each director has access to the company secretary. The company secretary is charged with ensuring that DiamondCorp complies with all relevant regulations. The Board consists of a non-executive chairman, one executive (managing) director and two non-executive directors.

Supply of information

(i) an annual budget for each operating subsidiary is approved by the Board;

(ii) actual results are monitored monthly.

To enable the board to function effectively and allow the directors to discharge their responsibilities, full and timely access is given to all relevant information. The board receives reports from the managing director at its monthly meetings.

Re-appointment

Any director appointed during the year is required, in accordance with the company's articles of association, to retire and seek appointment by shareholders at the next annual general meeting. The articles also require that one-third of the directors retire by rotation each year and seek re-appointment at the annual general meeting. The directors required to retire will be those who have been longest in office since their last appointment or re-appointment.

The Remuneration Committee

The Remuneration Committee reviews the performance of the executive directors and sets the scale and structure of their remuneration including bonus arrangements. The Remuneration Committee also sets the allocation of share options to directors and other employees. As a small company it is not possible for the Committee to comply fully with the Combined Code. Accordingly membership of the committee comprises Nick Allen as chairman together with Euan Worthington and Jonathan Willis-Richards. The committee intends to meet twice a year.

Statement of remuneration policy

DiamondCorp's policy provides for a competitive package that reflects the group's performance and is designed to attract and retain high calibre executives. The package currently consists of a base salary and longer-term rewards in the form of share options. There is no bonus plan currently in place.

Communication with shareholders

DiamondCorp has made use of the London Stock Exchange PRN service to communicate with shareholders since admission to AIM and in addition SENS has been used since the inward listing on the JSE. The annual general meeting gives shareholders the opportunity to question the board.

Accountability

The board has overall responsibility for the system of internal financial control which is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The key procedure is the Audit Committee, comprising Jonathan Willis-Richards (chairman), Euan Worthington and Nick Allen, meets with the external auditors twice per year. The committee reviews the group's annual and interim financial statements before submission to the board for approval. The committee will also review regular reports from management and the external auditors on accounting and internal control matters. Where appropriate, the committee will monitor the progress of action taken in relation to such matters. The committee will also recommend the appointment of, and review the fees of, the external auditors.

In addition to the corporate governance practices DiamondCorp adheres to in terms of the Combined Code, the company has undertaken to comply with all the JSE Listings Requirements related to corporate governance, including adopting and operating a share dealing code for directors and employees."

DIAMONDCORP PLC

Share code on AIM: DCP Share code on the JSE: DMC
ISIN: GB00B183ZC46
(Incorporated in England and Wales)
(Registration number 05400982)
(SA company registration number 2007/031444/10)
("DiamondCorp" or "the Company")

NOTICE OF GENERAL MEETING OF ORDINARY SHAREHOLDERS

Notice is hereby given that a general meeting of the ordinary shareholders of DiamondCorp ("shareholders") will be held on Monday, 1 September 2008 at 10:00 am (UK time) at DiamondCorp's registered office; First Floor, Georgian House, 63 Coleman Street, London, EC2R 5BB, for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions set out below:

ORDINARY RESOLUTION NUMBER 1

"RESOLVED that 1,650,000 warrants be granted to African Opportunities Fund L.P ("AOF") to acquire the Company's shares at 72 pence per share, as governed by the collective agreements dated Friday, 25 July 2008 ("the funding transaction") and further described in the circular to shareholders containing this notice of general meeting of which this ordinary resolution number 1 forms part; a signed copy of which agreements, initialled by the chairman of this meeting for identification purposes, and tabled at this meeting, be and is hereby approved."

Note:

In terms of the Listings Requirements of the JSE Limited ("JSE"), ordinary resolution number 1 requires the approval of a 75% majority of votes cast in favour thereof by all shareholders present or represented by proxy.

ORDINARY RESOLUTION NUMBER 2

"RESOLVED as an ordinary resolution that any director of the Company be and is hereby authorised to sign any documents and to take any steps as may be necessary or expedient to give effect to ordinary resolution number 1 passed at this meeting."

Voting and proxies

On a show of hands every shareholder present in person or by proxy and if a member is a body corporate, its representative, shall have one vote and on a poll, every shareholder present in person or by proxy and if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her.

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and on a poll, to vote in his/her stead. A form of proxy is attached for completion by registered certificated shareholders and dematerialised shareholders with own-name registration who are unable to attend the general meeting in person.

Forms of proxy must be completed and received by DiamondCorp, at their registered office at First Floor, Georgian House, 63 Coleman Street, London, EC2R 5BB, by no later than 10:00 am (UK time), or by Computershare SA, at their registered office at Ground Floor, 70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107 by no later than 11:00 am (SA time) on Thursday, 28 August 2008. Registered certificated shareholders and dematerialised shareholders with own-name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the general meeting to the exclusion of their appointed proxy/(ies) should such member wish to do so. Dematerialised shareholders, other than with own-name registrations, must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the general meeting and obtain the necessary letter of representation from their CSDP or broker to attend the general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the general meeting in person. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

By order of the board

Euan Arthur Worthington
Chairman

15 August 2008

Registered office UK

First Floor
Georgian House
63 Coleman Street
London EC2R 5BB

Transfer secretaries SA

Computershare Investor Services (Pty) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Transfer secretaries UK

Computershare Investor Services plc
The Pavilions
Bridgewater Road
Bristol BS13 8AE
(Postal address as above)

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DIAMONDCORP PLC

Share code on AIM: DCP Share code on the JSE: DMC
ISIN: GB00B183ZC46
(Incorporated in England and Wales)
(Registration number 05400982)
(SA company registration number 2007/031444/10)
("DiamondCorp" or "the Company")

FORM OF PROXY

To be completed by registered certificated shareholders and dematerialised shareholders with own-name registration only

For use in respect of the general meeting to be held on Monday, 1 September 2008 at 10:00 am (UK time) at DiamondCorp's registered office; First Floor, Georgian House, 63 Coleman Street, London, EC2R 5BB.

Ordinary shareholders who have dematerialised their shares with a Central Securities Depository Participant ("CSDP") or broker, other than with own-name registration, must arrange with the CSDP or broker concerned to provide them with the necessary letter of representation to attend the general meeting or the ordinary shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (full name in BLOCK LETTERS) ______________________________

of (address) ______________________________

Telephone (work) (   ) Telephone (home) (   )

being the holder(s) of [   ] shares in the Company, appoint (see note 1):

1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

3. the chairman of the general meeting,

as my/our proxy to act on my/our behalf at the general meeting which is to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at any adjournment thereof and to vote for or against the ordinary resolutions or to abstain from voting in respect of the DiamondCorp shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	Number of votes (one vote per DiamondCorp ordinary share)		
	For	**Against**	**Abstain**
Ordinary resolution number 1 Approval of the AOF specific issue			
Ordinary resolution number 2 Directors' authority			

(Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak, and on a poll, vote in place of that shareholder at the general meeting.

Signed at ______________ on ______________ 2008

Signature(s) ______________________________

Capacity ______________________________

Please read the notes on the reverse side hereof.

Notes:

1. A member may insert the name of a proxy or the names of two alternate proxies of the member's choice in the space(s) provided, with or without deleting "the chairman of the general meeting". The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. A member should insert an "X" in the relevant space according to how they wish their votes to be cast. However, if a member wishes to cast a vote in respect of a lesser number of DiamondCorp shares than he/she owns in the Company, he/she should insert the number of DiamondCorp shares held in respect of which he/she wishes to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all of the member's votes exercisable at the general meeting. A member is not obliged to use all the votes exercisable by the member, but the total of the votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the member.

3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the general meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such member wish to so do.

4. The chairman of the general meeting may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.

5. Shareholders who have dematerialised their shares with a CSDP or broker, other than with own-name registration, must arrange with the CSDP or broker concerned to provide them with the necessary letter of representation to attend the general meeting or the ordinary shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholders and the CSDP or broker concerned.

6. Any alteration to this form of proxy, other than the deletion of alternatives, **must be signed, not initialled,** by the signatory/ies.

7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the Company or waived by the chairman of the general meeting.

8. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her capacity are produced or have been recorded by the Company.

9. Where there are joint holders of shares:
   – any one holder may sign this form of proxy; and
   – the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the Company's register of members, will be accepted.

10. Forms of proxy should be lodged at, or posted to be received by, DiamondCorp, at their registered office at First Floor, Georgian House, 63 Coleman Street, London, EC2R 5BB, by no later than 10:00 am (UK time), or received by Computershare SA, at their registered office at Ground Floor, 70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107 by no later than 11:00 am (SA time) on Thursday, 28 August 2008.