

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.**

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

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**DIAMONDCORP PLC**

(Incorporated in England and Wales under number 05400982)

Share code: AIM-DCP, JSE-DMC

ISIN: GB00B183ZC46

**Notice of General Meeting**

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**Notice of a General Meeting of Diamondcorp plc, to be held at 63 Coleman Street, London, EC2R 5BB on Friday, 8 January 2010 at 12 noon (UK time) and 14:00 (SA time) is set out on pages 10 to 12 of this document.**

**A Form of Proxy for use in connection with the General Meeting is enclosed and should be completed and returned to the Company at its registered office at First Floor, Georgian House, 63 Coleman Street, London EC2R 5BB as soon as possible and, in any event, by no later than Wednesday 6 January 2010 at 12 noon (UK time) and 14:00 (SA time). Completion and return of a Form of Proxy will not preclude shareholders from attending and voting at the General Meeting in person should they so wish. If you do not send in a valid Form of Proxy or attend the General Meeting in person to vote, no one else may vote on your behalf.**

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## TIMETABLE

Time and date for receipt of proxies	6 January 2010 at 12 noon (UK time) and 14:00 (SA time)
Record Date	6 January 2010 at 12 noon (UK time) and 14:00 (SA time)
General Meeting	8 January 2010 at 12 noon (UK time) and 14:00 (SA time)
Transfer to AltX	11 January 2009

## DEFINITIONS

<b>“1985 Act”</b>	Companies Act 1985
<b>“2006 Act”</b>	Companies Act 2006 (as amended)
<b>“AIM”</b>	the market of that name operated by the Exchange
<b>“AIM Rules”</b>	The AIM Rules for Companies as published from time to time by the Exchange
<b>“Alt-X”</b>	the alternative exchange of the JSE
<b>“Company”</b>	Diamondcorp plc a company registered in England and Wales with Company number 05400982
<b>“Current Articles”</b>	the existing Articles of Association of the Company as at the date of this document
<b>“Directors”</b>	the directors of the Company at the date of this document
<b>“Exchange”</b>	London Stock Exchange plc
<b>“General Meeting”</b>	the general meeting of the Company to be held on 8 January 2010 at 12 noon (UK time) and 14:00 (SA time), or any adjournment thereof
<b>“JSE”</b>	the JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated with limited liability under the company laws of SA, licensed as an exchange under the Securities Services Act, 36 of 2004
<b>"JSE Rules"</b>	the JSE Limited Listings Requirements published from time to time by the JSE
<b>“New Articles”</b>	the proposed new articles of association to be adopted by the Company in the event that resolution 1 is passed at the General Meeting
<b>“Notice”</b>	the notice of the General Meeting set out on pages 12 to 14 of this document
<b>“Ordinary Share”</b>	an ordinary share of 3p in the capital of the Company
<b>“SA”</b>	Republic of South Africa
<b>“UK”</b>	United Kingdom

**LETTER FROM THE CHAIRMAN  
DIAMONDCORP PLC**

**(incorporated and registered in England and Wales with registered number 05400982)**

Directors:

*Euan A. Worthington (Chairman)*

*Paul R. Loudon (Chief Executive)*

*Dr Jonathan Willis-Richards (Non-Executive Director)*

*Nicholas Richard Allen (Non-Executive Director)*

*Robin Leonard Henshall (Non-Executive Director)*

*John Charles Forrest (Chief Financial Officer and Company Secretary)*

Registered Office:

*First Floor Georgian House*

*63 Coleman Street*

*London*

*EC2R 5BB*

*To holders of ordinary shares of 3p each in the capital of the Company and, for information purposes only, to the holders of options or warrants to subscribe for Ordinary Shares*

15 December 2009

Dear Shareholder

**General Meeting of Diamondcorp plc**

**1 INTRODUCTION**

I am pleased to be writing to you with details of a General Meeting which we are holding at 63 Coleman Street, London, EC2R 5BB on Friday 8 January 2010 at 12 noon (UK time) and 14:00 (SA time). The formal notice of General Meeting is set out on pages 12 to 14 of this document.

If you would like to vote on the resolutions but cannot attend the General Meeting, please fill in the Form of Proxy enclosed with this document and return it as soon as possible to the Company at its registered office, First Floor, Georgian House, 63 Coleman Street, London EC2R 5BB. The Company must receive the completed Form of Proxy by Wednesday, 6 January 2010 at 12 noon (UK time) and 14:00 (SA time). South African investors may send their Form of Proxy to Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 and must reach Computershare Investor Services by Wednesday 6 January 2010 at 14:00 (SA time).

The principal reason for calling the General Meeting is to seek shareholder approval to transfer the listing of the Company's shares from the Main Board of the JSE to the Alt-X. In calling the meeting, the Company will also use the opportunity to ask shareholders to approve an update of the Current Articles in line with changes to English company law brought about by the 2006 Act and the renewal of the Director's general authorities to issue shares for cash, as well as ratify actions taken by the Directors in making an application to list 6,000,000 shares issued for cash on 3 November 2009 on the JSE.

## 2 **RATIFICATION TO LIST 6,000,000 SHARES ON THE JSE**

As shareholders are aware, the JSE Rules currently apply to DiamondCorp. During 2009, as a result of falling diamond prices and the strengthening of the Rand against the US dollar, the Company encountered severe financial difficulties. In order to stabilise the Company's finances and give the Directors time to investigate the completion of a larger financing, the Company, towards the end of October 2009, embarked on a rescue placing of 6,000,000 Ordinary Shares for gross proceeds of £600,000. The JSE Rules require that shareholder approval must first be obtained if the discount in respect of a general issue of shares for cash is greater than 10%. Directors of the Company believed that the issue of shares for cash was in the best interests of the Company and shareholders as a whole, and that if it was not undertaken as a matter of urgency, the Company would not have been able to meet its financial commitments as and when they fell due. As a result the Company had to embark on a rescue operation as it did not have sufficient time to obtain shareholder approval in terms of paragraph 5.52 (d) of the JSE Rules. As a result of the urgency JSE approval could not be obtained within the time constraints imposed on the Company

In terms of the share issue for cash dated and announced 3 November 2009, the shares were placed at 10 pence per share (the equivalent of R1.27 per share) at the prevailing exchange rate of 12.68R to new and existing "public" shareholders within the meaning of paragraphs 4.25 and 4.26 of the Listings Requirements of the JSE, as well as directors of the Company.

The placing price was at an average discount of 45% to the 30 day trading price for the Company on the AIM Market of the London Stock Exchange.

The parties that participated in the placing were:

JPMF Natural Resources Fund, Aktiva Group, Wills & Co, Astaire Securities, A to B Capital, Ian Lynch, Euan A. Worthington (a Director), Green Dragon Nominees Pty Ltd (A company associated with Paul R. Loudon, a Director), Jonathan Willis-Richards (A Director), John Kutkevicius, Fiske Nominees Limited, Peter Freeman, JM Finn Nominees Limited and Luckyvilla Holdings Limited

The shareholdings of the Directors who participated in the placing prior to the issue of the new shares were:

Paul R. Loudon	1,798,052	4.37%
Euan A. Worthington	90,000	0.21%
Jonathan Willis-Richards	75,000	0.18%

The shareholdings of the Directors who participated in the placing after the issue of the new shares are:

Paul R. Loudon	2,088,052	4.40%
Euan A. Worthington	190,000	0.40%
Jonathan Willis-Richards	125,000	0.27%

The directors are not bound by any "lock up" period in respect of the shares purchased.

The Directors of the Company, as noted above, are of the opinion that this action was in the best interests of the Company and shareholders as a whole and that if it had not been undertaken, the Company would not have been able to meet its financial commitments as and when they fell due. In addition to meeting working capital requirements, the proceeds of the placing are also being used to complete a drilling programme on the Company's Jwaneng South kimberlite exploration project in Botswana. The working capital provided by

this placement, however, is not sufficient for the next 12 months and the Company will need to raise additional capital during 2010.

The directors who participated in the placement will be precluded from voting in respect of this resolution.

### 3 PROPOSAL TO MOVE FROM THE MAIN BOARD OF THE JSE TO ALT-X

At the date of this document, approximately 11% of the Company's issued share capital is held by shareholders on the South African register. These shares trade on the JSE with trading being very illiquid. The remaining 89% of the Company's shares are held on the UK register. These shares trade on AIM where the bulk of trading takes place.

As the regulatory requirements of the JSE are more stringent than those of AIM, to avoid future potential conflicts between the JSE Rules (governing Main Board listings) and the AIM Rules, and to reduce administrative time and costs involved in meeting the more onerous requirements of the JSE Rules, the Company applied to the JSE on 27 October 2009 to transfer the listing of the Company's shares from the Main Board to Alt-X, which would result in the AIM Rules taking precedence and would give greater flexibility to the directors of DiamondCorp.

Some examples of the greater degree of flexibility allowed by the AIM Rules in comparison to the JSE Rules, are given in the table below:

JSE Rules	AIM Rules
<b>General Issues for Cash</b>	
<ul style="list-style-type: none"> <li>Under Section 5, securities which are the subject of general issues for cash, may not in the aggregate in any financial year exceed 15% of the issuer's equity securities in issue.</li> <li>Equity securities may not be issued at a discount of greater than 10% of the 30 days weighted average traded price.</li> <li>General issues for cash require the approval of 75% of equity security holders.</li> </ul>	<ul style="list-style-type: none"> <li>Under the AIM Rules there are no limits on the number of shares that may be issued for cash.</li> <li>Under the AIM Rules equity securities can be issued at any discount to market price, but under the Act, not at a discount to par value.</li> <li>The AIM Rules do not contain a requirement for shareholders to approve the issue of equity securities.</li> </ul>
<b>Category Transactions</b>	
<ul style="list-style-type: none"> <li>Section 9 prescribes stringent requirements as regards announcements, circulars and shareholder approval in relation to, inter alia, acquisitions and disposals undertaken by the issuer. The amount of the consideration involved, expressed as a percentage of the market capitalisation of the issuer, generally determines which requirements are applicable. In this regard the categorisations are detailed below:</li> <li>Category 2 – a transaction where any % ratio is 5% or more but less than 25% - announcement is required.</li> <li>Category 1 – a transaction where any</li> </ul>	<ul style="list-style-type: none"> <li>Rules 12 (Substantial Transaction), 14 (Reverse Takeovers) and 15 (Fundamental Change of Business) prescribes certain requirements as regards announcements, circulars and shareholder approval in relation to, inter alia, acquisitions and disposals undertaken by the issuer. Then tests as to whether these are applicable (the "class tests" are set out in Schedule 3 to the AIM Rules.</li> </ul> <p>The Class Tests are as follows:</p> <ul style="list-style-type: none"> <li>Gross Assets Test - the percentage of the gross assets of the Company represented by the value of the gross assets of the transaction.</li> </ul>

<p>percentage ratio is 25% or more or if the total consideration is not subject to any maximum – announcement required, circular to shareholders and shareholder vote.</p>	<ul style="list-style-type: none"> <li>• The Profits Test - the percentage of the profits of the Company represented by the profits attributable to the assets the subject of the transaction.</li> <li>• The Turnover Test - the percentage of the turnover of the Company represented by the turnover attributable to the assets the subject of the transaction.</li> <li>• The Consideration Test - the percentage of the aggregate market value of all the ordinary shares (excluding treasury shares) of the Company represented by the consideration relating to transaction.</li> </ul> <p>Under Rule 12 a Substantial Transaction is one which exceeds 10% of any of the class tests. An announcement is required.</p> <p>Under Rule 14 a Reverse Takeover is one which <i>inter alia</i> exceeds 100% of any of the class tests. Shareholder approval is required, and the admission of the company's shares to trading will be cancelled, and the enlarged entity will need to apply for re-admission.</p> <p>Under Rule 15 a Fundamental Change of Business is a disposal which (when aggregated with all other disposals over a 12 month period) exceeds 75% in any of the class tests. Shareholder approval is required.</p>
<p><b>Related Party Transactions</b></p>	
<ul style="list-style-type: none"> <li>• Section 10 stipulates requirements for related party transactions undertaken by the issuer, including announcement of the transaction, a circular to shareholders, approval by special resolution of the shareholders and a fairness opinion by an independent professional expert. In this regard the above would apply if the consideration as a % is greater than 5% of the market capitalisation of the company. If the consideration is less than 5% but greater than 0,25% a fairness opinion would be required, including an announcement.</li> </ul>	<ul style="list-style-type: none"> <li>• Rule 13 stipulates that related party transactions must be announced by the issuer (such announcement to include a fairness opinion), but no shareholder approval is required. The information to be included in the announcement is set out in Schedule 4 to the AIM Rules. Under Rule 13 a transaction is a related party transaction is one which takes place with a related party and exceeds 5% in any of the class tests described above.</li> </ul>
<p><b>Delisting</b></p>	
<ul style="list-style-type: none"> <li>• Requires approval at a general meeting through an affirmative vote of 50% of shareholders present and voting (excluding any controlling shareholder, its associates, any party acting in concert and any other party which the JSE deems appropriate). The reason for the termination of the listing must be clearly</li> </ul>	<ul style="list-style-type: none"> <li>• Under Rule 41 shareholder approval is required to cancel admission of an issuers shares securities to AIM. A 75% vote in general meeting is required.</li> </ul>

<p>stated and an offer supported by an independent fairness opinion must be made to all holders of the listed securities.</p>	
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A full copy of the AIM Rules can be downloaded from the London Stock Exchange web site at the following link: <http://www.londonstockexchange.com/companies-and-advisors/aim/advisers/rules/regulation.htm>

The JSE Rules are available at: [www.jse.co.za/listing\\_requirements.jsp](http://www.jse.co.za/listing_requirements.jsp)

On 10 November 2009 the application was presented to the advisory committee of the Alt-X, and on 13 November 2009, DiamondCorp was informed by the JSE that DiamondCorp may apply for the transfer to Alt-X which was also subject to shareholder approval. DiamondCorp complies with the rules for admission to Alt-X and the continuing obligations of the AIM Rules and has formally applied to the JSE for the transfer to Alt-X which is also subject to shareholder approval. It is proposed that the transfer will take place from the commencement of trading on 11 January 2010.

In compliance with the JSE Rules, shareholders are advised of the risks of investing in a company listed on Alt-X, and that the JSE does not guarantee the viability or success of a company listed on Alt-X. The Company's JSE sponsor, Investec Bank Limited, has agreed to remain as the Company's sponsor on Alt-X.

Following a transfer of the Company's listing from the JSE Main Board to Alt-X no future announcements will be required to be published in the press in SA by the Company but will only be released on RNS and Sens.

#### 4 **BUSINESS TO BE TRANSACTED AT THE GENERAL MEETING**

Details of the resolutions which are to be proposed at the General Meeting are set out below.

##### **Resolution 1: To be passed as a Special Resolution - Adoption of new Articles of Association and Deletion of the Company's Memorandum of Association**

The Directors are asking shareholders to approve a number of amendments to the Current Articles, primarily to take account of changes in English company law brought about by the 2006 Act. An explanation of the main differences between the Current Articles and the New Articles is set out in the Appendix to this document at pages 15 to 16. Other differences, which are of a minor, technical or clarifying nature, have not been noted in the said Appendix.

A copy of the New Articles showing the changes proposed to be made and the differences between the Current Articles and the New Articles is available for inspection, as noted on page 15 of this document, and is available on the Company's website at <http://www.diamondcorp.plc.uk> Resolution 1(a) in the Notice, which will be proposed as a special resolution, seeks the approval of shareholders to the adoption of the New Articles containing the proposed amendments to the Current Articles.

In addition, the 2006 Act significantly reduces the constitutional significance of a company's memorandum of association. The 2006 Act provides that a memorandum will record only the names of the original subscribers and the number of shares each subscriber has agreed to take in the company. Under the 2006 Act the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company's articles of association unless the company passes a special resolution to the contrary. Further, the 2006 Act states that, unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses.

The Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the 2006 Act, are to be treated as forming part of the

Company's articles of association to allow it to have the widest possible scope for its activities. Resolution 1(b) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

**Resolution 2: to be passed as a Special Resolution – Transfer of the Company from the Main Board of the JSE to Alt-X**

Resolution 2 is to transfer the Company's listing on the JSE to a listing on Alt-X, for the reasons set out in paragraph 3 above.

**Resolution 3: to be passed as an Ordinary Resolution - Grant of authority to the Directors to allot Ordinary Shares**

At the annual general meeting of the Company held on 6 May 2009, shareholders passed a resolution giving the directors authority to allot Ordinary Shares up to the entire authorised but unissued share capital of the Company from time to time (after setting aside so many shares as may be required to be allotted and issued by the Company in terms of any share or scheme for the benefit of employees and/or directors). That power does not expire until the conclusion of the next annual general meeting of the Company, but as set out in the Appendix, once the New Articles have been adopted the Company will not be subject to the limitations of authorised share capital and accordingly the Directors took the view that it would be appropriate to propose a further, more limited, resolution giving the directors authority to issue Ordinary Shares. Accordingly, the Directors have proposed resolution 3 in the Notice to do this.

It is proposed to authorise the directors to allot Ordinary Shares up to a maximum nominal value of £212,544 (representing 7,084,800 Ordinary Shares) which is approximately equal to 15% of the issued share capital as at 14 December 2009 (being the latest practicable date prior to publication of this document).

Save as otherwise set out in this document the Directors currently intend only to make use of this authority for: (a) potentially for use as consideration in connection with any acquisitions of companies or businesses which the Company may wish to make; (b) in order to raise funds through subscriptions for new shares in order to finance any such acquisitions or otherwise as may be necessary to satisfy the working capital requirements of the Company's group; and, (c) in connection with the grant of options to the directors of the Company and employees of the Company's group.

This renewed authority would expire at the conclusion of next year's annual general meeting unless renewed or revoked before that time.

**Resolution 4: to be passed as a Special Resolution - Disapplication of statutory pre-emption rights on allotment of shares**

If the directors wish to allot unissued shares or other equity securities for cash or sell any shares which the Company may hold in treasury following a purchase of its own shares, section 561 of the 2006 Act requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holdings. Section 570 of the 2006 Act allows, subject to certain conditions, section 561 to be disapplied if authorised by a special resolution of the members, and resolution 4 seeks to obtain this authority.

Resolution 4 seeks to grant the directors authority to allot equity securities or sell treasury shares for cash provided that such securities issued and allotted will not in the aggregate in any one financial year exceed 15% of the number of ordinary shares in the Company's issued share capital from time to time without first offering the securities to existing shareholders. The total number of Ordinary Shares in issue as at 14 December 2009 is 47,231,995. The Company does not currently hold any treasury shares. The proposed resolution also disapplies the statutory pre-emption provisions in connection with a rights issue and allows

the directors, in the case of a rights issue, to make arrangements in relation to fractional entitlements or other legal or practical problems which might arise.

The Directors have no immediate plans to make use of this authority. This authority would expire at the conclusion of next year's annual general meeting.

**Resolution 5: to be passed as an Ordinary Resolution – Ratification of the application to list 6,000,000 fully paid ordinary shares on the JSE**

Resolution 5 seeks the ratification of the application by the Directors to list on the JSE 6,000,000 Ordinary Shares issued on 3 November 2009 as set out in paragraph 2 above.

The directors who participated in the placement will be precluded from voting in respect of this resolution.

**5 ACTION TO BE TAKEN**

You are entitled to appoint one or more proxies to attend and vote at the General Meeting on your behalf. You will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete and return the Form of Proxy to the Company at its registered office, First Floor, Georgian House, 63 Coleman Street, London, EC2R 5BB as soon as possible and, in any event, so as to be received no later than 6 January 2010 at 12 noon (UK time) and 14:00 (SA 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 14:00 (SA time) on Wednesday, 6 January 2010. Completion and return of a Form of Proxy will not stop you from attending the General Meeting and voting in person should you so wish.

**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 12 noon (UK time) and 14:00 (SA 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 14:00 (SA time) on Wednesday, 6 January 2010.

**DEMATERIALISED SHAREHOLDERS OTHER THAN WITH OWN-NAME REGISTRATION**

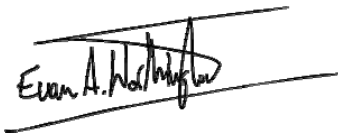
If you are a dematerialised shareholder other than with own-name registration, then your CSDP or broker, as the case may be, should contact you to ascertain how you wish to cast your vote at the general meeting, and thereafter cast your vote in accordance with your instructions. This should be done in 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, in good time, 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.

**6 RECOMMENDATION**

The Directors consider that all of the resolutions to be proposed at the General Meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend that shareholders vote in favour of all of the resolutions, as the Directors intend to do in respect of their own beneficial holdings.

Yours faithfully

A handwritten signature in black ink, appearing to read "Euan A. Worthington", is written over a horizontal line. The signature is cursive and somewhat stylized.

**Euan Worthington**  
**Chairman**

Documents available for inspection

Copies of the following documents will be available for inspection at DiamondCorp's registered office and at the Sponsors registered address in South Africa during normal business hours (excluding Saturdays and Sundays) from the date of issue of the Notice of General meeting up to and including Friday, 8 January 2010:

- Proposed new articles of Association

Sponsor: Investec Bank Limited  
100 Grayston Drive  
Sandown  
Sandton 2196  
P O Box 785700  
Sandton 2146

## DIAMONDCORP PLC

(Incorporated and registered in England and Wales with registered number 05400982)

(the "Company")

### NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Diamondcorp Plc will be held at 63 Coleman Street, London, EC2R 5BB on Friday 8 January 2010 at 12 noon (UK time) and 14:00 (SA time) for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions, all being proposed as special resolutions, other than resolution numbers 3 and 5 which will be proposed as an ordinary resolution:

#### Resolution 1

THAT:

- a) the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association; and
- b) with immediate effect the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the 2006 Act, are to be treated as provisions of the Company's Articles of Association.

#### Resolution 2

THAT

- a) the transfer of the Company's Primary listing on the JSE Limited to the Alternative Exchange (Alt-X), a division of the JSE Limited, be approved, and
- b) P R Loudon or any other director of the Company or the Company Secretary be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for the implementation of (a) above, on behalf of the Company.

#### Resolution 3

THAT, in accordance with section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £212,543 provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the next annual general meeting of the Company to be held after the date on which this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act.

#### Resolution 4

THAT, subject to the passing of resolution 3, the Directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by resolution 3 or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

- a) the allotment of equity securities in connection with an offer by way of a rights issue to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities be limited to in aggregate in any one financial year a maximum of 15% of the number of ordinary shares in the Company's issued share capital from time to time.

The power granted by this resolution will expire on the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the 2006 Act did not apply, but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.


**Resolution 5**

THAT, the actions of the Directors in making an application to the JSE for the listing of 6,000,000 fully paid Ordinary Shares of 3p par value issued on 3 November 2009 be ratified.

Dated: 15 December 2009

**Registered Office:**  
 First Floor  
 Georgian House  
 63 Coleman Street  
 London  
 EC2R 5BB

**By order of the Board:**

  
 .....  
 John Charles Forrest  
 Secretary

**Notes**

- 1 Copies of the following documents will be available for inspection at the Company's registered office at First Floor, Georgian House, 63 Coleman Street, London EC2R 5BB and at Investec Bank Limited, 100 Grayston Drive, Sandown, Johannesburg, 2196 during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the General Meeting and at the place of the General Meeting itself from 15 minutes before the General Meeting until the conclusion of the General Meeting the proposed new articles of association of the Company and a copy of the existing articles of association marked to show the changes being proposed by resolution 1 above;
- 2 Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Where more than one proxy is appointed, a member must specify the number of shares the rights in respect of which each proxy is entitled to exercise. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice.

- 3 To be valid, the Form of Proxy must be received at the Company's registered office at First Floor, Georgian House, 63 Coleman Street, London EC2R 5BB by no later than 12 noon or by Computershare Investor Services (Pty) Limited at their registered office at Ground Floor, Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107 by no later than 14:00 (SA time) on Wednesday, 6 January 2010.
- 4 The return of a completed Form of Proxy will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
- 5 Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company as at 12 Noon (UK time) and 14:00 (SA time) on 6 January 2010 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at such time. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6:00 pm on the day preceding the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 6 As at 14 January 2009 (being the latest practicable date prior to the publication of this document), the Company's issued share capital consists of 47,231,995 ordinary shares of 3p each and which each carry one vote. Therefore, the total voting rights in the Company as at 14 December 2009 are 47,231,995.
- 7 In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:
  - 7.1 if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then, on a poll, those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
  - 7.2 if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in 7.1 above. In particular, the Company notes the recommendation of the Institute of Chartered Secretaries and Administrators that corporate shareholders intending to vote part(s) of their shareholdings in different ways appoint proxies rather than corporate representatives.

## APPENDIX

### Explanatory Notes of Principal Changes to the Company's Articles of Association

It is proposed in resolution 1 to adopt the New Articles in order to update and replace the Current Articles primarily to take account of changes in English company law brought about by the 2006 Act.

The principal changes introduced in the New Articles are summarised in this Appendix. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the 2006 Act have not been noted in this Appendix.

The proposed New Articles marked to show all the changes that will be made to the Current Articles in the event that resolution 1 is passed are available for inspection and are available on the Company's website at <http://www.diamondcorp.plc.uk>.

#### 1 THE COMPANY'S OBJECTS

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The 2006 Act provides that a memorandum will record only the names of the original subscribers and the number of shares each subscriber has agreed to take in the company. Under the 2006 Act the objects clause and all other provisions which are currently contained in a company's memorandum are now deemed to be contained in a company's articles of association unless the company passes a special resolution to the contrary.

Further, the 2006 Act states that, unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. The Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the 2006 Act, are now treated as forming part of the Company's articles of association to allow it to have the widest possible scope for its activities. Resolution 1(b) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

#### 2 CHANGE OF NAME

Previously, a company can only change its name by special resolution. Under the 2006 Act a company can now change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

#### 3 AUTHORISED SHARE CAPITAL AND UNISSUED SHARES

The 2006 Act abolishes the requirement for a company to have an authorised share capital. A consequence of resolution 1(b) would be the removal of this limitation from the Company's constitution and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because an allotment authority continues to be required under the 2006 Act, save in respect of employee share schemes.

#### 4 REDEEMABLE SHARES

Previously, if a company wished to issue redeemable shares, it needed to include in its articles the terms and manner of redemption. The 2006 Act enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

5 **AUTHORITY TO PURCHASE OWN SHARES, CONSOLIDATE AND SUB-DIVIDE SHARES, AND REDUCE SHARE CAPITAL**

Under 1985 Act, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the 2006 Act, however, a company only requires shareholder authority to do any of these things and it is no longer necessary for articles to contain enabling provisions. Accordingly, the relevant enabling provisions have not been included in the New Articles.

6 **PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

The 2006 Act provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the directors may exercise this power.

7 **USE OF SEALS**

A company no longer requires authority in its articles to have an official seal for use abroad. Accordingly, the relevant authorisation has not been included in the New Articles.

For consistency with the 2006 Act changes to the execution of documents by companies, the New Articles provide an alternative option for affixing a seal. Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

8 **SUSPENSION OF REGISTRATION OF SHARE TRANSFERS**

The Current Articles permit the directors to suspend the registration of transfers. Under the 2006 Act share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has not been included in the New Articles.

9 **VACATION OF OFFICE BY DIRECTORS**

The Current Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Enterprise and Regulatory Reform.

10 **GENERAL**

Generally, the opportunity has been taken to update some of the language and drafting in the New Articles with the intention of making the drafting of some of the existing provisions more clear.