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If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities before taking any action. The whole of this document should be read.

If you have sold or transferred all of your ordinary shares please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other party through whom the sale or transfer was effected for transmission to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document does not comprise a prospectus in accordance with the Prospectus Rules and has not been drawn up in accordance with the Prospectus Rules. This document has not been approved by the Financial Conduct Authority or by any other authority in any jurisdiction. The Directors, whose names appear on page 4, accept responsibility both individually and collectively for all the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

DIAMONDCORP PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985, Registered No. 05400982)
(South African company registration number 2007/031444/10)*

Approval of the issue of Ordinary Shares pursuant to the Facility under Rule 21.1 of the City Code on Takeovers and Mergers

and

Notice of General Meeting

Panmure Gordon (UK) Limited (“**Panmure**”) which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange plc, is the Company’s nominated adviser and broker for the purposes of the AIM Rules. Panmure’s responsibilities as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person or entity in respect of his reliance on any part of this document. Panmure is acting exclusively for the Company and will not be responsible to any other person for providing the protections afforded to its customers nor for providing advice in relation to the contents of this document or any other matter referred to herein.

Panmure has not authorised the contents of this document for any purpose and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Panmure as to any of the contents or the completeness of this document.

This document should be read in conjunction with the Form of Proxy and the Notice of General Meeting set out at the end of this document. Your attention is drawn to the letter from the Chairman of DiamondCorp plc set out on pages 9 to 15 of this document which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting. Notice of the General Meeting to be held at 6 Middle Street, London EC1A 7JA at 11.00 a.m. (UK time) and 1.00 p.m. (South Africa time) on 16 November 2016 is set out at the end of this document. The accompanying Form of Proxy for use at the General Meeting should be completed in accordance

with the instructions printed thereon and returned as soon as possible to the Company's Registrar, Computershare Investor Services plc, at The Pavilions, Bridgwater Road, Bristol, BS13 8AE or to Computershare Investor Services (PTY) Limited at their registered office at 70 Marshall Street, Johannesburg 2001 or P.O. Box 61051, Marshalltown 2017, South Africa, as soon as possible and but by not later than 11.00 a.m. (UK time) and 1.00 p.m, (South Africa time) on 14 November 2016 . Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

This document is being sent to all Shareholders for information purposes only to enable them to exercise their rights as shareholders in relation to the General Meeting.

The release, publication or distribution of this document in or outside the UK may be restricted by law. Persons who come into possession of this document and/or accompanying Form of Proxy should inform themselves about and observe any applicable restrictions or requirements in their particular jurisdiction. Failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction. No action has been taken by the Company or Panmure that would permit possession or distribution of this document in any jurisdiction (including the United Kingdom) where action for that purpose is required.

Copies of this document will be available free of charge during normal business hours only on weekdays (excluding public holidays) from the date hereof until the General Meeting from the Company Secretary, City Group plc of 6 Middle Street, London, EC1A 7JA and available for a period of twelve months from the date of this circular on the Company's website <http://www.diamondcorp.plc.uk> free of charge in accordance with the requirements of Rule 26 of the AIM Rules for Companies.

FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements" which includes all statements other than statements of historical fact including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "might", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law, the AIM Rules or the JSE.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Chris Ellis (<i>Interim Non-Executive Chairman</i>) Paul Loudon (<i>Chief Executive Officer</i>) Jonathan Willis-Richards (<i>Non-Executive Director</i>) Michael Toxvaerd (<i>Non-Executive Director</i>) Neil MacDougall (<i>Non-Executive Director</i>)
Company Secretary and registered office	City Group plc 6 Middle Street London EC1A 7JA United Kingdom
Website	http://www.diamondcorp.plc.uk
AIM Nominated Adviser and Broker	Panmure Gordon (UK) Limited One New Change London EC4M 9AF United Kingdom
JSE Adviser and Sponsor	Sasfin Capital 29 Scott Street Waverley, 2090 South Africa
Solicitors to the Company as to English Law	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
Solicitors to the Company as to South African Law	Malan Scholes Inc 85 Central Street Houghton, 2193 South Africa
Auditors	PricewaterhouseCoopers LLP PWC Building Cnr of Welgevonden Avenue and Memorial Road Kimberley, 8300 South Africa

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Posting of this circular and Form of Proxy	28 October 2016
Last date to trade in order to vote for purposes of the shareholders on the South African register	08 November 2016
Record date to be registered in the share register in order to vote for the purposes of the shareholders on the South African register	11 November 2016
Record date to be registered in the share register in order to vote for the purposes of the shareholders on the UK register	14 November 2016
Latest time and date for receipt of Forms of Proxy	11.00 a.m. (UK time) and 1.00 p.m. (South Africa time) on 14 November 2016
General Meeting	11.00 a.m. (UK time) and 1.00 p.m. (South Africa time) on 16 November 2016
Expected date of announcement of the results of the General Meeting	16 November 2016

Notes:

- (1) If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.
- (2) All times above and throughout this document are London times and each of the times and dates are subject to change.

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

2006 Act	the UK Companies Act 2006
AIM	the market of that name operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies, published by the London Stock Exchange from time to time
Board	the board of directors of the Company
Code	The City Code on Takeovers and Mergers
Company or DiamondCorp	DiamondCorp plc
Conversion Price	the price at which the Facility (or part thereof) may be converted into Ordinary Shares, being a 30% discount to the VWAP of the Ordinary Shares over the period commencing on 20 October 2016 and ending on the date of conversion
Existing Ordinary Shares	the existing Ordinary Shares in issue as at close of business on 27 October 2016 being the last practicable date prior to the issue of this circular
Facility	a Shariah-compliant secured convertible financing facility in the maximum sum of £700,000 provided to the Company by Rasmala pursuant to the Murabaha Agreement
FCA	the Financial Conduct Authority
FMA	the Financial Markets Act, 19 of 2012 of South Africa
Form of Proxy	the form of proxy for use by Shareholders in connection with the General Meeting
Formal Sales Process	The formal sales process currently being undertaken by the Company in accordance with Note 2 on Rule 2.6 of the Code
FSMA	the Financial Services and Markets Act 2000 (as amended)
GBP or £	the lawful currency of the United Kingdom
General Meeting	the general meeting of the Company convened for 11:00 a.m. (UK time) and 1.00 p.m. (South Africa time) on 16 November 2016 (or any adjournment or postponement thereof), notice of which is set out at the end of this document
Group	the Company, together with its subsidiary undertakings
JSE	the JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the FMA
Lace	Lace Diamond Mines (Pty) Limited, a subsidiary of the Company
London Stock Exchange	the London Stock Exchange plc
Maturity Date	15 December 2016
Murabaha Agreement	the Convertible Master Murabaha Agreement dated 20 October 2016 between the Company (1) and Rasmala (2)
Notice of General Meeting	the notice convening the General Meeting, set out at the end of this document
Ordinary Shares	ordinary shares of £0.001 each in the capital of the Company
Official List	the official list of the UK Listing Authority
Panmure	Panmure Gordon (UK) Limited
Rasmala	Rasmala plc, a company registered in England and Wales with registered number 05328847

Rasmala Representative	Neil McDougall, or such other individual as may be nominated by Rasmala from time to time
Resolutions	the resolutions set out in the Notice of General Meeting
Rule 21.1 Approval	the approval by Shareholders of the issue of Ordinary Shares pursuant to the Facility for the purposes of Rule 21.1 of the Code
Shareholders	holders of Ordinary Shares
Term	the term of the Facility, commencing on 20 October 2016 and ending on the Maturity Date
Tranche 1	the sum of £400,000 that was drawn down against the Facility upon execution of the Murabaha Agreement
Tranche 2	the additional sum of £300,000 that is able to be drawn down against the Facility
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of FSMA
United States or US	means the United States of America, its territories or possessions, any state of the United States and the District of Columbia
USD or US\$	the lawful currency of the United States
VWAP	volume weighted average price

PART I
LETTER FROM THE CHAIRMAN

DIAMONDCORP PLC

*(Incorporated and registered in England and Wales with registered number 05400982)
(South African company registration number 2007/031444/10)*

Directors:

Chris Ellis (*Interim Non-Executive Chairman*)
Paul Loudon (*Chief Executive Officer*)
Jonathan Willis-Richards (*Non-Executive Director*)
Michael Toxvaerd (*Non-Executive Director*)
Neil McDougall (*Non-Executive Director*)

Registered Office:

6 Middle Street
London
EC1A 7JA
UK

*To holders of Ordinary Shares of £0.001 each in the capital of the Company (“**Ordinary Shares**”) and, for information purposes only, to the holders of options and convertibles to subscribe for Ordinary Shares*

Dear Shareholder

**Approval of the issue of Ordinary Shares pursuant to the Facility under Rule 21.1 of the City Code on Takeovers and Mergers
and
Notice of General Meeting**

1. Introduction

The Company announced on 20 October 2016 that it had entered into a Shariah-compliant secured convertible financing facility with Rasmala, a leading independent investment manager and shareholder in the Company pursuant to which Rasmala will advance to the Company the sum of £700,000 in 2 tranches, being Tranche 1 and Tranche 2 as described in section 3 below.

Further details on the background to the Facility are set out in section 2 below.

It is a condition of the continued availability of the Facility that the Company obtains requisite approval from its shareholders at general meeting to allow the Company to issue the new Ordinary Shares sufficient to fulfil its obligations to issue new Ordinary Shares to Rasmala should they opt, pursuant to the terms of the Facility, to convert the outstanding principal amounts under the Facility. If such resolutions are not passed, Rasmala may, at its option, cancel the Facility and demand immediate repayment in full of any principal sums outstanding thereunder.

Further details as to the terms and conditions of the Facility are set out in sections 3 and 4 below.

2. Background to, and reasons for, the Facility

As Shareholders will be aware from recent announcements made by the Company, the Company has been actively seeking immediate funding to cover working capital requirements to allow the Company to continue to operate as a going concern in the immediate term. The proceeds of the Facility will satisfy the Company’s immediate term funding requirement of not less than approximately £500,000, and shall be utilised for working capital purposes.

3. Terms of the Facility

The Facility is structured as a Shariah-compliant commodity murabaha agreement with the option to convert (at the Conversion Price) pursuant to which the Company and Rasmala have agreed to the drawdown by the Company of two tranches under the Facility, for a total principal amount of £700,000. The first tranche in the amount of £400,000, has already been drawn down. The second tranche, in the amount of £300,000, is to be drawn down at the request of the Company subject to the satisfaction of certain conditions. It is anticipated that Tranche 2 will be drawn down in the near term.

The Facility shall terminate and becomes repayable on 15 December 2016 and is convertible, at Rasmala’s option and subject to Rasmala giving written notice to the Company, into Ordinary Shares on 15 December 2016 (or earlier in certain circumstances as detailed below) at the equivalent of a 30 per cent. discount to the average daily volume weighted average price of the

Ordinary Shares across each trading day from the date of the agreement of the Facility to the date of conversion. The Facility may also be repaid by the Company prior to termination at DiamondCorp's discretion.

Under the terms of the Facility, the Company will pay a mark-up on the commodities underpinning the Facility (whose value is equal to the principal amount drawn down) at an equivalent rate of 15 per cent per annum during the Term (payable in either cash or new Ordinary Shares at Rasmala's discretion). In the event of a delayed payment, the Company must pay a daily delay payment from the due date to the date of actual payment on the overdue amount at a rate of 2 per cent. per annum in addition to the Facility rate of 15 per cent. per annum. This penalty is structured in a Shariah-compliant manner.

The Company is required pursuant to the terms of the Facility to publish a circular on or before 31 October 2016 in order to convene a General Meeting to seek to obtain shareholder approval to increase authorities to a level considered sufficient to fulfil the Company's obligations to issue new Ordinary Shares to Rasmala should they opt, pursuant to the terms of the Facility, to convert the outstanding principal amounts under the Facility.

Rasmala shall be precluded from issuing a conversion notice for any number of new Ordinary Shares as shall (i) exceed the current issued share capital of the Company unless and until increased by way of the passing of the requisite resolutions at a general meeting of the Company; (ii) result in Rasmala holding in excess of 29.99 per cent. of the issued Ordinary Shares of the Company as at the conversion date; and/or otherwise trigger an obligation to make a mandatory offer of the Company.

The outstanding principal amounts of the Facility drawn down by the Company under the Facility may become repayable (in either cash or new Ordinary Shares at Rasmala's discretion) ahead of maturity of the Facility in the event that the Company: (i) has released one or more announcements pursuant to Rule 2.4 of the Code ('the announcement of a possible offer') and/or (ii) has released one or more announcements pursuant to Rule 2.7 of the Code ('the announcement of a firm intention to make an offer'), in each case an announcement in respect of a potential offer or an offer other than the announcement commencing the Formal Sale Process. In the event that either such Rule 2.4 or Rule 2.7 announcements have been released, Rasmala is entitled to elect for the Facility to be repaid in cash, or to exercise its conversion option and be issued with Ordinary Shares (an "Early Repayment Event").

Rasmala shall put in place appropriate confidentiality provisions to ensure that members of its board and staff who, under all applicable rules and regulations, are classified as insiders for the purpose of inside information in relation to the Company are appropriately segregated from the team authorised to deal with the Facility and the arrangements arising thereunder.

An administration fee of £25,000 in respect of Tranche 1 has become payable to Rasmala, and a further administration fee of £25,000 in respect of Tranche 2 will be paid by the Company *pro rata* to the total amount drawn down under the Facility relative to the total principal amount. The Company shall also reimburse appropriate legal and other costs and expenses incurred.

Tranche 1 is collateralised against 2,800 carats of the Company's current diamond inventory. Tranche 2 is to be collateralised against an additional 2,200 carats, in aggregate, of the Company's future diamond inventory, to be supplied in instalments every week from Lace mine production.

The Murabaha Agreement provides for customary events of default. On and at any time after the occurrence of an event of default, Rasmala may at its absolute discretion by written notice to the Company, declare all outstanding amounts under the Facility to be immediately due and payable, together with any other sums then owed by the Company to Rasmala.

The Murabaha Agreement also provides for the following changes in the Board:

- Euan Worthington, former Chairman of the Company, resigned from the Board, effective on execution of the Murabaha Agreement, but shall remain as an employee of the Company for the immediate future in order to ensure an orderly handover of his responsibilities.
- Chris Ellis, Non-Executive Director of the Company, to be appointed as Independent Interim Non-Executive Chairman. Chris was formally appointed as Independent Interim Non-Executive Chairman on 27 October 2016 and it is currently intended that Mr Ellis' appointment shall be on an interim basis to oversee the Formal Sale Process.

- the Rasmala Representative to be appointed to the Board. Neil McDougall was formally appointed as Non-Executive Director on 27 October 2016

As noted above, it is a condition of the continued availability of the Facility that the Company obtains requisite approval from its shareholders at general meeting to allow the Company to issue the new Ordinary Shares sufficient to fulfil its obligations to issue new Ordinary Shares to Rasmala should they opt, pursuant to the terms of the Facility, to convert the outstanding principal amounts under the Facility.

The Company's existing share authorities (of up to 11,207,667 new Ordinary Shares) are not considered sufficient to satisfy a conversion notice should Rasmala elect to convert the Facility in full into new Ordinary Shares. For this reason the Company is proposing Resolutions 1 and 2 at the General Meeting. The passing of the requisite resolutions are a condition of the Facility.

In addition, the Company is required to obtain Rule 21.1 Approval, as is further described in paragraph 5 below, and accordingly the Company is proposing Resolution 3 at the General Meeting.

Tranche 2 of the Facility cannot be drawn down unless and until the Shareholders have passed Resolutions 1, 2 and 3. Additionally, if Resolutions 1, 2 and 3 are not passed, Rasmala may, at its option, cancel the Facility and demand immediate repayment in full of any principal sums outstanding thereunder. In the absence of any alternative, immediately available funding, this would result in the Company being unable to pay its debts as they fall due, and the Company would be insolvent and a receiver would need to be appointed. Accordingly it is important that Shareholders vote in favour of Resolutions 1, 2 and 3.

4. Future Funding and Formal Sale Process

As also previously announced, and notwithstanding the Facility, the Company currently estimates an additional equity and/or debt financing requirement of approximately £2.5 to £3.0 million in the near term to cover the anticipated cash required to fund operations through to commercial production, although there can be no certainty that the Company will subsequently secure the necessary funding solutions to meet its longer term financial requirements.

Pursuant to the Formal Sale Process, as entered into on 18 October 2016, the Board continues to explore all options available to the Company in parallel with its discussions to secure additional funding, including a corporate transaction such as a merger with or offer for the Group by a third party or a sale of the Group's businesses. As at the date of this document, no such acceptable proposal has been put forward to the Board. The Company has also received early stage expressions of interest in respect of potential additional funding. However, there can be no certainty that any such proposal(s) will be made nor as to the terms on which any such proposal(s) might be made.

Consequently it is the Board's intention at the General Meeting to seek shareholders' approval to provide the Board with increased authorities to allot and issue further equity securities and to dis-apply statutory pre-emption rights in addition to those required for the purposes of the Facility.

5. Rule 21.1 Approval

Pursuant to the Formal Sale Process as announced on 18 October 2016, the Company is now in an "offer period" as defined in the Code. Pursuant to Rule 21.1 of the Code, the Board must not, without the approval of the Shareholders, take any action which may result in any offer or *bona fide* possible offer being frustrated or in Shareholders being denied the opportunity to decide on its merits or take certain actions, including issuing any shares. The repayment of the Facility to Rasmala on an Early Repayment Event and/or the conversion of the Facility into new Ordinary Shares is deemed to be 'frustrating action' and will therefore require Shareholder approval pursuant to Rule 21.1 of the Code.

In addition, the dealing disclosure requirements under Rule 8 of the Code that apply to shareholders of a company in an offer period also apply. Such requirements are outlined in paragraph 6 below.

6. Dealing disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be,

solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

7. General Meeting

A notice convening the General Meeting to be held at 6 Middle Street, London EC1A 7JA, at 11:00 a.m. (UK time) and 1.00 p.m. (South Africa time) on 16 November 2016 is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

1. an ordinary resolution to grant authority to the Directors to allot new Ordinary Shares or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the 2006 Act up to an aggregate nominal amount of £50,000. The Directors will limit this authority to the issue of any new Ordinary Shares to be issued pursuant to a conversion of the Facility or any part thereof. This authority will expire at the conclusion of the next Annual General Meeting of the Company to be held after the passing of the resolution, or if earlier, 18 months from the passing of the resolution;
2. a special resolution to disapply the statutory pre-emption rights contained in section 561(1) of the 2006 Act in respect of the allotment for cash of new Ordinary Shares with an aggregate nominal amount of up to £50,000. The Directors will again limit this authority to the issue of any new Ordinary Shares to be issued pursuant to a conversion of the Facility or any part thereof. This authority will expire at the conclusion of the next Annual General Meeting of the Company to be held after the passing of the resolution, or if earlier, 18 months from the passing of the resolution;
3. an ordinary resolution to approve the issue of Ordinary Shares pursuant to the Facility, for the purposes of Rule 21.1 of the Code in circumstances where the Company remains in an offer period (as defined in the Code).

4. an ordinary resolution to grant a general authority, in addition to that granted pursuant to paragraph 1 above, to the Directors to allot shares or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the 2006 Act up to an aggregate nominal amount of £319,160. This authority will expire at the conclusion of the next Annual General Meeting of the Company after the passing of the resolution, or if earlier, 18 months from the passing of the resolution. This authority will be in addition to the authority referred to in Resolution 1; and
5. a special resolution to disapply the statutory pre-emption rights contained in section 561(1) of the 2006 Act in respect of the allotment for cash of equity shares with an aggregate nominal amount of up to £200,000. This authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 after the passing of the resolution, or 18 months from the passing of the resolution. This authority will be in addition to the authority referred to in Resolution 2.

Resolutions 1, 3 and 4 are to be proposed as ordinary resolutions and Resolutions 2 and 5 are to be proposed as special resolutions.

8. Action to be taken

Shareholders will find accompanying this circular a Form of Proxy for use at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it to Computershare Investor Services plc, at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, UK or to Computershare Investor Services (PTY) Limited at their registered office at 70 Marshall Street, Johannesburg 2001 or P.O. Box 61051, Marshalltown 2017, South Africa, as soon as possible and, in any event, so as to arrive no later than 11:00 a.m. (UK time) and 1.00 p.m. (South Africa time) on 14 November 2016. Completion and return of the Form of Proxy will not affect Shareholders' right to attend and vote in person at the General Meeting if they so wish. Further information regarding the appointment of proxies can be found in the notes to the Notice of General Meeting. In the case of non-registered Shareholders who receive these materials through their broker or other intermediary, the Shareholder should complete and send a letter of direction in accordance with the instructions provided by their broker or other intermediary.

Tranche 2 of the Facility cannot be drawn down unless and until the Shareholders have passed Resolutions 1, 2 and 3. Additionally, if Resolutions 1, 2 and 3 are not passed, Rasmala may, at its option, cancel the Facility and demand immediate repayment in full of any principal sums outstanding thereunder. In the absence of any alternative, immediately available funding, this would result in the Company being unable to pay its debts as they fall due, and the Company would be insolvent and a receiver would need to be appointed. Accordingly it is important that Shareholders vote in favour of Resolutions 1, 2 and 3.

9. Responsibility

The Company and the Directors accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Company and the Directors (which has and who have taken all reasonable care to ensure that such is the case) the information contained in this circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

10. Directors' Recommendation and Intention

The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that you vote in favour of the Resolutions, as they intend to do themselves in respect of their beneficial interests amounting, in aggregate, to 10,111,166 Ordinary Shares representing approximately 2.11 per cent. of the Existing Ordinary Shares.

Yours faithfully,

Christopher Ellis
Interim Non-Executive Chairman

DIAMONDCORP PLC

*(Incorporated and registered in England and Wales with registered number 05400982)
(South African company registration number 2007/031444/10)*

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of DiamondCorp plc (the “**Company**”) will be held at 6 Middle Street, London EC1A 7JA on 16 November 2016 at 11:00 a.m. (UK time) and 1.00 p.m. (South Africa time) for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions, numbers 1, 3 and 4 of which will be proposed as ordinary resolutions and numbers 2 and 5 of which will be proposed as special resolutions:

1. That, the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**2006 Act**”) to exercise all powers of the Company to allot ordinary shares of £0.001 each in the capital of the Company (“**Ordinary Shares**”) up to an aggregate nominal value of £50,000 pursuant only to any conversion of the Facility or any part thereof (as defined in the circular dated 28 October 2016, of which this notice forms part), provided that this authority shall expire on the date of the next annual general meeting of the Company, or if earlier, 18 months from the passing of this resolution.
2. That, conditional on the passing of Resolution 1, the directors be and they are hereby empowered pursuant to Section 570 of the 2006 Act to allot equity securities (within the meaning of section 560 of the 2006 Act) for cash pursuant to the authority conferred by Resolution 1 above as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to the allotment of Ordinary Shares up to an aggregate nominal value of £50,000 pursuant only to the any conversion of the Facility or any part thereof, and shall expire on the date of the next annual general meeting of the Company, or if earlier, 18 months from the passing of this resolution.
3. That, conditional upon the passing of Resolutions 1 and 2, the issue of Ordinary Shares on conversion of the Facility and the repayment of the Facility upon an Early Repayment Event, be approved for the purposes of Rule 21.1 of the City Code on Takeovers and Mergers.
4. That, conditional on the passing of Resolutions 1, 2 and 3, in accordance with section 551 of the 2006 Act the directors be generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this Notice):
 - a. comprising equity securities (as defined by section 560 of the 2006 Act) up to an aggregate nominal amount of £319,160 (such amount to be reduced by the nominal amount of any Relevant Securities allotted under paragraph 4b. below) in connection with an offer by way of either a rights issue or open offer:
 - i. to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - ii. to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,but subject to such exclusions or other arrangements as the directors 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. in any other case, up to an aggregate nominal amount of £200,000 (such amount to be reduced by the nominal amount of any equity securities allotted under paragraph 4a. above in excess of £200,000),

provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is 18 months after the date on which this resolution is passed or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

5. That, conditional on the passing of Resolutions 1, 2, 3 and 4, 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 4 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 of equity securities (but, in the case of the authority granted under 4a., by way of either a rights issue or open offer only):
 - i. to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - ii. to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,but subject to such exclusions or other arrangements as the directors 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 5a. above) of equity securities up to an aggregate nominal amount of £200,000.

The power granted by this resolution will expire on the date which is 18 months after the date on which this resolution is passed or, if earlier, 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 section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

Dated: 28 October 2016

Registered Office:
6 Middle Street
London
EC1A 7JA
United Kingdom

By order of the Board:
For and on behalf of
City Group Plc
Company Secretary

Notes

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of him. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2. Completion and return of the form of proxy will not preclude shareholders from attending or voting at the meeting, if they so wish. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. To be effective, the form of proxy must be received at the offices of Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, or by Computershare Investor Services (Pty) Limited at their registered office at 70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107, South Africa, so as to arrive no later than 11.00 a.m. (UK time) and 1.00p.m. (South Africa time) on 14 November 2016 being not later than 2 business days before the time of the meeting or any adjournment thereof, together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or, where the proxy form has been signed by an officer on behalf of a corporation, a notarially certified copy of the authority under which it is signed.
4. In the case of a joint holding, a proxy need only be signed by one joint holder. If more than one such joint holder lodges a proxy only that of the holder first on the register of members will be counted. Any alternations made to this proxy should be initialed.
5. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
6. In the case of a corporation this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised.
7. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the General Meeting is 11:00 am (UK time) and 1.00p.m. (South Africa time) on 14 November 2016, (being not more than 2 business days prior to the time fixed for the Meeting) or, if the Meeting is adjourned, such time being not more than 2 business days prior to the time fixed for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the Meeting.
9. If you are a dematerialised DiamondCorp plc shareholder and are not an own name dematerialised DiamondCorp plc shareholder then you must instruct your Central Securities Depository Participant ("CSDP") or broker as to how you wish to cast your vote at the General Meeting in order for them to vote in accordance with your instructions. If you wish to attend the General Meeting in person, please request your CSDP or broker to issue the necessary letter of representation to you. This must be done in terms of the agreement entered into between the dematerialised DiamondCorp plc shareholder (who is not an own name dematerialised DiamondCorp plc shareholder) and the CSDP or broker.
10. "Relevant Securities" means shares in the Company other than shares allotted pursuant to: a. an employee share scheme (as defined by section 1166 of the Act); b. a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or c. a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.

