

NOTICE OF ANNUAL GENERAL MEETING  
NAMAKWA DIAMONDS LIMITED

(incorporated in Bermuda in accordance with the laws of Bermuda with registered number 39031)

Notice is hereby given that the 2011 Annual General Meeting (**AGM**) of Namakwa Diamonds Limited (the **Company**) will be held at Taylor Wessing, 5 New Street Square, London, United Kingdom EC4A 3TW on 30 November 2011 at 10.00am (London time).

To consider and, if thought fit, pass resolutions 1 – 12, which will be proposed as ordinary resolutions of the Company, and resolutions 13 - 15, which will be proposed as special resolutions of the Company.

1.

To receive and adopt the audited financial statements for the financial year ended 31 August 2011, together with the Directors' and the Auditors' reports on those financial statements (the **Annual Report and Accounts**).

2.

That the Directors' remuneration for the financial year ended 31 August 2011, as set out in the section entitled 'Directors' Remuneration Report' of the Annual Report and Accounts, be approved.

3.

To elect Richard Collocott as a Director, following his appointment by the Board of Directors during the course of the 2011 financial year, to hold office until his appointment is terminated in accordance with the bye-laws of the Company (the **Bye-laws**).

4.

To elect Allen Gessen as a Director, following his appointment by the Board of Directors during the course of the 2011 financial year, to hold office until his appointment is terminated in accordance with the Bye-laws.

5.

To elect Gerard Holden as a Director, following his appointment by the Board of Directors during the course of the 2011 financial year, to hold office until his appointment is terminated in accordance with the Bye-laws.

6.

To elect Marthinus Mulder as a Director, following his appointment by the Board of Directors during the course of the 2011 financial year, to hold office until his appointment is terminated in accordance with the Bye-laws.

7.

To elect Alex Davidson as a Director, to hold office until his appointment is terminated in accordance with the Bye-laws.

8.

To elect Edward Haslam as a Director, to hold office until his appointment is terminated in accordance with the Bye-laws.

9.

To elect Tom Kruger as a Director, to hold office until his appointment is terminated in accordance with the Bye-laws.

10.

To appoint PricewaterhouseCoopers Incorporated as auditors of the Company to hold office until the next annual general meeting of the Company and to authorise the audit, risk and compliance committee to determine their remuneration.

11.

To approve that the Directors be generally and unconditionally authorised, in accordance with Bye-law 2.5 of the Bye-laws, to exercise all powers of the Company to allot up to 2,209,917 ordinary shares of US\$0.000625 each in the capital of the Company (**Ordinary Shares**) in connection with the acquisition or the financing of the acquisition of up to 2,209,917 “A” Preference Shares in the capital of Namakwa Diamond Holdings (Pty) Limited, pursuant to the terms of such “A” Preference Shares, such authority to expire on 29 November, 2016.

12. To approve that:

(a)

the Directors be generally and unconditionally authorised, in accordance with Bye-law 2.5, to exercise all powers of the Company to allot:

(i)

relevant securities (as defined in the Bye-laws for the purposes of Bye-law 2.5) up to a maximum nominal amount of US\$63,315.31 (or, in the event that the placing of 66,791,667 Ordinary Shares (pursuant to an agreement with Jarvirne Limited (the **Capitalisation**)) does not complete, US\$49,400.38); and

(ii)

equity securities (as defined in Bye-law 2.6(g)) in connection with an offer by way of a rights issue up to an aggregate nominal amount of US\$126,630.62 (or, in the event that the Capitalisation does not complete, US\$98,800.76) (such amount to be reduced by the nominal amount of relevant securities allotted under paragraph (a)(i) of this Resolution 12) to:

(A)

the holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and

(B)

holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors of the Company otherwise consider necessary, and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;

(b)

this authority shall expire at the conclusion of the annual general meeting of the Company in respect of the calendar year 2012 or, if earlier, on 28 February 2013 (unless otherwise revoked, renewed or amended);

(c)

the Company may, before this authority expires, make an offer or agreement which would or might require relevant securities to be allotted after it expires;

(d)

this authority is in addition to:

(i)

the authority given by shareholders at the special general meeting of the Company held on 24 December, 2010 to allot up to 3,028,270 Ordinary Shares for the specific purpose of financing the acquisition of 3,028,270 “A” Preference Shares in the capital of Namakwa Diamond Holdings (Pty) Limited;

(ii)

the authority given by the shareholders pursuant to Resolution 11 to allot up to 2,209,917 Ordinary Shares in connection with the acquisition or the financing of the acquisition of up to 2,209,917 “A” Preference Shares in the capital of Namakwa Diamond Holdings (Pty) Limited pursuant to the terms of such “A” Preference Shares;

(e)

except as referred to in (d) above, all previous unutilised authorities under Bye-law 2.5 shall cease to have effect (save to the extent that the same are exercisable by reason of any offer or agreement made prior to the date of this resolution which would or might require relevant securities to be allotted on or after that date).

13.

To approve that the Directors be given power to allot equity securities (as defined in Bye-law 2.6(g) of the Bye-laws) for cash pursuant to the authority conferred on them by Resolution 11 above as if Bye-law 2.6 of the Bye-laws did not apply to such allotment, such authority to expire on 29 November, 2016.

14.

To approve that:

(a)

in accordance with Bye-law 2.7 and subject to the passing of Resolution 12, the Directors be generally and unconditionally given power to allot for cash equity securities (as defined in Bye-law 2.6(g)) pursuant to the general authority conferred on them by Resolution 12 as if Bye-law 2.6 did not apply to the allotment, but this power shall be limited:

(i)

to the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted under paragraph (a)(ii) of Resolution 12, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only) to:

(A)

the holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and

(B)

holders of other equity securities, as required by the rights of those securities, or subject to such rights, as the Directors of the Company otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in or under the laws of, any territory or any other matter; and

(ii)

to the allotment (other than under paragraph 12(a)(i) above) of equity securities having a nominal amount not exceeding in aggregate US\$9,497.30 (or, in the event that the Capitalisation does not complete, US\$7,410.06);

(b)

this power shall expire at the conclusion of the annual general meeting of the Company in respect of the calendar year 2012 or, if earlier, on 28 February 2013 (unless otherwise revoked, renewed or amended);

(c)

all previous unutilised authorities under Bye-law 2.7, other than those granted pursuant to Resolution 13, shall cease to have effect; and

(d)

the Company may, before this power expires, make an offer or agreement which would or might require equity securities to be allotted after it expires.

15.

That in accordance with Bye-law 3, the Company is generally and unconditionally authorised to make market purchases of Ordinary Shares on such terms and in such manner as the Directors may determine, provided that:

(a)

the maximum number of Ordinary Shares that may be purchased under this authority is 30,391,348 (or, in the event that the Capitalisation does not complete, 23,712,181) (representing approximately 10% of the issued share capital of the Company at the date of the AGM);

(b)

the maximum price which may be paid for any Ordinary Share purchased under this authority shall not be more than the higher of an amount equal to 105% of the average of the middle-market prices shown in the quotations for the Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased and the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003. The minimum price which may be paid shall be the nominal value of that Ordinary Share (in each case exclusive of expenses payable by the Company in connection with the purchase);

(c)

this authority shall expire at the conclusion of the annual general meeting of the Company in respect of the calendar year 2012, or, if earlier, on 28 February 2013, unless renewed, revoked or amended before that time;

(d)

the Company may make a contract or contracts to purchase Ordinary Shares under this authority before its expiry which will or may be executed wholly or partly after the expiry of this authority and may make a purchase of Ordinary Shares in pursuance of any such contract; and

(e)

all existing authorities for the Company to make market purchases of Ordinary Shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has not yet been executed.

By order of the Board  
Name: Richard Collocott  
Position: Chief Executive Officer

Registered Office:  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda  
8 November 2011

Notice of AGM - Explanatory Notes:

1.

Only persons entered on the Register of Members of the Company at 10.00am on 28 November 2011 (or in the event the AGM is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting) are entitled to attend and vote at the AGM either in person or by proxy and the number of Ordinary Shares then registered in their respective names shall determine the number of votes such persons are entitled to cast on a poll at the AGM.
2.

A member is entitled to appoint a proxy or proxies to exercise all or any of his rights to attend and to speak and vote instead of him at the AGM (and at any adjournment). A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company.
3.

The form of proxy and power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be received by Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, UK not later than 10.00 am on 28 November 2011 or 48 hours before the time appointed for holding any adjourned meeting. Completion and return of the form of direction or form of proxy will not prevent you from attending and voting at the AGM instead of the proxy, if you wish.
4.

Only holders of Ordinary Shares are entitled to attend and vote at the AGM.
5.

If you hold Depositary Interests, you can complete the Form of Direction in accordance with its terms to instruct Capita IRG Trustees Limited (the **Depositary**), to vote on your behalf at the AGM, either in person or by proxy. If a Depositary Interest holder wishes to appoint, or give an instruction to the Depositary via the CREST system, the CREST message must be received by the Depositary's agent (ID RA 10) not later than 72 hours before the time for holding the AGM. Please note, however, that direction messages cannot be sent through CREST on weekends, bank holidays or after 8.00 pm on any day. For the purposes of this deadline, the time of receipt will be taken to be the time (as determined by the time-stamp applied to the message by the CREST Applications Host) from which the Depositary's agent is able to retrieve the message. CREST Personal Members or other CREST-sponsored members and those CREST members who have accepted voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST manual. The Depositary may treat as invalid a direction appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
6.

As at the date of this Notice, the Company's issued share capital consists of 237,121,814 Ordinary Shares of US\$0.000625 each carrying one vote each. Therefore, the total voting rights in the Company as at the date of this Notice are 237,121,814.
7.

Copies of the Non-Executive Directors' terms of appointment are available for inspection at the registered office of the Company during normal business hours from the date of this Notice and at the place of the AGM for a period from 15 minutes immediately before the AGM until its conclusion. Brief biographical details of the Directors are contained in the section headed 'Board of Directors' of the Annual Report and Accounts of the Company. The details include, in respect of any Non-Executive Directors seeking election by Shareholders for the first time, the reasons the Board believes they should be elected. The report also includes, in respect of each Non-Executive Director seeking election, a confirmation that, following formal performance evaluation, the individual's performance continues to be effective and demonstrates commitment to the role.
8.

It is proposed that the Directors be empowered to purchase the Ordinary Shares in the market. The power given by the resolution will only be exercised if the Directors are satisfied that any purchase will increase the earnings per share of the ordinary share capital in issue after the purchase and, accordingly, that the purchase is in the interests of Shareholders. The Directors will also give careful consideration to gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable profits and in accordance with the Companies Act 1981 of Bermuda (as amended). The Directors have no present intention to exercise this authority. Bye-law 3 of the Bye-laws permits the Company to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by the Company in accordance with the Companies Act 1981 of Bermuda (as amended) and on such terms as the Board shall think fit. The maximum number of shares, which may be purchased under the proposed authority, will be 30,391,348 (or, in the event that the Capitalisation does not complete, 23,712,181) Ordinary Shares representing approximately 10% of the issued ordinary share capital of the Company at the date of the AGM. The price paid for the Ordinary Shares will not be less than the nominal value of US\$0.000625 per share nor more than the higher of 5% above the average of the middle-market quotation of the Company's Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the day on which the Ordinary Shares are purchased and that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003 (being the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out). The total number of options to subscribe for Ordinary Shares and direct share issues to employees deferred that were outstanding at the date of the Notice was 17,824,228. The proportion of issued share capital in the Company that they represent is 5.86% (or, in the event that the Capitalisation does not complete, 7.52%) and the proportion of issued share capital that they will represent if the full authority to purchase “A” Preference Shares is used is 5.82% (or, in the event that the Capitalisation does not complete, 7.45%). Resolution 15 will be proposed as a special resolution expiring at the conclusion of the annual general meeting of the Company in respect of the calendar year 2012, or, if earlier, 28 February 2013.