LERALA DIAMOND MINE

SEPTEMBER 2016 Ramp Up To Full Production

KIMBERLEY DIAMONDS LTD

KIMBERLEY DIAMONDS LTD

Disclaimer

This presentation has been prepared for potential investors of Kimberley Diamonds Ltd (the **Company**) and is for informational purposes only and should not be considered as a prospectus, product disclosure statement or offer document. This presentation does not provide a comprehensive review of the business of the Company or its financial affairs and does not purport to contain all the information investors may require to make a decision to invest in the Company. It is recommended that potential investors seek independent expert advice prior to making any investment decisions.

This presentation contains certain forward-looking information and statements. Such forward-looking information and statements are based on the current estimates and projections of the Company or assumptions based on information currently available to the Company such as present economic or operating conditions. Such forward-looking information and statements reflect current views regarding possible or assumed future performance, costs, production levels or rates, prices, reserves and resources or potential growth of the Company and are subject to change without notice, as they involve risks, significant uncertainties and assumptions. Actual future events may vary from such forward-looking information. The Company cannot give assurance to the completeness, correctness or accuracy of such information and statements. Such statements should be relied on as a general guide only and should not be relied upon as a indication or guarantee of future performance.

The statements in this presentation are made only as at the date of this presentation unless otherwise stated and remain subject to change without notice. None of the Company's directors, officers, employees, agents, shareholders, advisors, consultants, nor any other person accepts any responsibility to inform recipients of this presentation of any matter that subsequently comes to notice which may affect or change the information contained in this presentation.

To the maximum extent permitted by law, none of the Company's directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied, is given as to the accuracy, completeness or correctness of the information contained in this presentation, or the likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this presentation.

The Company, its directors, officers, employees, agents, shareholders, advisors and consultants make no recommendation as to whether you should invest in the Company. Potential investors should be aware that an investment in the Company is speculative and involves numerous risks, many of which are outside the control of the Company. This presentation does not represent investment advice. You should seek your own investment advice prior to making any investment decisions.

KIMBERLEY DIAMONDS LTD

Kimberley Diamonds Ltd
Corporate Snapshot

Listed on the ASX in February 2012

Ticker: **ASX:KDL**

A$ 0.15 – 0.055 52 Week Range

As at 30 June 2016

- **160,987,132** Shares Outstanding
- **17.3M @ 20c** Options Outstanding
- **A$ 12.9M** Market Capitalisation
- **~A$ 15.5M** Debt
- **A$ 0.43M** Cash on hand

Diamond recovered by KDL from Lerala

Alexandre Alexander
Non-Executive Chairman

Alexandre is a founder and Managing Director of Summit Capital Ltd, a boutique financial advisory firm with a particular focus on resources and commodities. Since founding Summit Capital in 2005, he has had a lead role in a number of capital raisings and corporate transactions in resources and real estate sectors and built a highly successful business between Australia and China.

Noel Halgreen
Managing Director

Noel Halgreen is a qualified Mining Engineer with 30 years of diverse industry experience including roles with BHP Billiton's Coal Division and Sasol. Noel played a key role in KDL's acquisition of the Lerala Diamond Mine.

Rupert Baring
Non-Executive Director

Mr Baring is the co-founder and a former director of Mantle Diamonds Ltd. He has more that 20 years experience in the diamond industry, and has raised capital and negotiated mineral licenses throughout Africa.

Yong Xiao
Non-Executive Director

Mr Xiao is currently an Executive of Beijing Casin Investment Holding Co., Ltd a substantial shareholder of Kimberley Diamonds Limited. He has built a highly successful business for Beijing Casin and led numerous investment transactions and projects for the company.

Laila Green
Chief Financial Officer

Deon Vermeulen
Lerala Mine - General Manager

Brett Thompson
Chief Technical Officer

Belinda Bennington
HR Manager

Holly Taylor
General Counsel

KIMBERLEY DIAMONDS LTD

A new diamond miner ready to take advantage of the forecast supply-demand gap in rough diamonds over the medium term

Lerala Diamond Mine

Key Milestones Reached

- First Kimberlite Ore Mined: **21st April 2016**
- First Production Day: **30th April 2016**
- First Diamonds Recovered: **2nd May 2016**
- First Diamond Sales: **28th June 2016**

Production To Date

- Ore BCMs Mined: **142,581 BCMs**
- Tonnes Processed: **161,866 Tonnes**
- Carats Recovered: **27,597 Carats**

Project Highlights

- Resource: **15 Mt (3.85 Mcts) Indicated**
  + 5.1 Mt (1.01 Mcts) Inferred
- Life of Mine: **9 years**

Diamonds recently recovered by KDL from the Lerala Diamond Mine

Details of the Resource, Production target can be found on slides within this presentation

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
Location

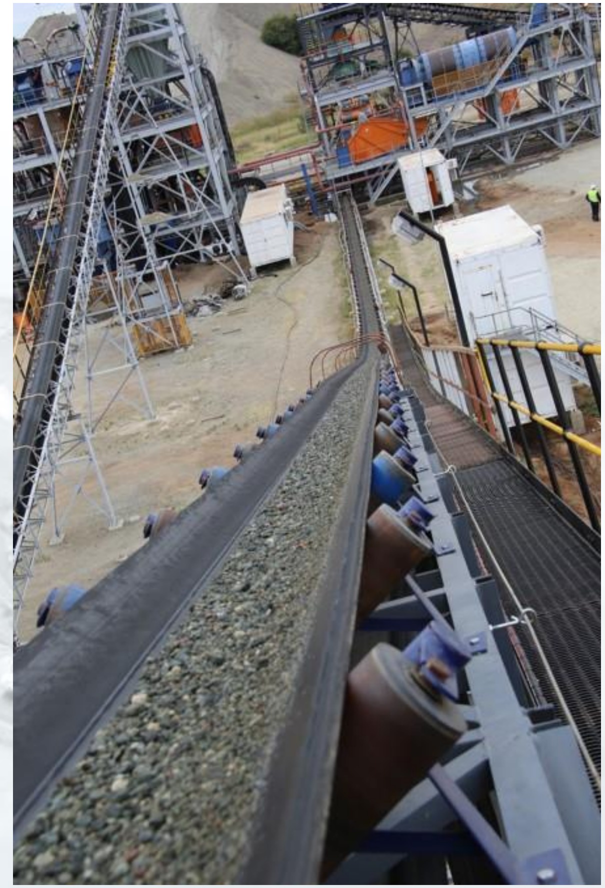
- Botswana is a low risk, stable, democratic country with a mature diamond mining and processing industry.
- The Lerala Diamond Mine is located in the Central District of Botswana, 300 km northeast of the capital city Gaborone and 30 km west of the border with South Africa
- Mining Licence 2006/29L covers 22 km^2 and encompasses five diamond bearing kimberlite pipes together with the mining and processing infrastructure
- The Mining Licence is valid till 2021. The Company will take steps to renew this licence before the licence expires.
- The Company also has a Joint Venture agreement with Tilwane Services (Pty) Ltd over 162 km^2 of high quality exploration ground 60km east of the prolific Orapa Diamond fields

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
Achievements To Date

- Completion of Lump Sum Turnkey Contract to recommission the Lerala Diamond Mine
- A$ 14.8m Capital Expenditure up to August 2016
- On-site Management and Operational team in place
- Contractor Basil Read Botswana (Pty) Limited mobilised and mining
- Processing plant operational and proven capable of operating at nameplate capacity of 200 tph
- First parcel of diamonds sold in June

NEXT STAGE: RAMP UP TO FULL SCALE PRODUCTION



KIMBERLEY DIAMONDS LTD

Mining of fresh kimberlite ore from the K3 pit

KIMBERLEY DIAMONDS LTD

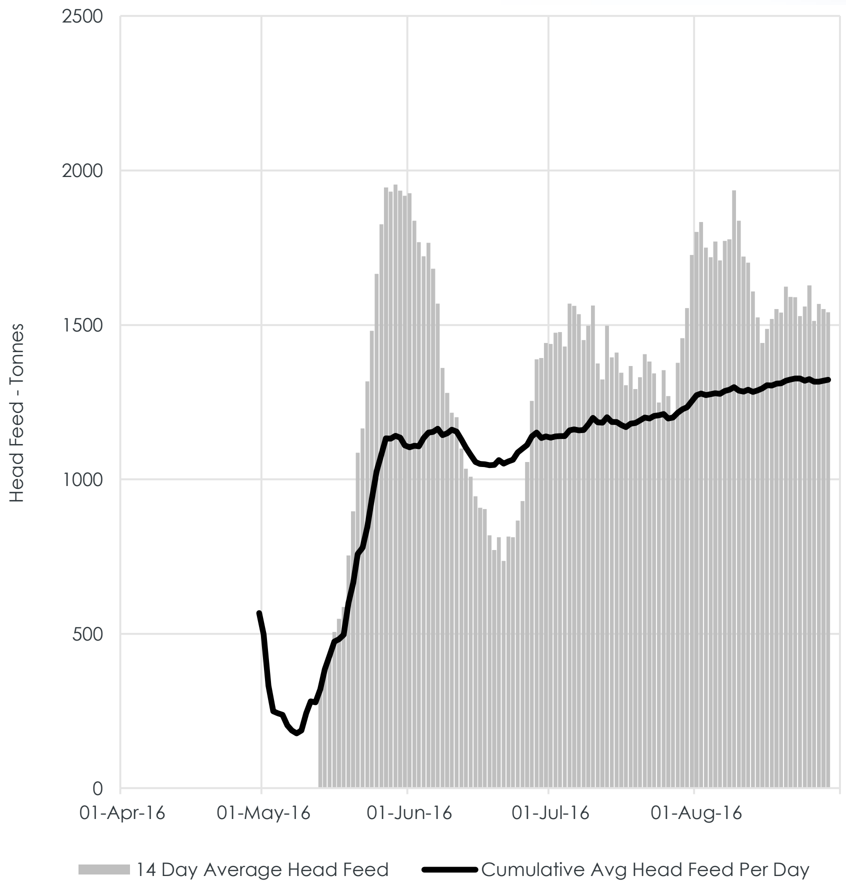
Kimberlite Ore from the Primary Crusher being fed into the new Primary Scrubber

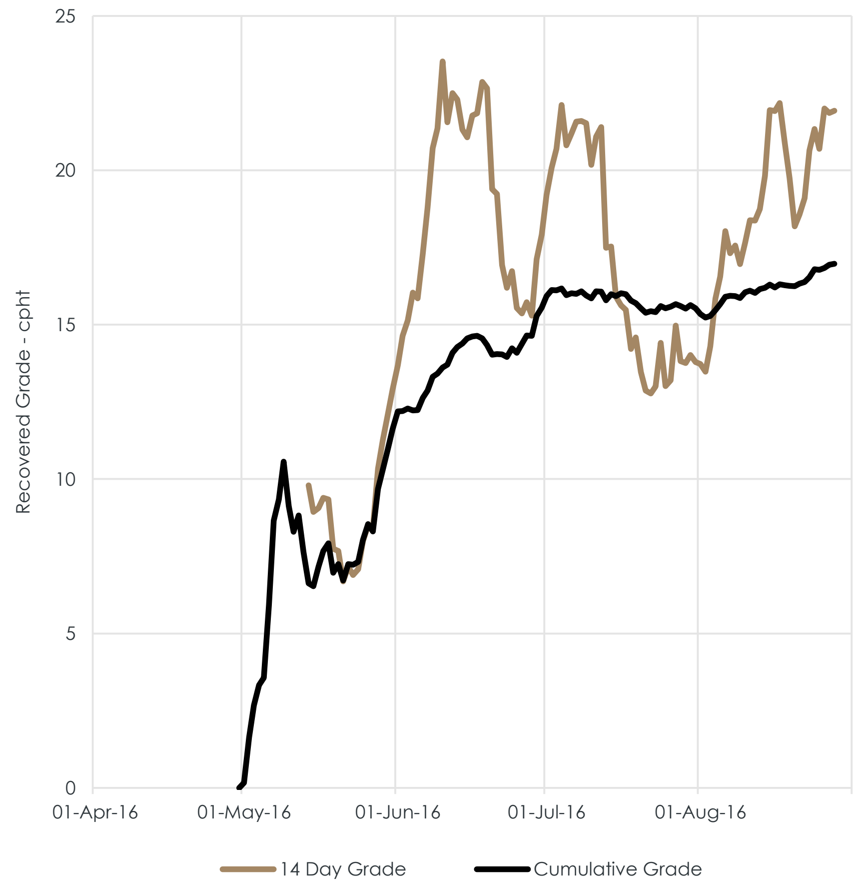
KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
To Date - Summary

2016	Unit	April	May	June	July	August	Total
Total Mined	BCMs	28,540	104,714	90,974	43,866	45,465	**313,559**
Ore Mined	BCMs	5,120	24,203	41,311	32,950	38,997	**142,581**
Strip Ratio		4.57	3.33	1.20	0.33	0.17	**1.20**
Total Ore Processed	tonnes	567	34,963	35,059	45,943	44,334	**161,866**
Carats Recovered	cts	-	3,860	6,704	7,183	9,849	**27,597**

Lerala Diamond Mine
Ramp Up - Head Feed & Recovered Grade





KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
Next Stage

- During the ramp-up phase, average daily head feed has steadily increased
- The plant has proven capable of operating at and above its designed capacity of 200 tph
- Operating the recommissioned plant for three months has revealed shortcomings in some pre-existing elements of the plant
- This, combined with the highly abrasive character of the internal waste within the kimberlite ore, has significantly impacted the plant’s ability to operate at maximum capacity on a consistent basis
- The Company aims to address these issues over the next 4 months

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine

Next Stage - Proposed Alterations & Improvements

Current Issue	Proposed Solution	Cost	Completion
Large rocks blocking the head feed reception bin causing overloading on the Vibrating Grizzly Feeder	Install new Vibrating Grizzly Feeder structure at primary crusher to minimise plant downtime	Paid	31^{st} August
Fine diamonds reporting to recovery tailings stockpile due to inefficiencies in the DMS yield and Flowsort X-ray machines	Re-commission on-site CDX X-Ray sort machine to retreat the recovery tails as an audit facility	A$ 50,000	15^{th} September
Pre-existing 6/4 DMS feed pumps under spec'd for required throughput performance	Install new 8/6 feed pumps to stabilise pressures and density cut points within the cyclones	Paid	30^{th} September
Large rocks reporting to the DMS causing excessive wear and DMS feed pump blockages	Install a screening solution after the secondary scrubber to recycle oversized material to the existing tertiary crusher before it reaches the DMS	A$ 150,000	15^{th} October
SUB-TOTAL		**A$ 200,000**	

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
Next Stage - Repairs & Spares

Current Issue	Proposed Solution	Cost	Completion
Excessive spillage from conveyor belts causing frequent power trips and plant downtime	Installation of self tracking idlers, improved chute skirting and belt scrapers	A$ 220,000	30th October
Pre-existing concrete support structure being excessively vibrated by the new secondary crusher	Stabilise secondary crusher concrete housing structure	A$ 200,000	30th October
Spares required for Jaw Crusher and Scrubbers	Purchase spares for critical pieces of equipment to minimise maintenance and repair downtime	A$ 350,000	30th October
Leaking and blockages of slimes delivery line	Add high pressure pipes to slimes line. Introduce slimes maintenance team to improve pipeline monitoring	A$ 80,000	15th October
Process Water Dam liner leaking	Reline dams, purchase new high volume diesel pump for slimes dam / K6 return water.	A$ 240,000	30th November
Damage to chutes, plates and ceramic tiles within the DMS module	Repair and replace	A$ 130,000	31st December
High wear rates on critical parts	Purchase additional critical spares to minimise operational downtime	A$ 150,000	31st December
SUB-TOTAL		**$A 1,370,000**	
TOTAL ALTERATIONS, REPAIRS & SPARES		**$A 1,570,000**	

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine

Next Stage - Performance Improvement Plan

The company has set the following targets based on the proposed alterations and maintenance to the plant

2016	Unit	September	October	November	December
Operational Hours	hours	343	438	533	595
Throughput	tph	160	175	190	200
Head Feed	tonnes	54,835	76,734	101,261	119,016
Head Grade	cpht	25.00	25.00	25.00	25.00
Recovery	% of head grade	72%	85%	85%	85%
Recovered Grade	cpht	18.00	21.25	21.25	21.25
Recovered Carats	cts	9,870	16,306	21,518	25,291
Carats per day	cts/day	329	526	717	816

Successful implementation of the performance improvement plan shown above

will have the Lerala Diamond Mine operating at full production capacity by January 2017

The forward-looking production target stated in the above table is underpinned by the 31 Dec 2015 Mineral Resource and Ore Reserve statements detailed within this presentation. Achieving the stated production targets is dependent on the successful implementation and funding of the proposed alterations, maintenance and repair to the processing plant over the next 4 months. Given that Lerala is an operational mine that has a proven record of producing diamonds for sale, the company has proven record of capital raising, along with the further reasons set out on slide 18, there are reasonable grounds to suggest that funds will be available as and when required to undertake the proposed alterations to the plant, providing further support for the stated production target.

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
Further Funding Required

Total Alterations, Repairs and Spare Parts	A$ 1.6m
Working Capital Requirements	A$ 2.4m
Total	**A$ 4.0m**

In addition to the above funding requirements, the company will aim to either raise additional equity (giving consideration to the share price at the time) to retire existing debt or, alternatively, replace existing debt facilities with new debt facilities on better terms and such maturities that would allow repayment of debt to be sourced from the future operating cash flow of the project.

Diamonds recovered by KDL from Lerala Diamond Mine

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
Life of Mine Target Financial Model

	Unit	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	TOTAL
Total Tonnes Mined	Mt	3.4	6.5	5.1	3.8	3.6	4.0	3.7	1.1	0.0	0.0	**31.4**
Ore Treated	Mt	1.13	1.39	1.39	1.40	1.39	1.39	1.39	1.40	1.36	0.00	**12.2**
Carats Sold	Kcts	260	366	353	363	351	377	350	326	193	12	**2,950**
Gross Revenue	A$m	21.6	40.6	47.7	51.0	51.2	44.6	54.5	46.2	29.8	1.6	**388.8**
Net Revenue	A$m	18.4	35.5	41.7	44.6	44.8	39.0	47.7	40.3	25.9	1.4	**339.3**
Total Operating Costs	A$m	-18.1	-25.8	-24.5	-21.6	-21.3	-21.6	-21.1	-12.3	-4.0	-0.0	**-170.4**
Net Operating Cash Flow	A$m	0.2	9.7	17.2	23.0	23.5	17.4	26.6	28.1	21.8	1.4	**169.0**
Total Capital Expenditure	A$m	-4.2	-1.6	-1.4	-1.7	-1.0	-0.7	-0.7	-0.7	-0.7	0.0	**-12.9**
Botswana Corporate Tax	A$m	0.0	0.0	0.0	0.0	0.0	-2.1	-5.3	-5.6	-4.7	-0.3	**-18.0**
Net Asset Cash Flow	**A$m**	**-4.0**	**8.2**	**15.7**	**21.3**	**22.5**	**14.5**	**20.6**	**21.7**	**16.4**	**1.1**	**138.1**
NPV, 8%	**A$m**	**88.4**										
Resources outside LOM#	A$m	12.0										
Current debt	A$m	-17.7	as at 31st August 2016									

Details of the Mineral Resource, Ore Reserves, Production Targets and Material Assumptions underpinning the Financial Forecast shown in the table above are outlined within this presentation.
#The value of Inferred Resources outside LOM DCF valuation is based on an independent comparable transactions analysis performed by Venmyn Deloitte

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
Assumptions Underpinning Life of Mine Financial Model

The **Production Target** shown in the *Life of Mine Target Financial Model* is underpinned by the Mineral Resource and Ore Reserves that have been summarised within this presentation and detailed in the ASX announcement titled "Mineral Resource and Ore Reserve Statement - revised", released on 11th January 2015.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The Production Target of 12.24 Mt comprises 95% Probable Reserves and 5% Inferred Resources. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised

The **Forecast Financial Information** outlined in the *Life of Mine Target Financial Model* is based on the following assumptions:

- Diamonds are sold at an average price of 62 USD/ct in FY17 as the diamond trading market familiarises itself with the properties of the Lerala diamonds. In FY18, diamonds are sold at the USD/ct prices stated in the Mineral Resource estimate and then escalated by 4% each year to FY26
    - These price assumptions are supported by previous independent valuations of diamonds (as detailed in the above mentioned ASX release) and the supply-demand gap for rough diamonds forecast by Bain & Company (2015) over the medium term. Diamond prices are subject to market forces beyond the control of the Company and are therefore a risk associated with the Forecast Financial Information
- The average AUD:USD exchange rate for FY17 is 0.76 and the average for the life of the project is 0.60. Exchange rates are subject to market fluctuations and beyond the control of the Company and therefore a risk associated with the Forecast Financial Information

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
Assumptions Underpinning Life of Mine Financial Model

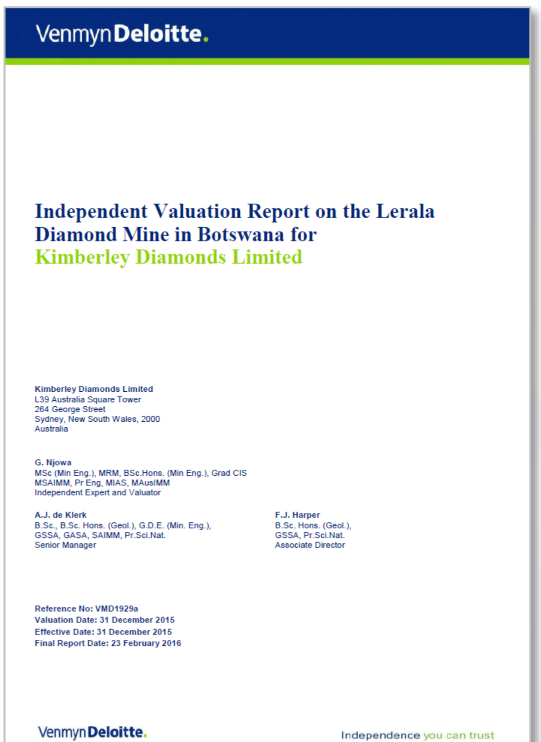
The **Forecast Financial Information** also assumes that the Performance Improvement Plan is successfully implemented in the period to December 2016. As stated, the Company is not currently fully funded for all of the expected capital expenditure to implement this, and also requires further working capital for the near term, which it will need to meet through additional debt or equity funding. The Company will also need to repay, refinance or replace its existing debt when it becomes due and payable through revenue, new debt arrangements or equity. The Company reasonably believes that the necessary funding will be available as and when it is required, based on factors including the following:

- the proven capacity of the plant (further enhanced by the Performance Improvement Plan) and the Company's record of producing diamonds for sale from the Lerala Mine
- expected future revenues from the sale of diamonds from the Lerala Mine
- the proven record of the Company to raise funds as and when it is necessary to meet funding requirements through equity, debt and off-take agreements
- the support of shareholders and existing financiers (illustrated by the recent fully subscribed rights issue and shortfall placement, and the main lender, Zheijiang, converting approximately $2.2 million debt to equity in January 16 and June 16)
- the Company is currently in discussions with potential financiers for both debt and equity financing for the project
- the strong economics of the project as demonstrated by the independent valuation by Venmyn Deloitte
- the low sovereign risk associated with Botswana.

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
Independent Valuation Report

Lerala Diamond Mine was independently valued by Venmyn-Deloitte to be **A$ 105 million** in February 2016.


VenmynDeloitte.

Independent Valuation Report on the Lerala Diamond Mine in Botswana for Kimberley Diamonds Limited

Kimberley Diamonds Limited
L39 Australia Square Tower
264 George Street
Sydney, New South Wales, 2000
Australia

G. Njowa
MSc (Min Eng.), MRM, BSc.Hons. (Min Eng.), Grad CIS
MSAIMM, Pr Eng, MIAS, MAusIMM
Independent Expert and Valuator

A.J. de Klerk
B.Sc., B.Sc. Hons. (Geol.), G.D.E. (Min. Eng.),
GSSA, GASA, SAIMM, Pr.Sci.Nat.
Senior Manager

F.J. Harper
B.Sc. Hons. (Geol.),
GSSA, Pr.Sci.Nat.
Associate Director

Reference No: VMD1929a
Valuation Date: 31 December 2015
Effective Date: 31 December 2015
Final Report Date: 23 February 2016

VenmynDeloitte. Independence you can trust

Item	Unit	Venmyn Valuation	KDL Forecast
Period Included in Valuation	FY	**FY16 – FY25**	**FY17 – FY26**
Tonnes Mined	Mt	33.47	31.37
Tonnes Processed	Mt	12.61	12.24
- *portion of Probable Reserves*	%	*~ 95%*	*~ 95%*
- *portion of Inferred Resources*	%	*~ 5%*	*~ 5%*
- *portion of Exploration Target*	%	-	-
Carats Recovered	Mct	3.08	2.95
Starting Mining Location	Pipe	K3	K3
Starting Diamond Price	USD/ct	79	62
Average selling price	USD/ct	82	79
Average FX Rate	AUD:USD	0.59	0.60
Average OPEX	A$/t proc.	12.83	14.03
Life of Mine CAPEX Requirements	A$m	22.3	12.9
Total Net Cash Flow	A$m	165	138
Discount Rate	%	10%	8%
Valuation Life of Mine (DCF)	**A$m**	**93**	**88**
Value of Resource outside Life of Mine	A$m	12	
Total Valuation	**A$m**	**105**	

There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
Further Value Add

The Company is actively investigating projects to add value to the Lerala Diamond Mine

Installation of an Optical Waste Sorter

- Internal waste rock within the kimberlite is distinctive in colour. An optical waste sorter may be able remove this waste before it enters the DMS and therefore free-up significant additional throughput capacity
- Additionally, the removal of the abrasive internal waste early in the processing stream will reduce the wear and replacement rates of critical components in the plant, particularly in the DMS

Alternate Energy Sources

- The Lerala Diamond Mine currently operates on diesel generators. Cost of diesel is a significant part of the current cost structure. Potential exist to connect the mine to the national power grid or convert the existing generators to operate on natural gas.
- Switching to either grid power or gas would significantly reduce costs over the life of the project

Resource and Reserve Upgrade

- The current Resource is defined to a depth of 210 m below surface. Further drilling beneath this depth has the potential to expand the Resource and increase life of the project

KIMBERLEY DIAMONDS LTD

Lerala Diamond Mine
Resource Statement

<table>
<tr><th>SOURCE</th><th>CLASSIFICATION</th><th>MILLION TONNES</th><th>cpht</th><th>Mct</th><th>USD/ct</th><th>BSS#</th></tr>
<tr><td>K2</td><td rowspan="6">INDICATED</td><td>6.3</td><td>20.5</td><td>1.29</td><td>$61</td><td rowspan="16">1.00mm</td></tr>
<tr><td>K3</td><td>4.6</td><td>30.4</td><td>1.40</td><td>$79</td></tr>
<tr><td>K4</td><td>1.8</td><td>31.0</td><td>0.55</td><td>$79</td></tr>
<tr><td>K5</td><td>2.3</td><td>25.7</td><td>0.59</td><td>$79</td></tr>
<tr><td>K6</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>ROM Stockpiles</td><td>0.1</td><td>22.5</td><td>0.02</td><td>$79</td></tr>
<tr><td>SUB TOTAL</td><td></td><td>15</td><td>25.6</td><td>3.85</td><td>$73</td></tr>
<tr><td>K2</td><td rowspan="8">INFERRED</td><td>0.9</td><td>13.8</td><td>0.13</td><td>$61</td></tr>
<tr><td>K3</td><td>1.5</td><td>28.6</td><td>0.41</td><td>$79</td></tr>
<tr><td>K3 Marginal Breccia</td><td>1.2</td><td>9.9</td><td>0.12</td><td>$79</td></tr>
<tr><td>K4</td><td>0.3</td><td>32.2</td><td>0.09</td><td>$79</td></tr>
<tr><td>K5</td><td>0.2</td><td>46.1</td><td>0.11</td><td>$79</td></tr>
<tr><td>K6</td><td>0.4</td><td>28.3</td><td>0.12</td><td>$79</td></tr>
<tr><td>De Beers Tailings</td><td>0.4</td><td>5.5</td><td>0.02</td><td>$40</td></tr>
<tr><td>Low-Grade Stockpiles</td><td>0.1</td><td>8.9</td><td>0.01</td><td>$79</td></tr>
<tr><td>SUB TOTAL</td><td></td><td>5.1</td><td>20.2</td><td>1.01</td><td>$76</td></tr>
<tr><td>TOTAL</td><td>RESOURCES</td><td>20.1</td><td>24.2</td><td>4.86</td><td>$74</td><td>1.00mm</td></tr>
</table>

As at 31 Dec 2015

** Rounding may result in computational discrepancies

BSS = Bottom Screen Size Cut Off

The information in this report that relates to Mineral Resources and Ore Reserves at the Lerala diamond mine is extracted from the ASX announcement titled "Mineral Resource and Ore Reserve Statement - revised", created on 11th January 2015. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

KIMBERLEY DIAMONDS LTD

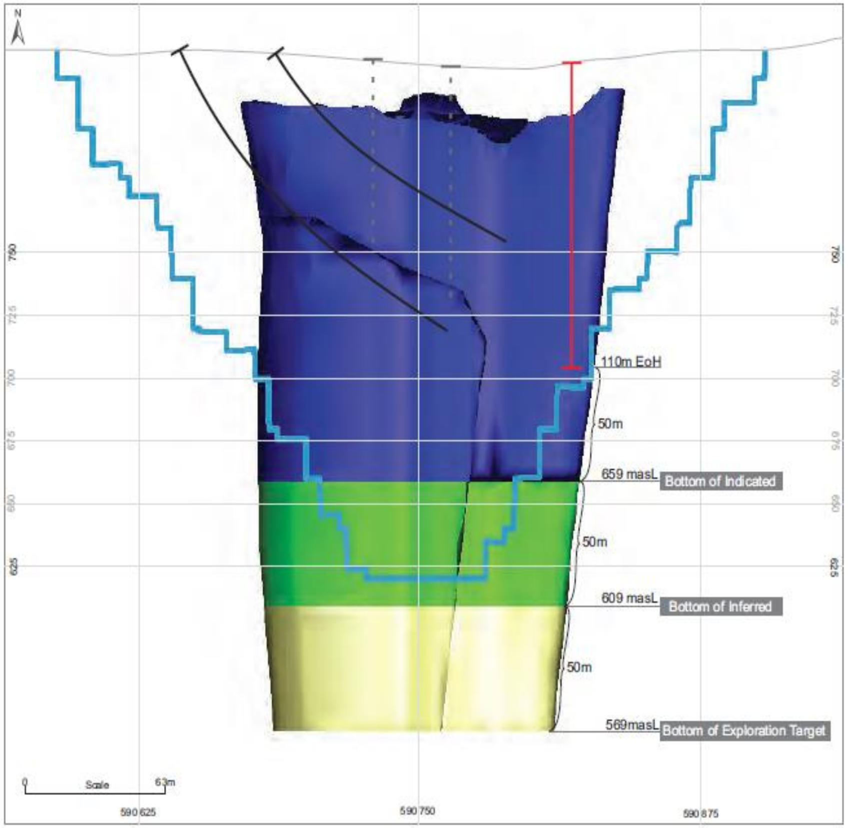
Lerala Diamond Mine
Reserve Statement

SOURCE	CLASSIFICATION	MILLION TONNES	cpht	Mct	USD/ct
K2	PROBABLE	3.0	23.8	0.71	$61
K3		4.8	28.2	1.36	$79
K4		1.5	26.6	0.40	$79
K5		2.4	22.7	0.53	$79
K6		-	-	-	-
TOTAL	**RESERVES**	**11.7**	**25.8**	**3.01**	**$75**

As at 31 Dec 2015

** Rounding may result in computational discrepancies

The information in this report that relates to Mineral Resources and Ore Reserves at the Lerala diamond mine is extracted from the ASX announcement titled "Mineral Resource and Ore Reserve Statement - revised", created on 11th January 2015. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement



Cross Section through the geological model of the K3 pipe showing Resource categories and the proposed open pit

KIMBERLEY DIAMONDS LTD

Republic of Botswana
Sovereign Risk Overview

BOTSWANA

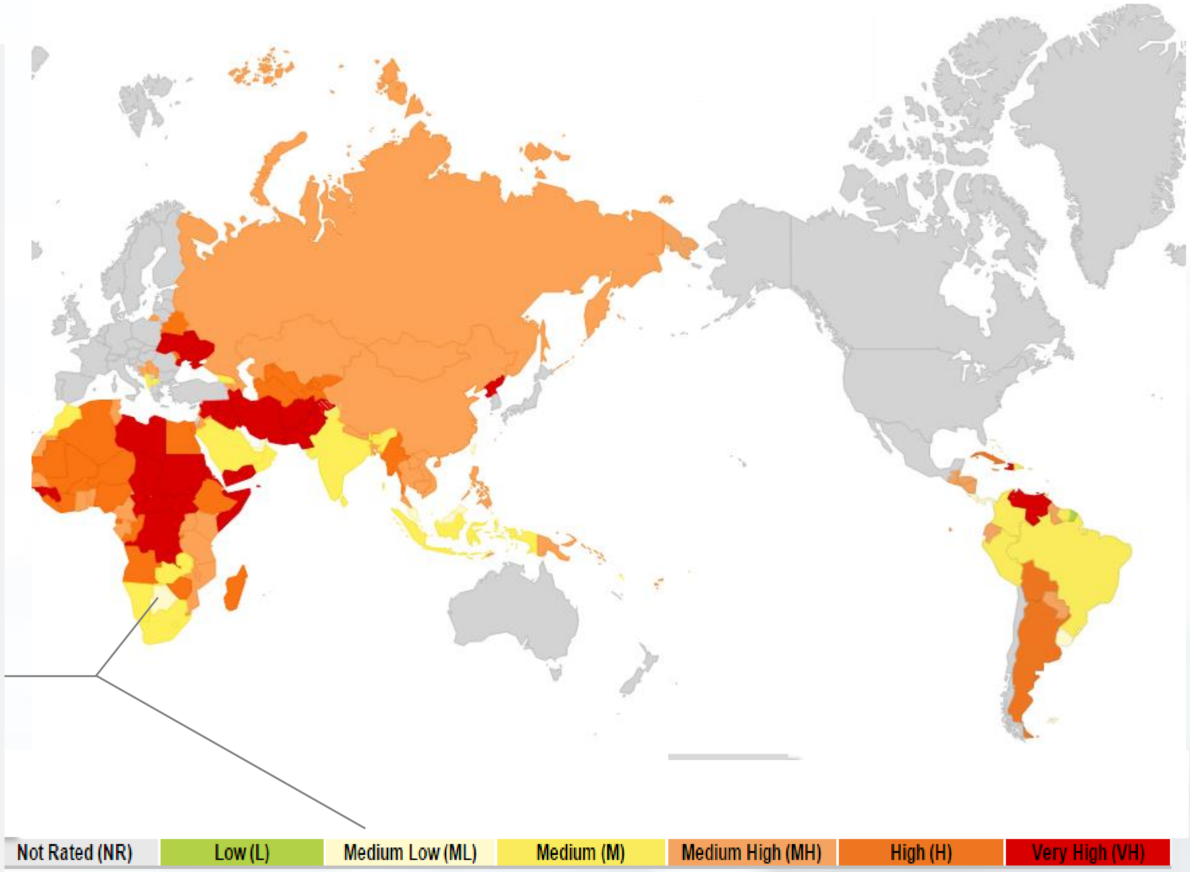
Core Views

- Lowest political risk in Africa
- Stable democratic government
- Economic growth averaging around 4.5% annually
- Mining sector set to remain a key engine of growth.

Risks

- Dependence on imported energy and food
- Uncertain energy supplies pose a persistent risk to economic activity within Botswana

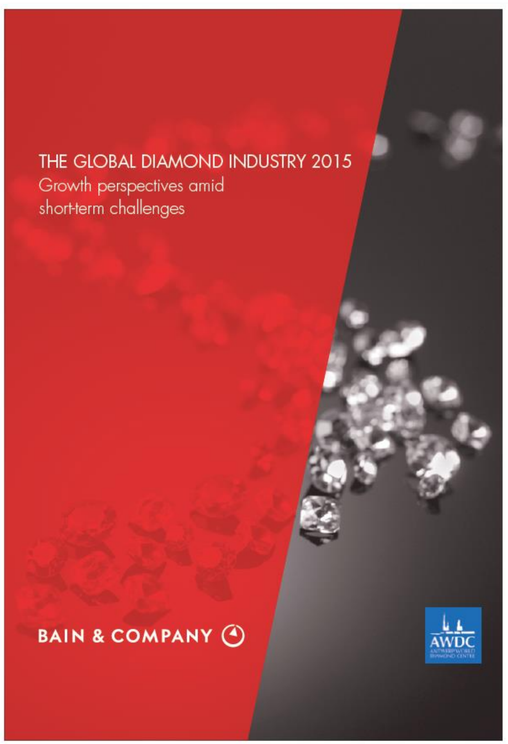
Source: BMI Research

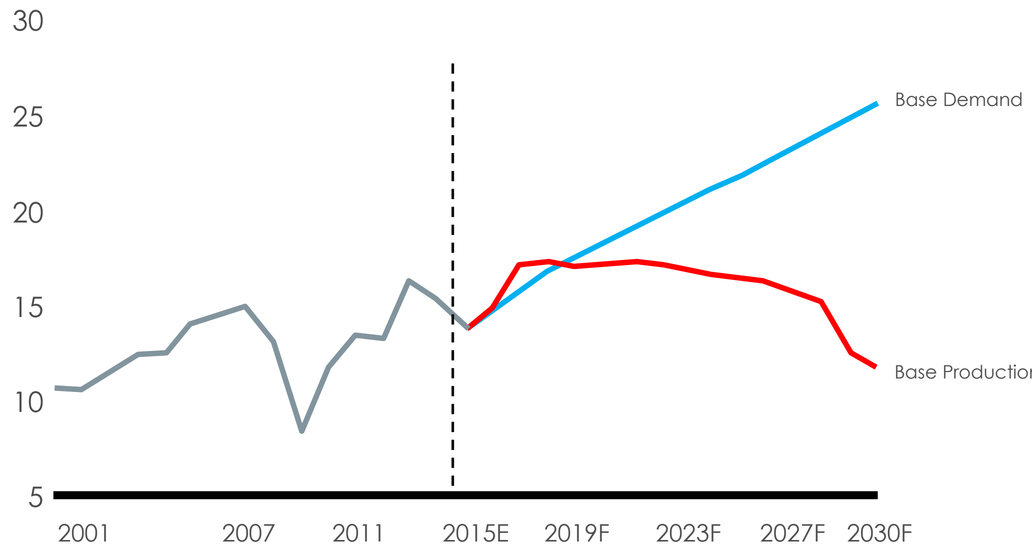


KIMBERLEY DIAMONDS LTD

Kimberley Diamonds Ltd
Diamond Supply-Demand Forecast

The outlook for diamonds prices is positive with demand for rough diamonds forecast to significantly exceed supply over the next 15 years





Rough Diamond supply demand, US$ billions at 2015 prices

Modified from Figure 39 *"The Global Diamond Industry 2015"* Bain & Company

Contacts

Alex Alexander
Chairman

Noel Halgreen
Managing Director

Sydney Office
L39 Australia Square Tower
264 George Street
Sydney NSW 2000
Australia
+61 (0) 2 8243 7500
Info@kdl.com.au

Lerala Diamond Mines Limited
Private Bag 1
Lerala
Botswana

www.kdl.com.au