

NEW RECLAMATION GROUP UPDATE

Mbada Diamonds (Private) Limited ("Mbada") is a 50/50 joint venture which was established pursuant to agreements negotiated and concluded in August 2009 in Zimbabwe between Grandwell Holdings Limited ("Grandwell"), a subsidiary of The New Reclamation Group (Proprietary) Limited ("Reclam Group") and Marange Resources (Private) Limited ("Marange"). The shareholding in Grandwell is now held as to 50.01% by the Reclam Group and 49.99% by Transfrontier Mining Company Limited ("Transfrontier").

The objective of the joint venture is to explore, develop, mine and market diamonds from the Northern portion of the Marange Concession Area (the "Concession Area") in Eastern Zimbabwe.

As a consequence of the endeavours of Transfrontier, the size of the Concession Area has quadrupled, Mbada having been awarded an additional 3 000 hectares of concession area (the "Additional Concession Area") which Additional Concession Area is situated immediately adjacent to the Concession Area. The estimated life of mine of the mining activities at the consolidated Mbada concession area is expected to be in excess of 25 years operating at increased production levels from 50 tons per hour DMS capacity to 200 tons per hour DMS capacity.

Further concession area in addition to the Additional Concession area has now been awarded to Mbada which has resulted in a Total Concession Area in excess of 7700 hectares which substantially further enhances the life of mine and expected production levels. Any necessary and relevant legal /documentary formalities are expected to be finalized in due course.