

Presentation of Financial Year 2008

“INVESTING IN FIVE STRATEGIC GROWTH PLATFORMS”

31 March 2009



Agenda

1. Introduction and Welcome : Brian Gilbertson
2. Financial Performance for 2008 : Arne H Frandsen
3. Business Overview : Arne H Frandsen
4. Concluding Remarks : Brian Gilbertson
5. Questions & Answers : Gilbertson/Frandsen



Macro Economic Environment – 2008

One of the most challenging years on record

- The year 2008 is likely to be remembered as one of the most turbulent in recorded economic history
- As the full magnitude of the international banking crisis and severe deterioration in the global economy emerged during the second half, the prices of traded assets tumbled, currencies fluctuated and bank financing dried up
- Even long-established major mining companies saw their revenues fall dramatically and their marked values slashed
- Many – even majors – had to seek new capital to shore up stretched balance sheets
- Amongst smaller developing companies, the casualty rate had been high, and few have been able to persist on their pre-crisis paths
- The emergence of a large “Minus-Eighty-Percent-Club” – has shocked most market observers and participants



Financial Highlights for FY 2008

- Your Company has come through the 2008 turmoil in relatively good shape, though its share price, and those of its listed investments in its portfolio, has fallen dramatically
- As there is no firm sign of an early recovery in the global economy, caution must be the basis of every corporate plan. Therefore, and in line with accounting principles, the Pallinghurst Directors have applied a conservative approach to the audited value of the Company's different investments
- Given the early stage of our portfolio of investments and the adverse economic environment, your Company did not dispose of any of its investments in 2008
- Due to the conservative write-downs and the associated unrealised net losses in fair value, Pallinghurst recorded a net loss of US\$46.4mm for 2008 – or US\$0.19/share
- On a NAV basis, the write-down results in a NAV of ZAR6.50/share¹ or US\$0.65/share
- The NAV/share represents a significant premium to the current trading range of ZAR 2.50-3.00/share
- The Pallinghurst Directors expect this discount will narrow sharply once market conditions have normalised and our projects are further developed
- Pallinghurst is debt free and has sufficient cash to meet its running costs for the foreseeable future

Whilst the financial crisis has provided Pallinghurst with attractive investment opportunities the economic environment has negatively impacted its current NAV

¹ Assuming an exchange rate of US\$1 = ZAR10.



Pallinghurst Resources (Guernsey) Limited

Summary Consolidated Income Statement – FY 2008

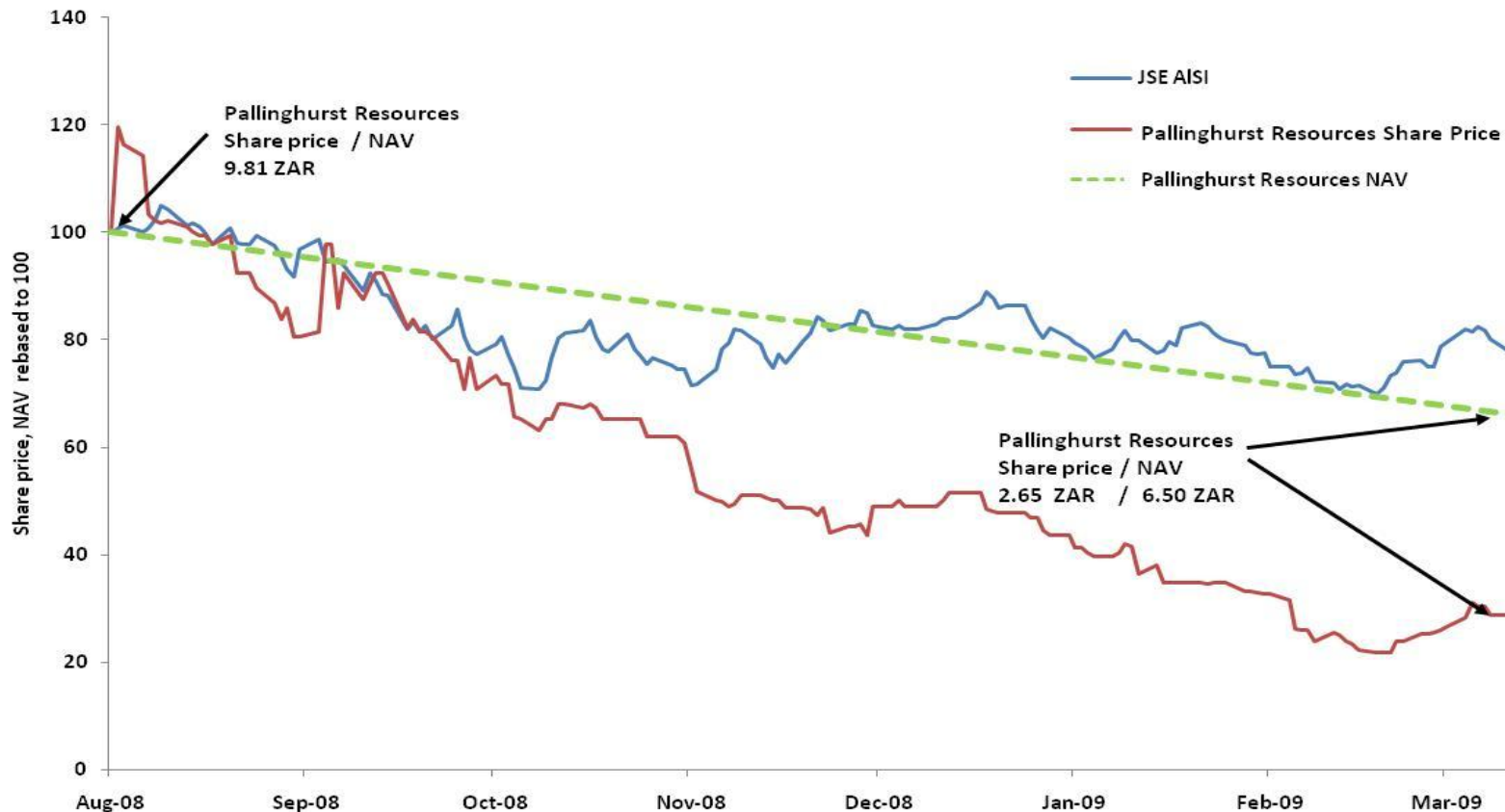
Income	US\$000	Expenses	US\$000
Realised profit on disposals	0	Unrealised losses (Investments/Fx)	38,407
Dividends received	84	Foreign exchange losses	2,037
Interest on loans	497	Investment Manager	2,557
Net financial income	1,349	Operating expenses	2,477
		Share of loss in associates	2,884
		Tax	144

Net Loss	:	US\$46,430,645
Net Loss per share	:	US\$0.19
NAV/share	:	ZAR6.50/US\$0.65



Share price & NAV performance – Since JSE Listing

Significant spread



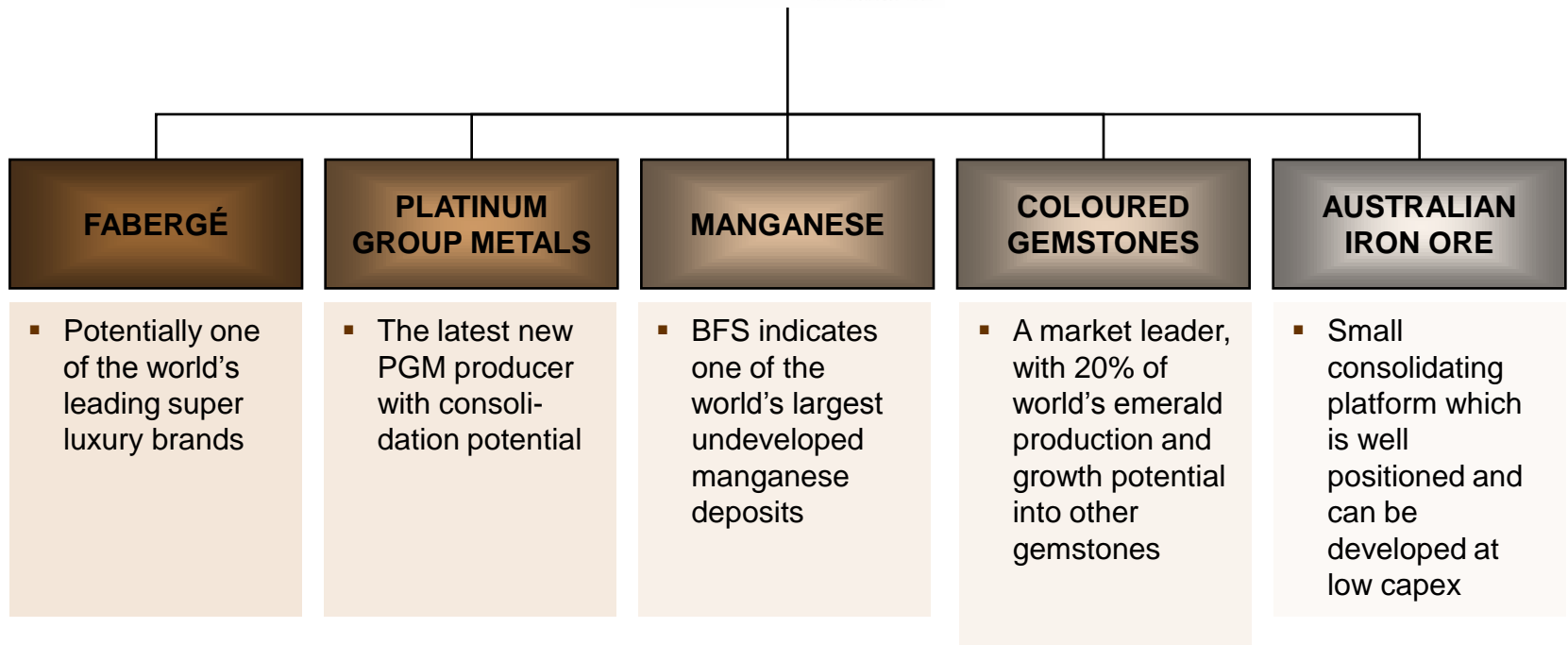
Source: Bloomberg and Pallinghurst



Pallinghurst Resources – our businesses

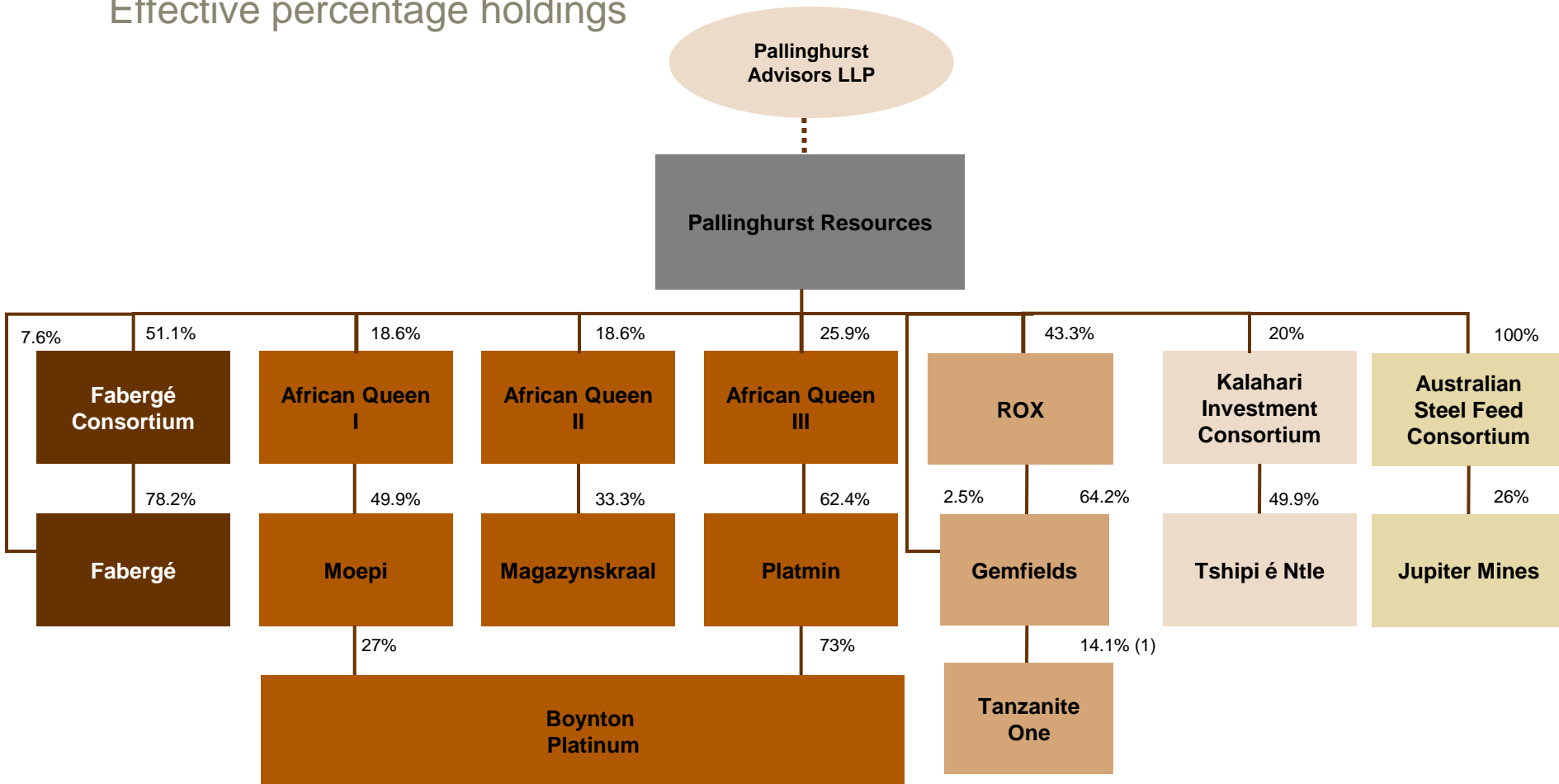
Most of the capital raised has now been put to work – securing five attractive strategic platforms in key business areas

PALLINGHURST RESOURCES



Pallinghurst Corporate Structure – as of 31 March 2009

Effective percentage holdings

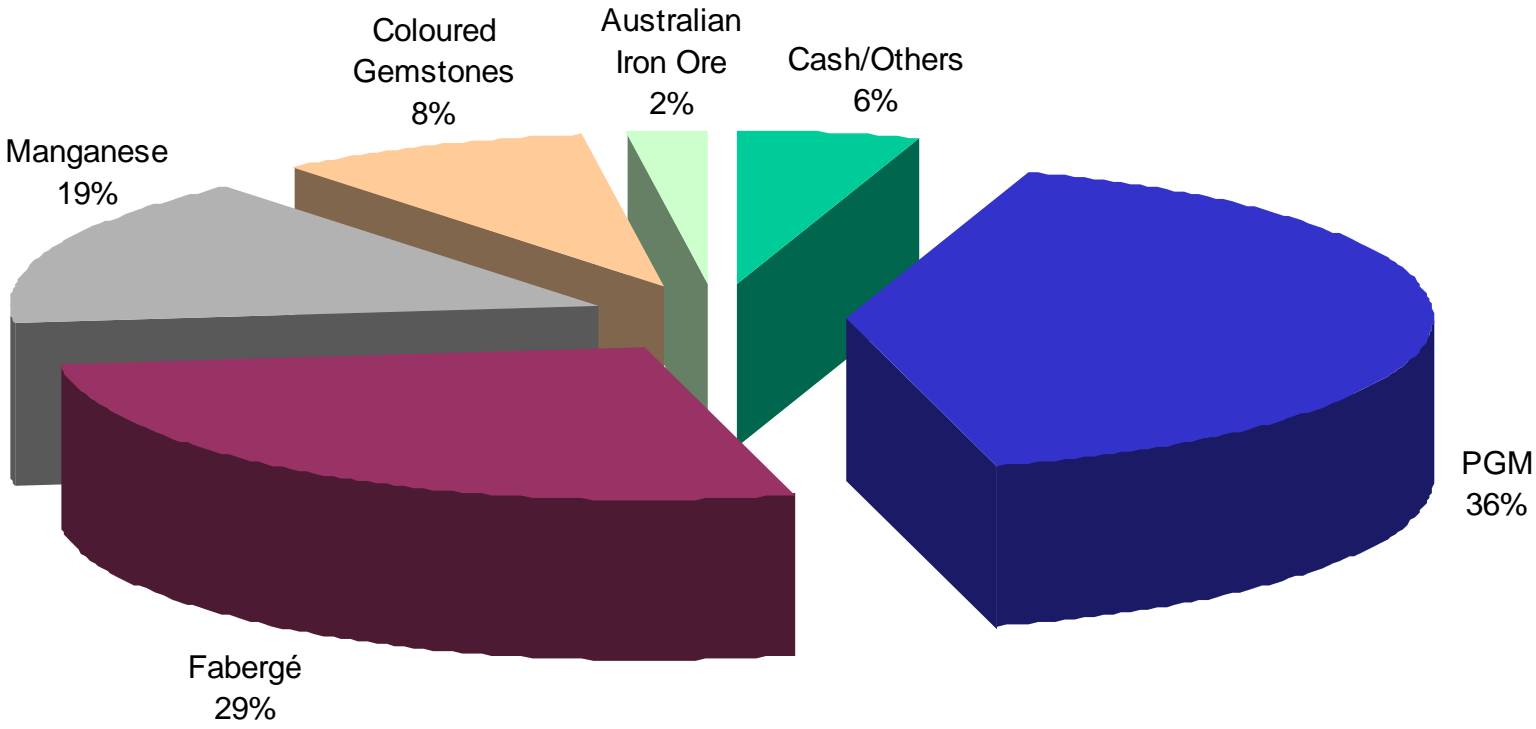


(1) Of fully paid issued shares.



Business Breakdown – NAV per Segment (1)

Well balanced with Five Distinct Platforms

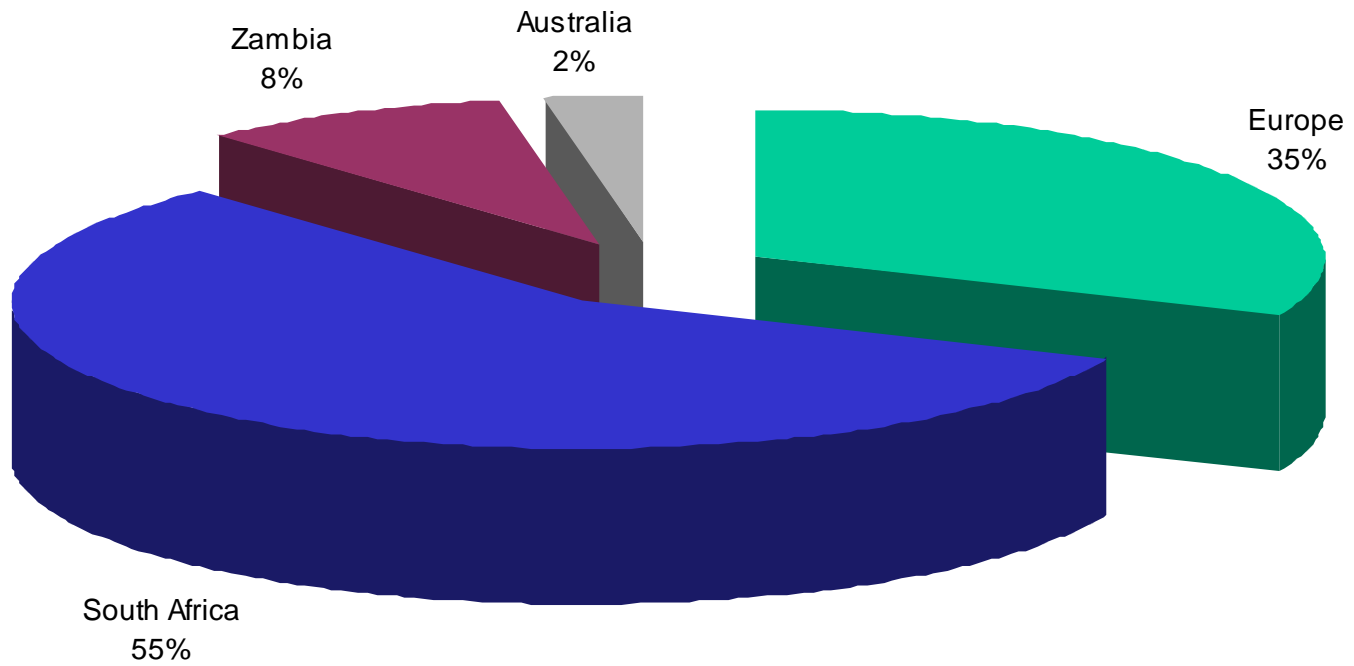


(1) As per 31/12/2008.



Breakdown – NAV per Geography (1)

Well Balanced by Geography



(1) Assuming Fabergé and cash as European assets – as per 31/12/2008.



Platinum Group Metals

The Latest PGM Producer – with great consolidation potential

Capital Commitments

Capital invested : US\$82.3mm

Directors valuation : US\$57.4mm

Key Investments

- 18.6 % of Investment Consortium which owns 49.9 % of Moepi
- 18.6 % of Investment Consortium which owns 33.4 % of Magazynskraal
- 25.9 % of Investment Consortium which owns 62.4 % of Platmin

Relative Share of Portfolio

- 35.9 %

Business Highlights

- Pallinghurst and its co-investors have secured a unique PGM platform
- All its major investments are in the Pilanesberg area – arguably the best PGM address in the world
- All deposits are shallow – allowing for cost efficient mining methods
- Strategic alliance with the Bakgatla Community – secures unique access to key assets
- The Pilanesberg Mine is now ramping up production, and at full capacity it is expected to produce PGM concentrate at one of the most attractive cost profiles in the industry
- Consolidation plan is under way
- The write down in the Directors' Valuation reflects the lower current prices for PGM metals as well as market write-downs of non-producing assets. However, it does not take into consideration the potential unlocking of value in a consolidation



Fabergé

Potential to be the World's leading luxury brand

Capital Commitments

Capital invested : US\$41.5mm

Directors valuation : US\$46.9mm

Key Investments

- 51.1 % of Fabergé Consortium which in turn owns 78.2 % of Fabergé Limited
- In addition Pallinghurst owns 7.6 % directly

Relative Share of Portfolio

- 29.3 %

Business Highlights

- Fabergé name, trademarks and associated rights acquired from Unilever in 2007, followed by the reunification with the Fabergé family in 2008
- London-based team of experienced luxury sector specialists in place under the leadership of Mark Dunhill, the former President of Alfred Dunhill Ltd
- Trademark portfolio strengthened, Unilever licences rationalised and trademarks relating to liquor and spirits acquired
- First new Fabergé workmaster appointed in 2008 to underpin focus on high jewellery and objects of art. Workmaster's Paris workshop fully operational
- Salon Privé together with sales and distribution office being established in Geneva
- Launch scheduled for September 2009
- Progress deliberately “under lid” to secure maximum impact at launch
- Conservative Directors' Valuation is prudent, but does not reflect “potential value” in a normalised financial environment



Manganese

BFS indicated we have secured one of the World's Largest undeveloped deposits

Capital Commitments

Capital invested : US\$2.0mm

Directors valuation : US\$29.9mm

Key Investments

- 20 % of Kalahari Investment Consortium which owns 49.9% of Tshipi é Ntle

Relative Share of Portfolio

- 19.1%

Business Highlights

- Together with its investment partners, Pallinghurst has entered into a JV with its BEE partner Ntsimbintle – creating Tshipi é Ntle
- Tshipi é Ntle holds some of the most exciting Manganese Mineral Rights in the Kalahari Basin
- Its two major exploration areas are adjacent to Samancor's Mamatwan ("South") and Wessel mines ("North")
- The BFS for the "South" Area is currently being finalised – due within a month
- Initial indications points at a world-class shallow deposit, which will rank amongst the biggest undeveloped Manganese deposits in the world
- Mining Rights Application has been submitted
- Expect to develop open-pit 2-3 mm tonnes per annum
- Project development is set to commence during second half of 2009
- Formal mining is anticipated to start in 2010 after the award of the mining licence
- Discussions with major strategic partner is well underway



Coloured Gemstones

A Market Leader with around 20% of World Emerald Production

Capital Commitments

Capital invested : US\$54.4mm

Directors valuation : US\$13.3mm

Key Investments

- An effective 43.3 % of “Rox” which in turn owns 64.2 % of Gemfields
- Pallinghurst also owns 2.5 % directly in Gemfields
- Gemfields owns a 14.1 % stake in Tanzanite One

Relative Share of Portfolio

- 8.3 %

Business Highlights

- Successful reverse takeover of AIM-listed Gemfields plc by Rox Limited in June 2008 with Rox acquiring 55 % of Gemfields
- Gemfields’ Kagem mine is the largest emerald mine in Africa and produced in excess of 6 million emerald carats in 2008
- Mine overhaul has delivered significant operational improvements
- Opened cutting and polishing facility in Jaipur, India in August 2008
- The first ever company to launch a large collection in “mine-to-market” fashion
- Take-over attempt of Tanzanite One Ltd unsuccessful - unlocked significant values for both companies.
- Economic climate has had a material adverse effect on diamond and gemstone markets. This has negatively impacted Gemfields share price and its financial performance. Loss projected to 30 June 09 and Kagem to be impaired to nil given price uncertainty
- Rox Limited has continued buying Gemfields shares in the market (vision is sound and the key building blocks are in place)
- Directors’ Valuation reflects the material decline in Gemfields’ share price. However, the directors remain confident of the potential



Australian Iron Ore

Small but consolidating platform, with potential to produce at low capex

Capital Commitments

Capital invested : US\$8.6mm

Directors valuation : US\$2.9mm

Key Investments

- Currently, Pallinghurst owns 26 % directly in Jupiter Mines.
- Once transaction is fully concluded, together with Red Rock Resources, Pallinghurst will own 55 % of Jupiter Mines

Relative Share of Portfolio

- 1.8 %

Business Highlights

- Pallinghurst has formed a strategic alliance with the AIM-Listed Red Rock Resources in respect of Iron Ore assets in the Yilgarn region of Western Australia
- During 2008 the Alliance bought strategic stakes in a number of Western Australian Iron Ore explorers
- Strategic vision of the Alliance is to consolidate key assets in the Yilgarn region – a region with rail and port infrastructure in place
- On 9 March 2009 the shareholders of Jupiter Mines approved a scheme of arrangements whereby the Alliance contributed its Yilgarn assets for shares in Jupiter Mines
- As a result the Alliance now controls Jupiter Mines
- Further rationalisation will seek to unlock shareholder value
- The significant write-down in the Directors' Valuation reflects the lower share prices and foreign exchange loss as the Australian dollar has weakened



Outlook – Key Tasks for 2009

FABERGÉ → The team is fully focused on securing a successful re-launch in September this year

PGM → Ramp-up production as the Pilanesberg Mine to 250K oz per annum and consolidate PGM investments

COLOURED GEMSTONES → Achieve full operational turn-around and capture full mine-to-market value chain

MANGANESE → Finalise BFS and start developing the open-cast mega mine

AUSTRALIAN IRON ORE → Use consolidating platform to actively unlock value



Current Position and Outlook

Our Strategic Platforms for Growth in 2009 and onwards

PLATINUM GROUP METALS

- Set to become one of the World's lowest cost producers with attractive asset base

FABERGÉ

- Brand with unrivalled heritage – with potential to become World's leading luxury brand

MANGANESE

- One of the World's top three undeveloped Mn deposits

PALLINGHURST
RESOURCES

COLOURED GEMSTONES

- World's largest coloured gemstone producer in fragmented industry

AUSTRALIAN IRON ORE

- Strategically important asset – likely to be part of consolidation play

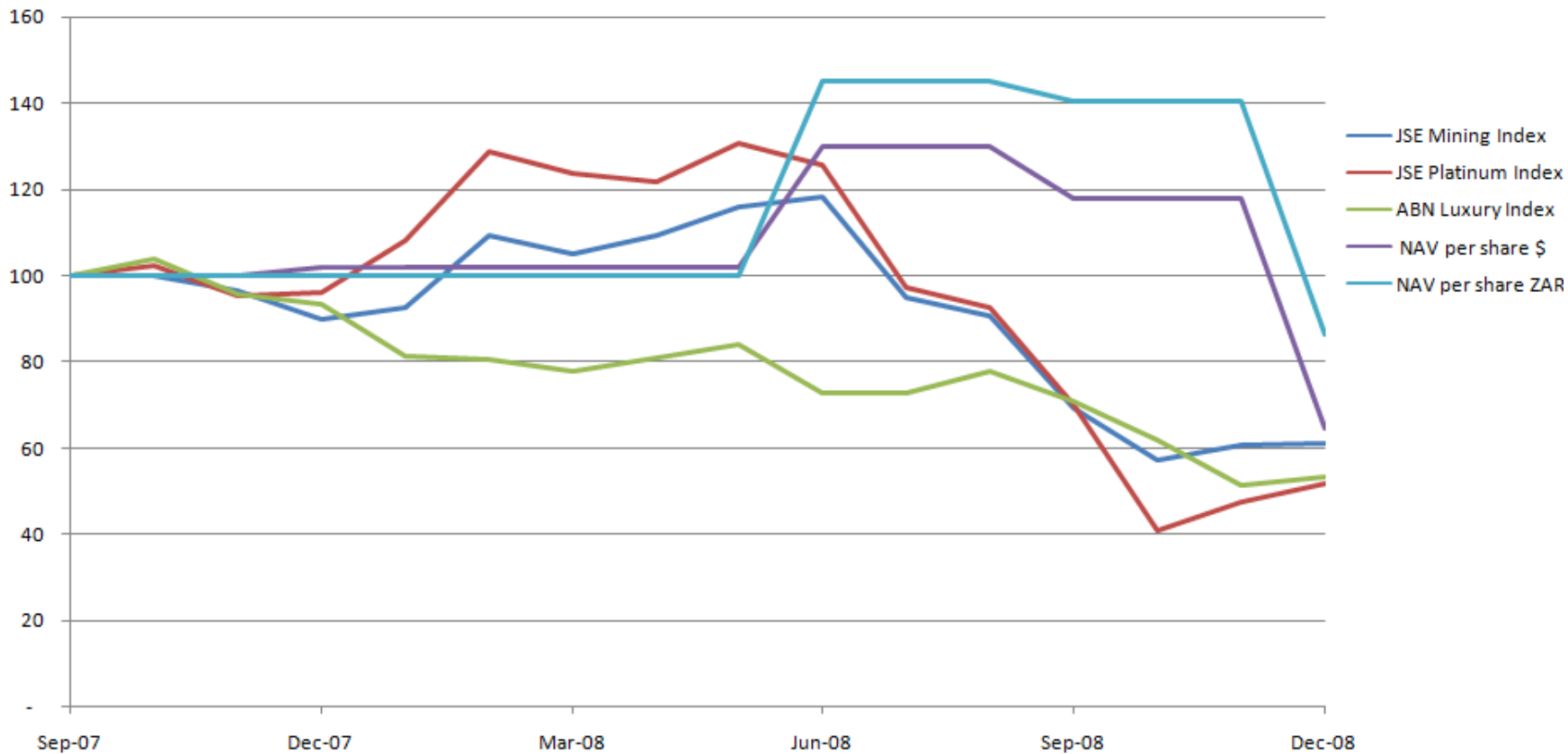


Appendix



NAV per share – since IPO

Unsatisfactory development – but in line with the market



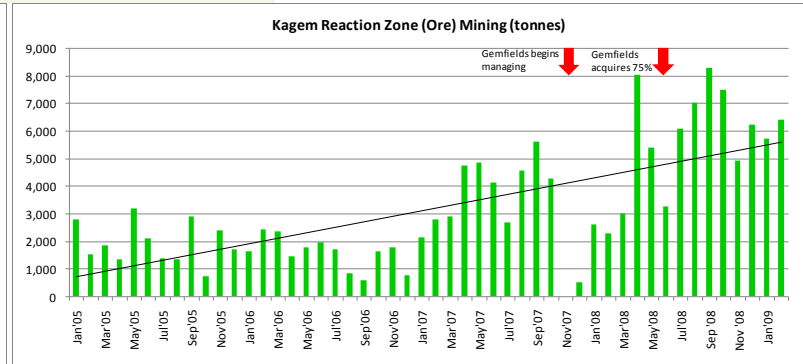
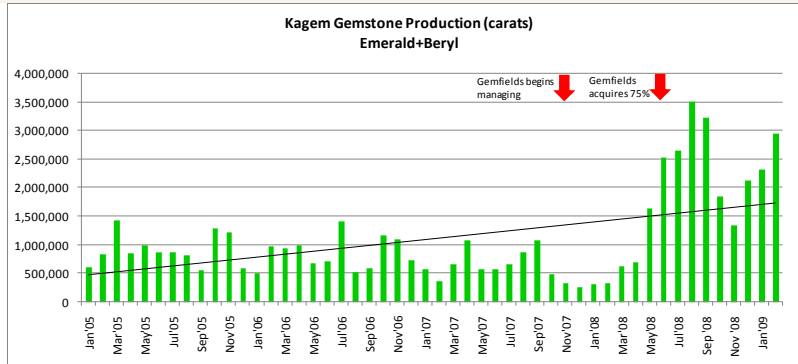
Source: Bloomberg and Pallinghurst



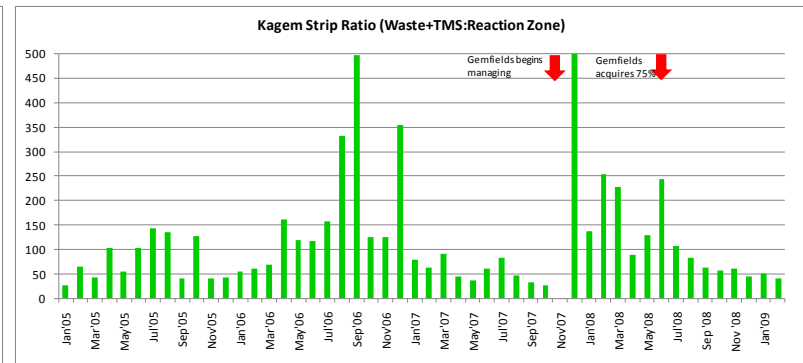
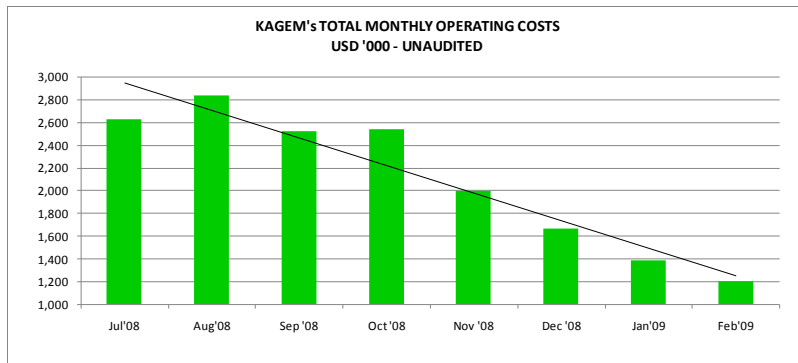
Coloured Gemstones

Performance at the Kagem Emerald Mine

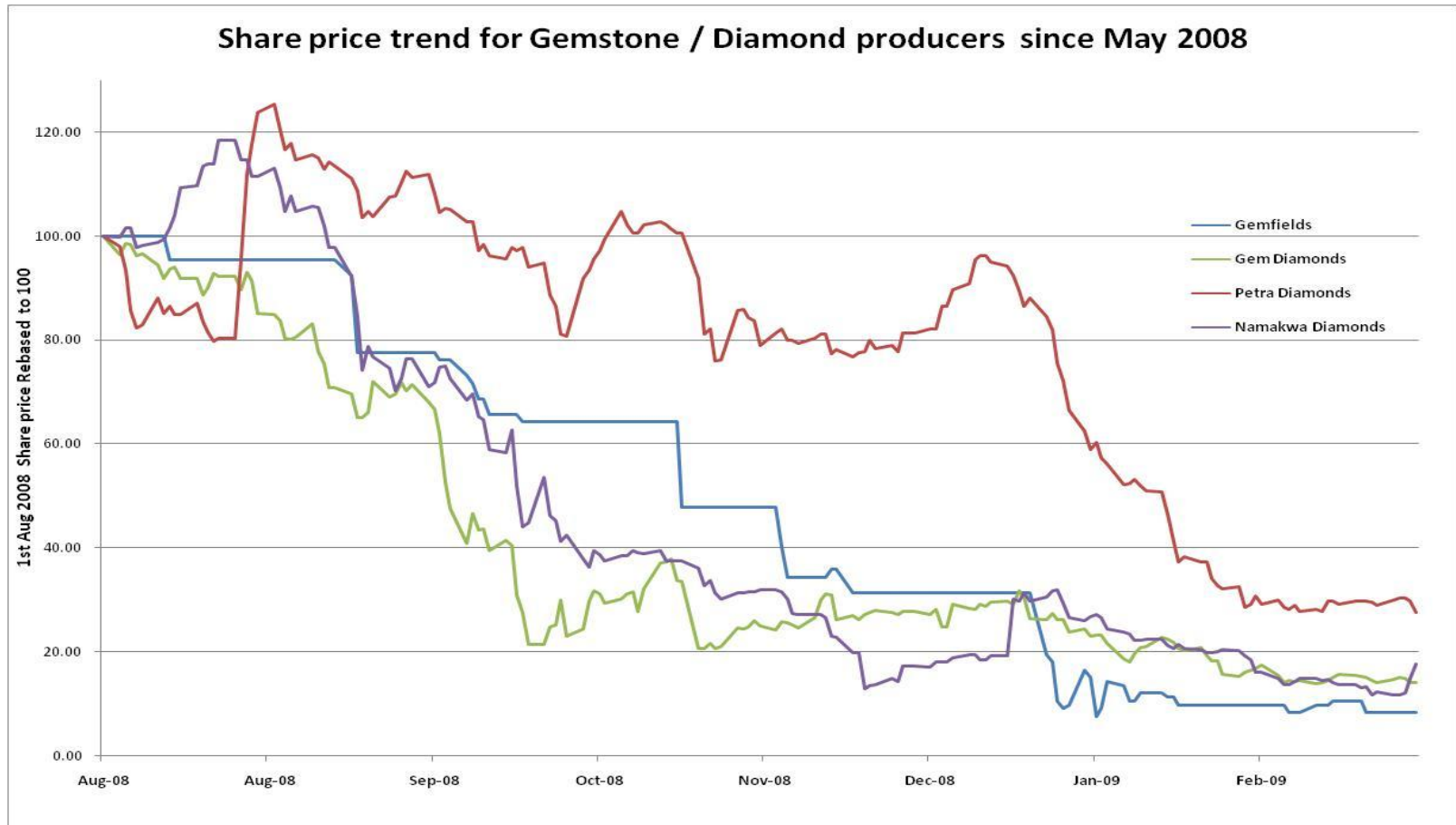
Gemstone Production and Ore Mining – Encouraging Trends



Operating Costs and Stripping Ratio – Further Encouraging Trajectories



Share price trend for Gemstone/Diamond producers since May 2008



Pallinghurst Resources (Guernsey) Limited

Consolidated Balance Sheet as at 31 December 2008

Assets

2008	2007
US\$	US\$
(Audited)	(Audited) (restated)

Non-current assets

Investments in Associates

1,804,765 193,257

1,804,765 193,257

Investment portfolio

Quoted investments

48,617,689 -

Unquoted investments

101,795,361 58,401,505

Loan receivable

519,327 2,298,490

Total non-current assets

150,932,377 60,699,995

Current assets

Trade and other receivables

764,546 25,609,537

Loan receivable from associate

11,127,017 -

Cash and cash equivalents

20,939,970 86,113,647

32,831,533 111,723,184

185,568,675 **172,616,436**



Pallinghurst Resources (Guernsey) Limited

Consolidated Balance Sheet as at 31 December 2008 (Cont)

Liabilities

Current liabilities

Trade and other payables

2008 US\$ (Audited)	2007 US\$ (Audited) (restated)
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25,841,436	219,718
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<u>25,841,436</u>	<u>219,718</u>
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Net assets

<u>159,727,239</u>	<u>172,396,718</u>
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EQUITY

Share capital

2,474	1,695
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Share premium

200,689,164	166,928,777
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Cumulative translation adjustment reserve

17,643	17,643
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Retained earnings

(40,981,862)	5,448,783
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<u>159,727,239</u>	<u>172,396,718</u>
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NAV and tangible NAV per share

0,65	1,02
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Pallinghurst Resources (Guernsey) Limited

Consolidated Income Statement for the year ended 31 December 2008

Income

*1 January 2008 to
31 December 2008*
US\$ (Audited)

*4 September 2007 to
31 December 2007*
US\$ (Audited) (restated)

(Losses)/revenue on investments

Realised profits on disposal of investments	-	4,876,409
Dividends received from financial asset investment	84,000	-
Unrealised net losses in the fair value of investments	(27,466,529)	-
Unrealised net foreign exchange losses in the portfolio of investments	(10,940,413)	-
	<u>(38,322,942)</u>	<u>4,876,409</u>

Portfolio income

Break fee income	-	2,025,736
Loan interest income	<u>497,433</u>	<u>10,561</u>
	<u>497,433</u>	<u>2,036,297</u>

(Losses)/revenue/ on investments and income from operations

	<u>(37,825,509)</u>	<u>6,912,706</u>
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Pallinghurst Resources (Guernsey) Limited

Consolidated Income Statement for the year ended 31 December 2008 (Cont)

Expenses	1 January 2008 to 31 December 2008 US\$ (Audited)	4 September 2007 to 31 December 2007 US\$ (Audited) (restated)
Investment Manager's Benefit	(2,556,643)	(2,328,095)
Operating expenses	(2,476,545)	(330,787)
Net foreign exchange losses	<u>(2,037,036)</u>	-
	<u>(7,070,224)</u>	<u>(2,658,882)</u>
<i>(Loss)/profit from operations</i>	(44,895,733)	4,253,824
Net finance income	<u>1,349,047</u>	<u>1,202,830</u>
<i>(Loss)/profit before share in loss of associates</i>	<u>(43,546,686)</u>	<u>5,456,654</u>
Share in loss of associates	<u>(2,883,815)</u>	<u>(7,871)</u>
<i>(Loss)/profit before tax</i>	<u>(46,430,501)</u>	<u>5,448,783</u>
Income tax expense	(144)	-
NET (LOSS)/PROFIT FOR THE FINANCIAL YEAR/PERIOD	(46,430,645)	5,448,783
(Loss)/earnings, diluted (loss)/earnings and headline (loss)/headline earnings per share	<u>(0.19)</u>	<u>0.03</u>

