

Pallinghurst Resources (Guernsey) Limited

“Successful migration to the JSE”

August 2008



Executive summary

Since incorporation, the Company has successfully concluded a number of investments...

...current investments include Fabergé and Gemfields...

...and the Company has recently exercised its entitlement to investments in PGMs and manganese

Pallinghurst Resources (Guernsey) Limited ("Pallinghurst" or "the Company")

Bermuda Stock Exchange listing ("BSX")

- Implemented on 26 September 2007, with the Company successfully raising USD 169.3 million
- Partners of the Investment Manager subscribed for USD 11 million and have undertaken not to cede, pledge, dispose of or otherwise encumber their shares during the investment term of the Company

JSE Limited ("JSE") listing

- Inward listing on the JSE implemented on 20 August 2008
- JSE has become the Company's primary listing, with the BSX being retained as a secondary listing
- Strategic benefits for the Company include:
 - Facilitating the investment by the Company within the South African Common Monetary Area
 - Enhancing the liquidity and tradability of the Company's shares
 - Facilitating the incremental and direct investment by South African institutional and retail investors respectively
 - Appealing to a broader set of prospective investors thus providing further access to capital markets to facilitate the Company's growth and/or acquisition of investments
 - Increasing the Company's public presence and profile

Investments

- Since incorporation, the Company has concluded a number of attractive investments, including:

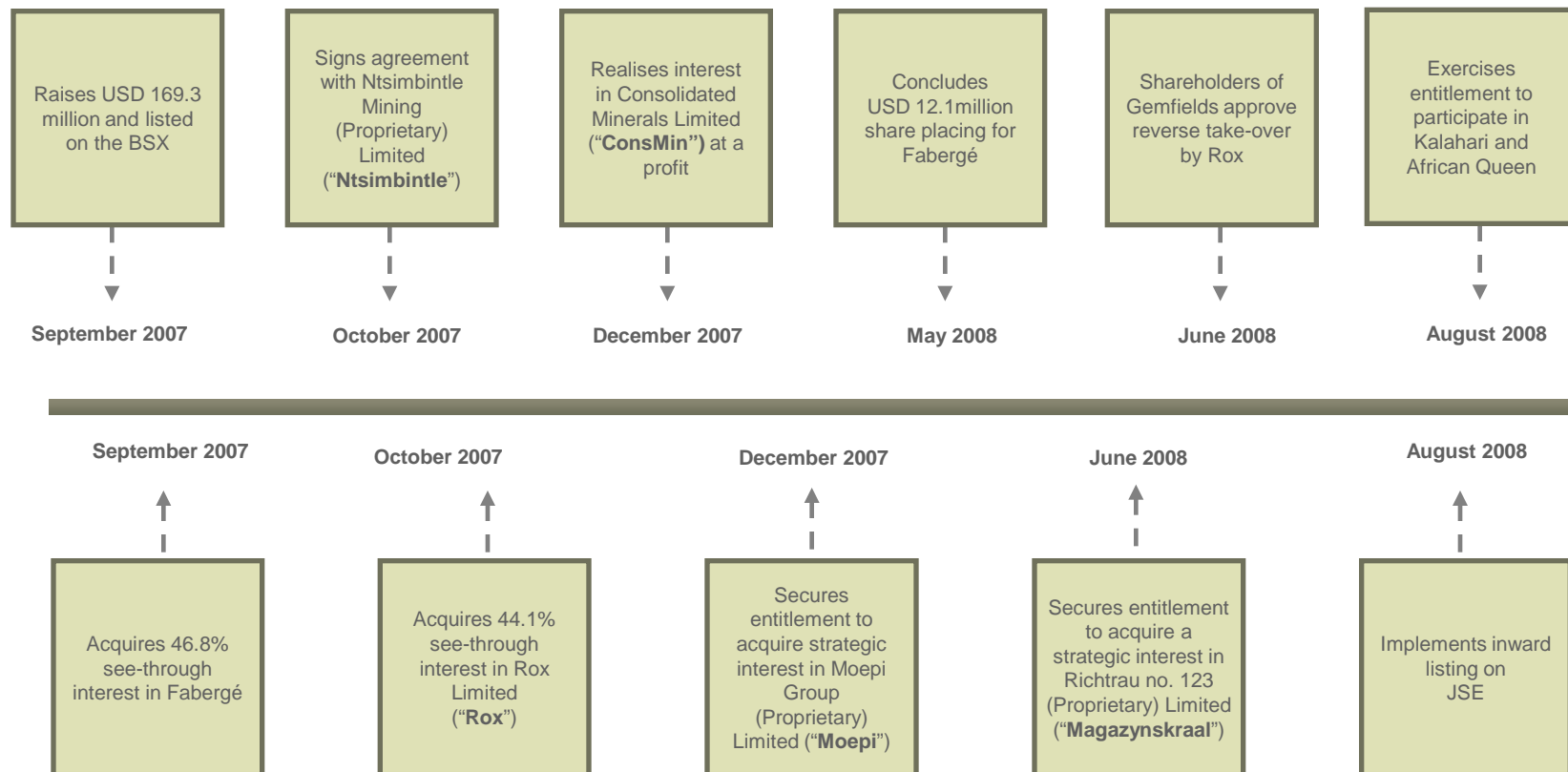
Description	Percentage held	Description
Fabergé Limited ("Fabergé")	47.5%	Luxury brand
Gemfields Resources plc ("Gemfields")	28.0%	Coloured gemstones
Project Kalahari ("Kalahari")	10.0%	Manganese
Project African Queen ("African Queen")	9.3%	Platinum Group Metals ("PGM")

Valuation

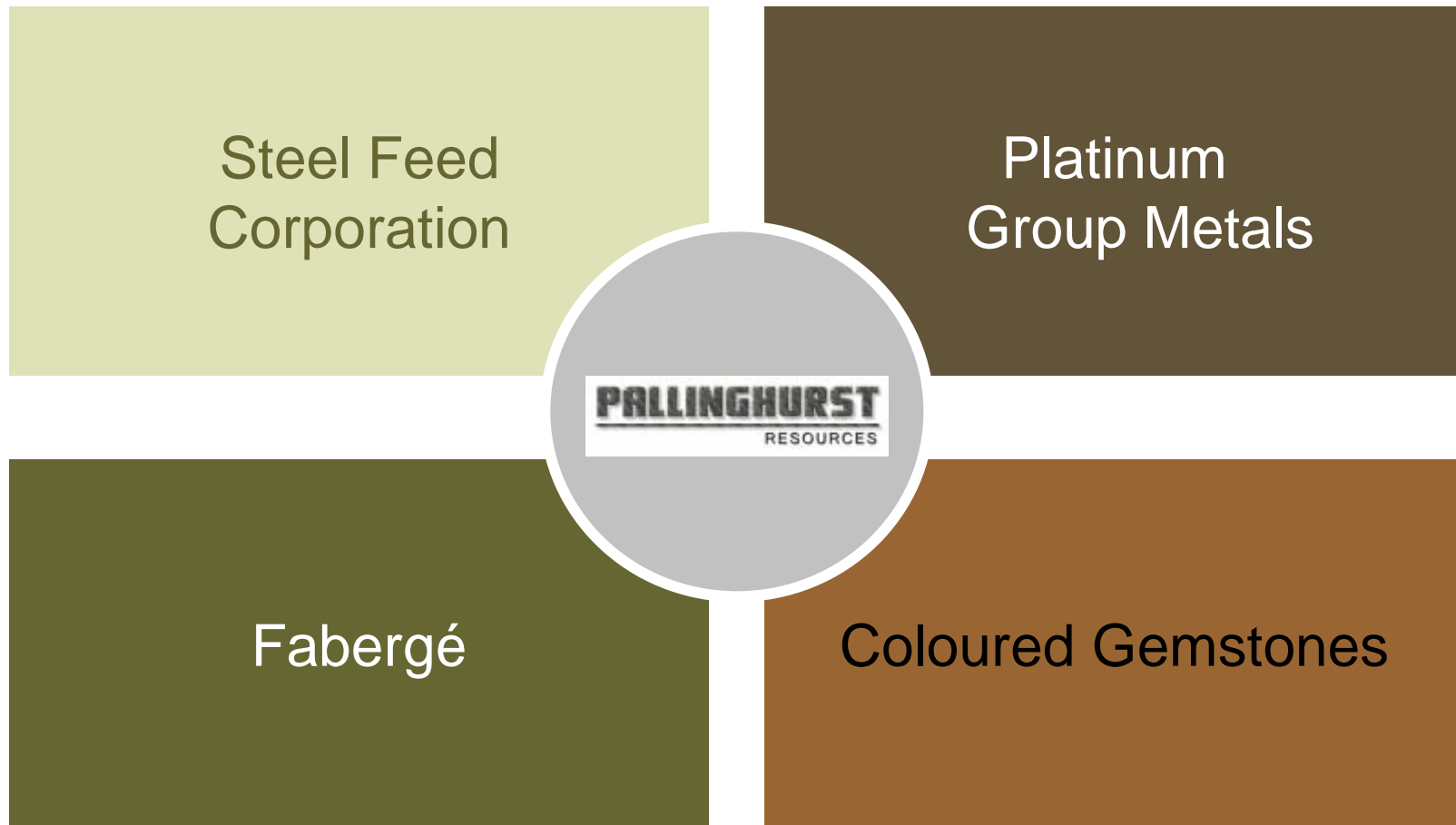
- Further to the Company exercising its entitlements in Kalahari and African Queen, it intends to release an updated directors valuation of the Company and its investments dated 31 August 2008



Track record since incorporation



Four investment platforms



Steel Feed Corporation



The vision

Strategy is to create an integrated global platform to guarantee raw material supply to the steel industry...

...an initiative endorsed by Posco, one of the world's largest steel companies

Background	<ul style="list-style-type: none"> Steel industry has evolved from a highly fragmented industry, into one controlled by the “majors” through a recent trend of consolidation An emerging trend is the backward integration by companies including, ArcelorMittal, Tata Steel Limited, Pohang Iron and Steel Company Limited (“Posco”) and Chinalco (Chinese State) in an endeavour to secure raw material input Future competition for raw material input to the steel industry is expected to increase, particularly in iron ore, coking coal, manganese and other carbon steels
Vision	<ul style="list-style-type: none"> Create an integrated global platform to guarantee raw material supply to the steel industry Produce returns well above industry average – justifying a premium rating
Model	<ul style="list-style-type: none"> Participate actively in the consolidation and rationalisation of the ferroalloys industry, with initiatives including: <ul style="list-style-type: none"> Manganese, iron ore and nickel consolidation Participation in other ferroalloy supply inputs
Realised, existing and prospective investments	<ul style="list-style-type: none"> ConsMin: Identified when valued at A\$440 million, agreed A\$590 million deal with ConsMin board, Palmary Enterprises Limited bid A\$1.3 billion, leading to the Company's exit and achieving a profit of A\$6.2 million (IRR of 150%) Kalahari Australian iron ore initiative Live initiatives to secure meaningful platform within coking coal (Africa and Australasia)



Kalahari

The Manganese Consortium has concluded a JV agreement with Ntsimbintle ...

...By funding the Properties to BFS, the Manganese Consortium will acquire a 49.9% interest in the JV...

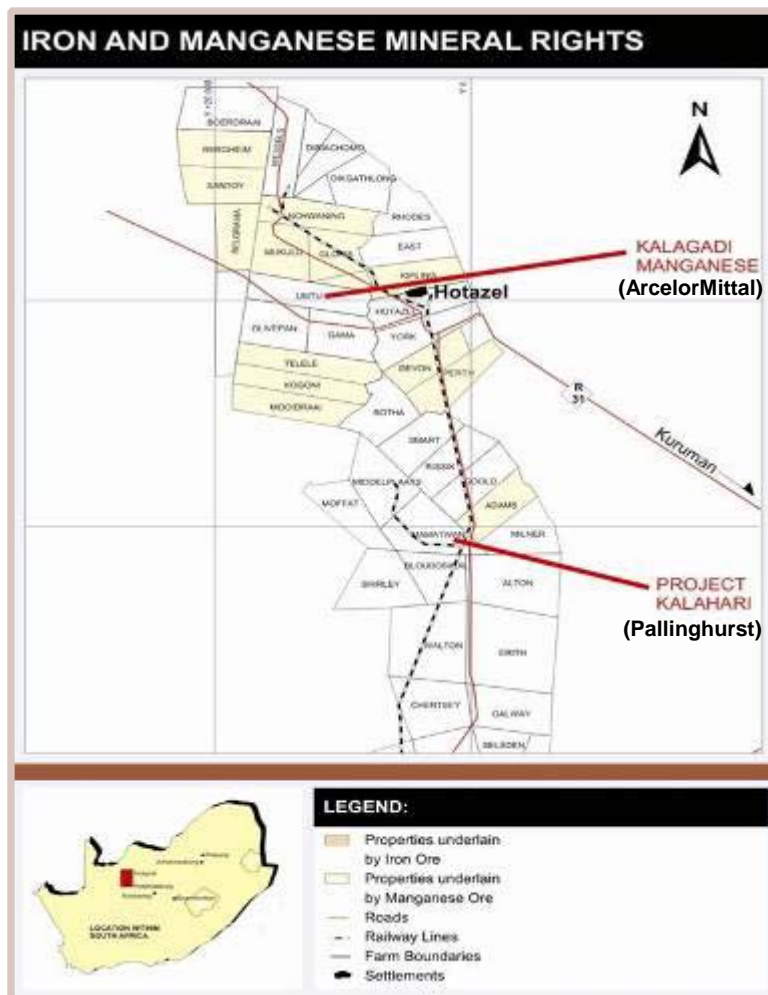
Background	<ul style="list-style-type: none"> ■ The Kalahari Basin of South Africa's Northern Cape province ("Kalahari Basin") contains $\pm 80\%$ of the world's known manganese reserves ■ Black Economic Empowerment ("BEE") legislation in South Africa has fragmented ownership and created consolidation opportunities in the Kalahari Basin, evidenced by: <ul style="list-style-type: none"> - ArcelorMittal's acquisition of a 50% interest in Kalagadi Manganese (Proprietary) Limited in November 2007 - Pallinghurst together with certain strategic equity partners (collectively, "Manganese Consortium"), concluded a joint venture ("JV") agreement with Ntsimbintle, a BEE company with manganese exploration properties in the Kalahari Basin ("Properties")
Rationale	<ul style="list-style-type: none"> ■ Manganese is essential to steel production ■ $\pm 90\%$ of manganese consumed annually, on a global basis, is used in the production of steel as an alloying element) ■ There are no satisfactory substitutes for manganese in the steel making process ■ Global demand for manganese has increased and is likely to continue into the foreseeable future (supported by the growth rates of countries including China and India)
Vision	<ul style="list-style-type: none"> ■ The JV seeks to create a world-class manganese producer within the next 3 year period ■ Potential operational synergies to be unlocked with other manganese assets in the Kalahari Basin
Salient terms of the Pallinghurst Ntsimbintle JV	<ul style="list-style-type: none"> ■ Manganese Consortium will acquire a 49.9% interest in the Properties through the payment of milestone payments to Ntsimbintle and through procuring the funding of a bankable feasibility study ("BFS") in respect of the Properties ■ Manganese Consortium has secured operational control of the JV
Company interest	<ul style="list-style-type: none"> ■ Company has acquired an effective 10% interest in the Properties



Kalahari - Investment proposition

Potential to unlock value as the Properties are taken up the value curve to production

Status	<ul style="list-style-type: none"> ■ New Order Prospecting Rights awarded in respect of the Properties ■ Scoping study completed: <ul style="list-style-type: none"> – Inferred resource of 66 Mt at 34% Mn (SAMREC compliant) – Decision taken to proceed to BFS ■ Phase 2 of the surface exploration drilling programme continues to increase tonnage and grade estimate and confidence of Mineral Resource Estimate (update expected in September 2008) ■ Open-cast mining method will be used to extract ore body
Correct geological address	<ul style="list-style-type: none"> ■ Kalahari South contiguous to Samancor's world-class Mamatwan Mine and ±15km south of Kalagadi ■ Kalahari North adjacent to Samancor's Wessels underground mine (initial drilling indicates similar characteristics to Wessels)
Ntstimbintle overview	<ul style="list-style-type: none"> ■ Broad-based BEE consortium comprising Safika Resources and Wiphold ■ Led by Saki Macozoma and Moss Nogosheng ■ Owns 9% of Samancor Manganese



Kalahari - Comparison of Kalahari to Kalagadi

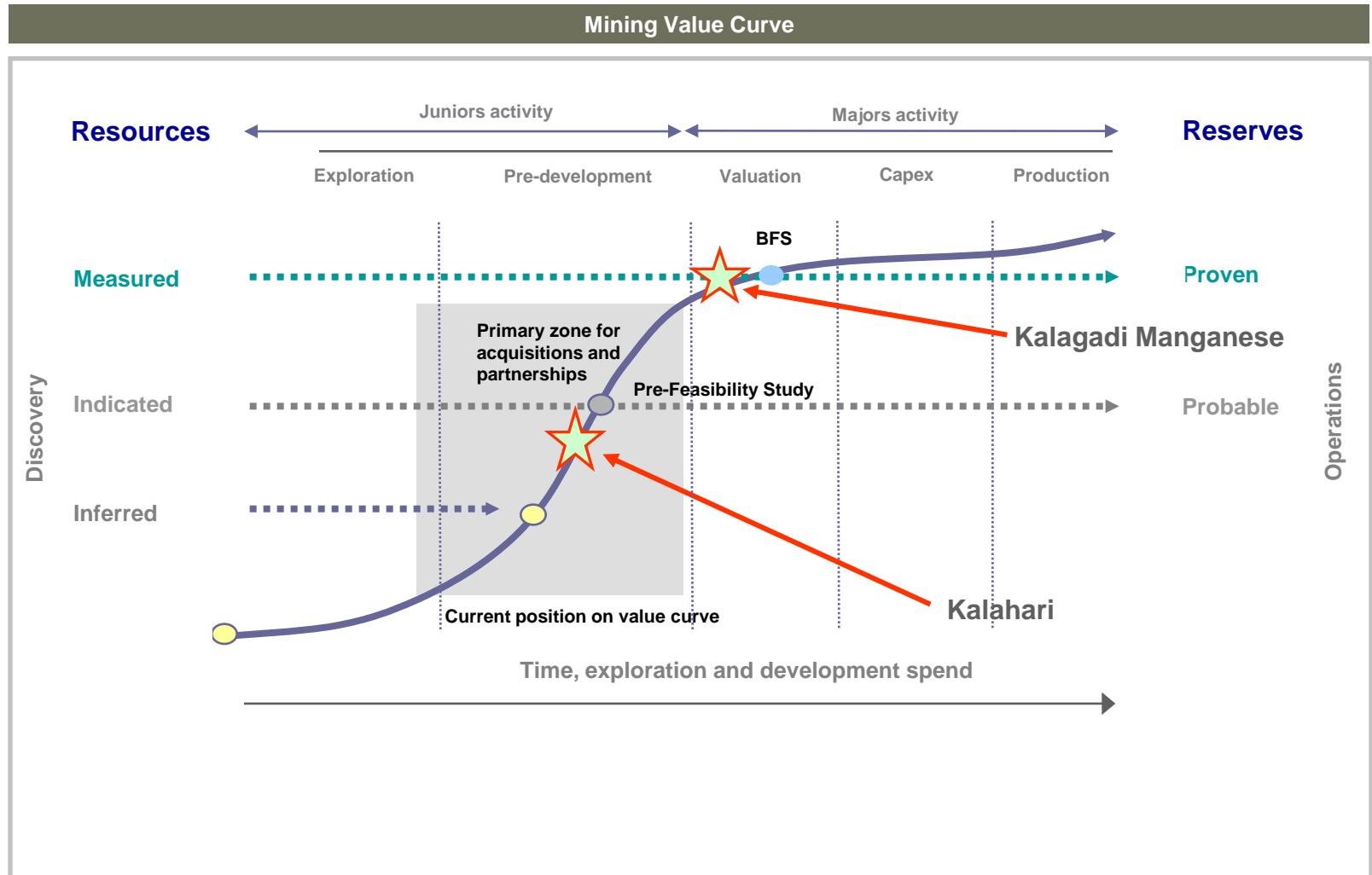
	Kalahari	Kalagadi Manganese
BEE status	Ntsimbintle 50.1%	Kalahari Resources 40%
Project stage	Inferred Resource	Inferred and Indicated Resource
Grade	34% Mn (Will increase after Mining Optimisation Study)	38.6% Mn
Mineral resource estimate	66 Mt (SAMREC compliant tonnage, will increase as drilling programme continues)	99 Mt (SAMREC compliant)
Life of mine	Minimum 44 years	33 years
ROM tonnage	2 - 3 million tonnes per annum	3 million tonnes per annum
Production commences	2010 or 2011	Approximately November 2009
Mine method	Open cast	Underground
Off-take agreement	Not yet	Yes - ArcelorMittal

“At the initial production levels, Kalagadi will be the world’s fourth-largest manganese producer along with South African based Assmang...”

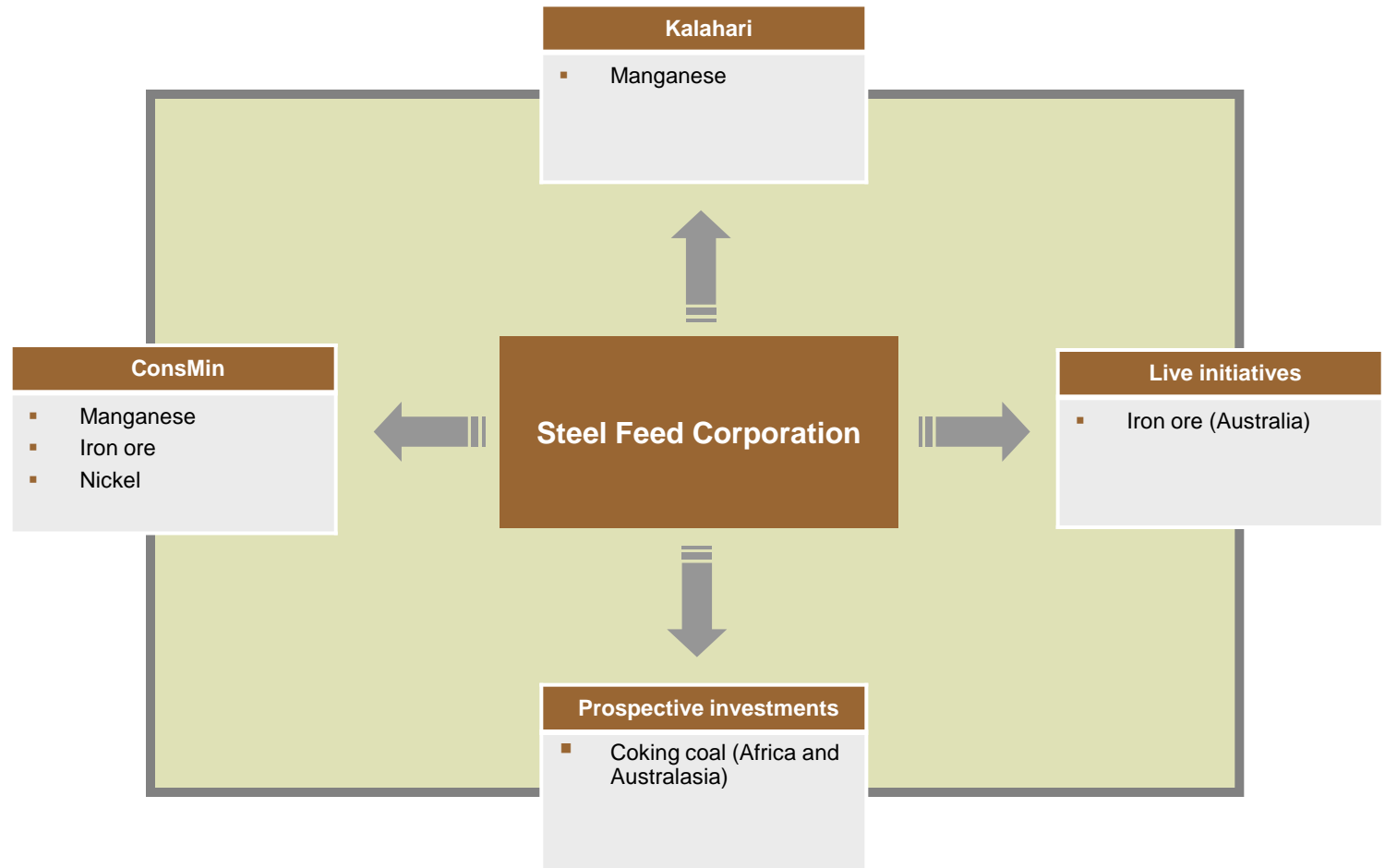
Kalagadi’s Technical Director, David Wellbeloved



Kalahari - Kalahari & Kalagadi relative positions on the value curve



Steel Feed Corporation



Fabergé



Strategy and current developments

Fabergé brand has been reunited with the Fabergé family

...

...Mark Dunhill, previous President of Alfred Dunhill, has been appointed CEO...

...Strategic equity investors acquired an interest in the company which provided a significant value uplift for investors

Strategy for Faberge

Background

- Identified “unloved asset” in Unilever portfolio in 2005
- Following a protracted process, members of the investment manager and certain strategic equity partners acquired the Fabergé brand in January 2007
- The investment manager believes that there is significant scope for redeveloping the Fabergé brand with two primary objectives:
 - Restore the Fabergé brand as one of the world’s leading luxury brands
 - To create a world leading company in the coloured gemstone industry (linked to the Rox initiative)

Vision

- To restore the Fabergé brand to its historic roots
- Reunification of the Fabergé brand with the Fabergé family
- Restructure the existing portfolio of licensees
- Embark on a suitable high profile campaign
- Create significant value through building one of the world’s most exclusive luxury branded goods companies

Model

- A clear focus on objets d’art and high jewellery. Appropriate arrangements with established players
- Expansion of the Fabergé portfolio of products.

Current developments

- In September 2007, Pallinghurst acquired a 46.8% see-through interest in Fabergé, for a net acquisition cost of USD 26 million
- In October 2007, Fabergé Limited announced the historic reunification of the Fabergé brand with the Fabergé family after over 50 years of separation
- In November 2007, Mark Dunhill joined Fabergé as CEO, leaving his position as President of the eponymous luxury company Alfred Dunhill after 13 years with the company
- Mr Dunhill has assembled a formidable team from companies, including, Cartier, Condé Nast, De Beers LV, UBS, Clifford Chance and Ernst & Young



Coloured Gemstones



Strategy

Traditionally regarded as “second class” stones, coloured gemstones have undergone a dramatic revival in recent years

Background	<ul style="list-style-type: none"> Traditionally regarded as “second class” stones, coloured gemstones have undergone a dramatic revival in recent years No players of consequence in this industry – the coloured gemstone market has been largely overlooked, is highly fragmented and is characterised by artisanal mining Coloured gemstone profit margins are often higher than those in diamond mining given competitive and mining depth considerations Significant scope exists for the consolidation of mining assets and vertical integration of the supply chain
Vision	<ul style="list-style-type: none"> Creation of the world’s leading integrated coloured gemstone producer Consolidation and vertical integration of the coloured gemstone industry on an international scale Coordinated marketing, promotion and supply of coloured gemstones
Model	<ul style="list-style-type: none"> Covering the entire spectrum of coloured gemstones (including emeralds, sapphires, rubies, topaz , tourmalines and amethyst) Consolidating a highly fragmented market (increased revenue potential by controlling supply) Bringing about economies of scale in mining operations (cost reduction)
Marketing highlights	<ul style="list-style-type: none"> Guaranteed ethical sourcing through independent certification Vertical integration to the point of wholesaling branded stones Securing a portion of retail value through strong branding Unquestionable provenance via ownership of mines and supply chain Stones individually branded and numbered Focus on the painting (stone) not the frame (setting)
Fabergé gemstones	<ul style="list-style-type: none"> Selling to leading jewellers Fabergé branding

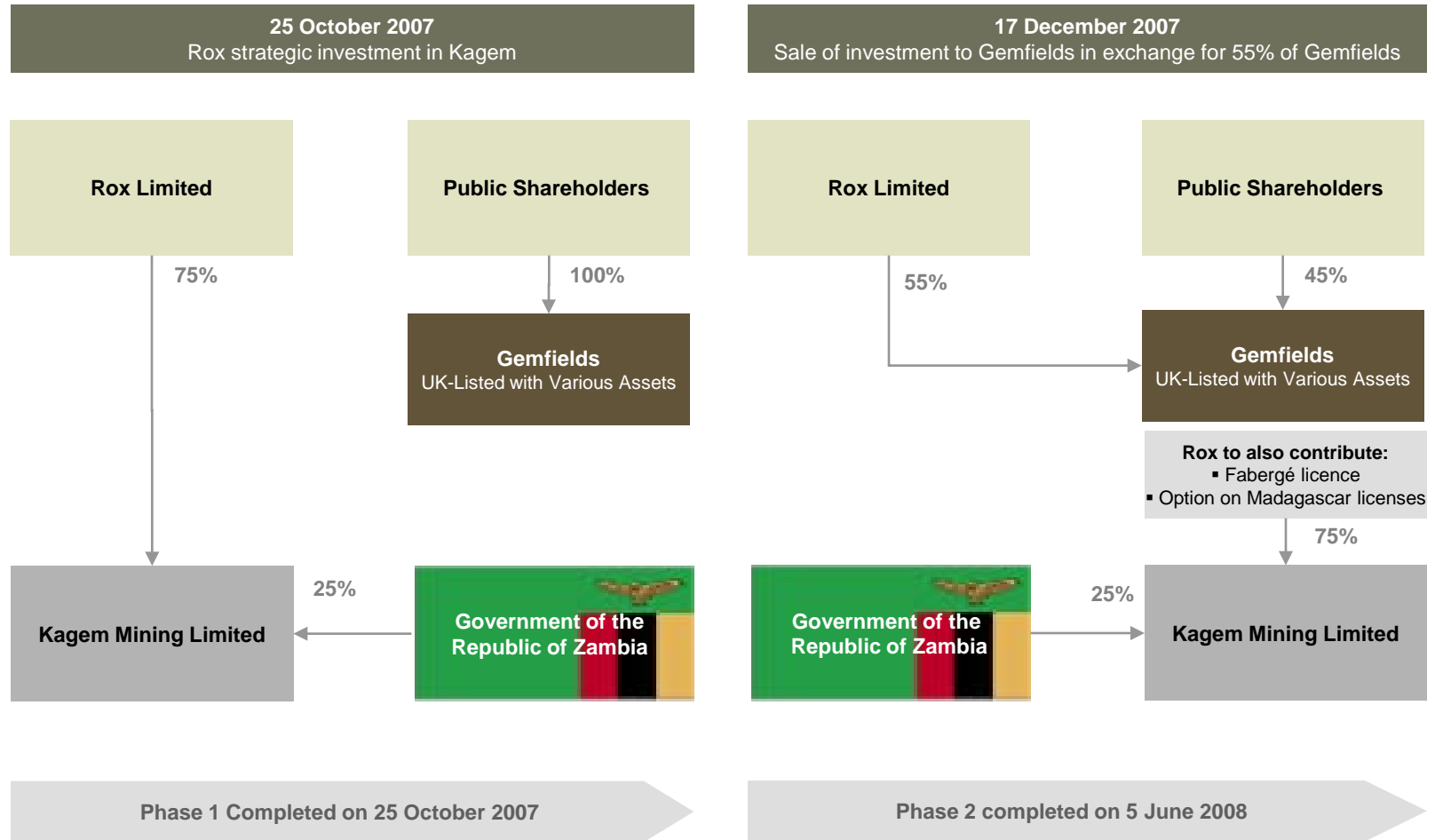


Investment proposition – value drivers

Turnaround of the Kagem Emerald Mine	<ul style="list-style-type: none"> ■ SRK competent persons report supports 120 kt per month of Talc Mica Schist (ore bearing host rock that is mined (“TMS”) by July 2009 (versus an historic 3 year average of circa 20 kt per month) ■ July 2008 produced 114 kt of TMS (a near six-fold increase)
Drilling and Exploration program	<ul style="list-style-type: none"> ■ Grow and refine existing JORC inferred resources (presently 10 years at 120 kt per month)
Processing, Cutting and Polishing	<ul style="list-style-type: none"> ■ Jaipur cutting and polishing facility opened on 12 August 2008
Theft	<ul style="list-style-type: none"> ■ More than 80% of revenues from less than 10% of gemstones sold ■ Optical sorting
Sales formats	<ul style="list-style-type: none"> ■ Increased direct sales, enhanced auction formats for rough sales
Marketing and Branding	<ul style="list-style-type: none"> ■ In contrast to diamonds, coloured gems are yet to benefit from coordinated marketing ■ Fabergé branding
Structured Supply chain	<ul style="list-style-type: none"> ■ Direct access to jewellers enhances credibility and therefore prices
Consistent Supplies to Customers	<ul style="list-style-type: none"> ■ Erratic supply is a key inhibiting factor in coloured gems and constrains prices
Ethical Sourcing and Assured Provenance	<ul style="list-style-type: none"> ■ Premium prices via the supply of natural, conflict-free, guaranteed provenance, gems employing suitable fair-trade, environmental, social and safety standards
Critical mass, Market Share and Economies of Scale	<ul style="list-style-type: none"> ■ Matching pairs and suites obtain premium prices ■ “Price Maker” versus “Price Taker”



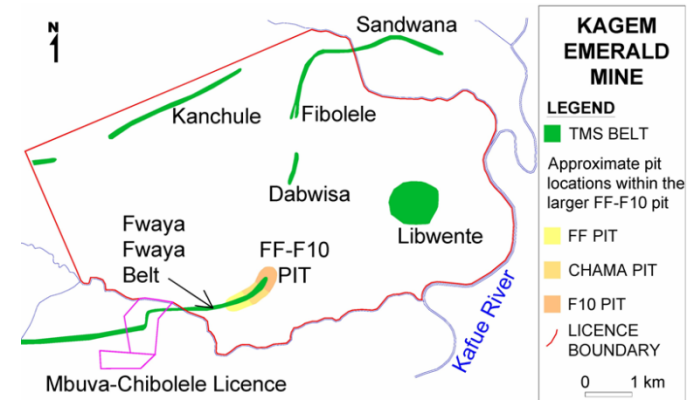
Two-tier strategic investment in Kagem



Kagem Emerald Mine

Asset history and geology

- Covers an area of approximately 43 sq km of which only 1.78 sq km has been utilised
- Zambia's largest emerald mine by production and revenue
- Consistent producer of some of the finest Zambian emeralds since 1984
- Four areas of mineralisation within the licence
- Main production pit is FF-F10
- Reaction Zone (RZ) pockets are created where the TMS has been intersected by pegmatite dykes
- Emerald formation occurs in RZ's



Source: SRK



Delivery of improvements at Kagem

Highest volume of TMS since January 2005 mined in July 2008...

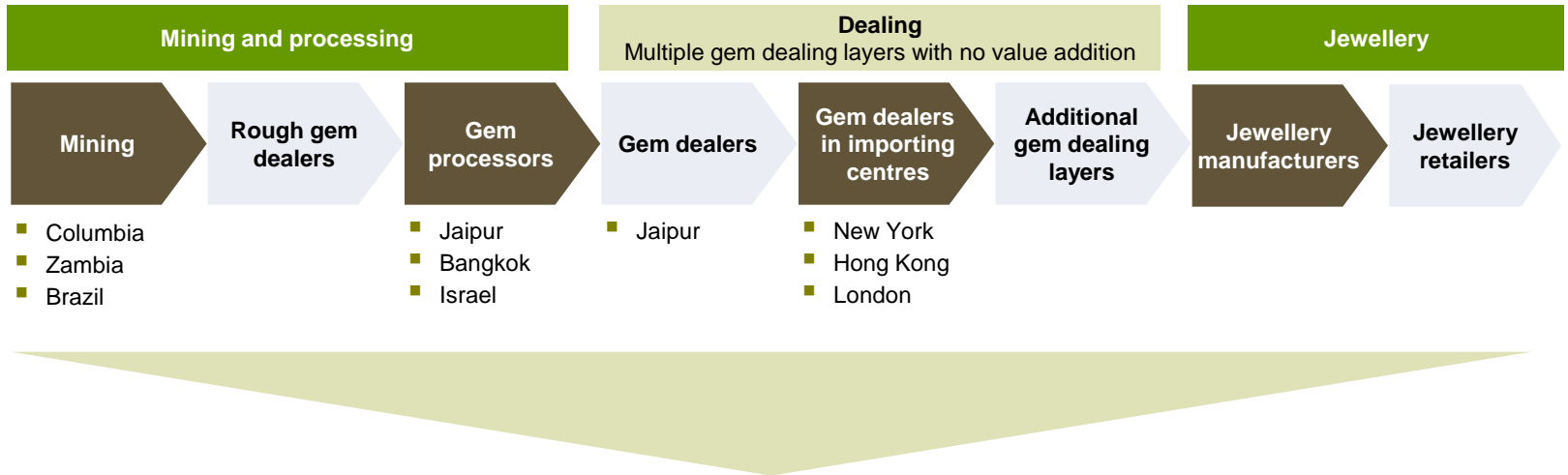
...Full debt restructuring with debt reduction, simplification and lower interest rates

Operational Improvements and Investment	<ul style="list-style-type: none"> Investment in Kagem exceeding USD 11 million to date for the expansion and restructuring of operations Purchase of capital equipment worth USD 3.2 million to date, for delivery before September 2008 <ul style="list-style-type: none"> Introduction of mining contractor to advance the waste stripping TMS production has increased to the highest level per month since January 2005 Average monthly rock handling has increased 313%% since Gemfields management introduced (from 182,000 tonnes per month to 570,000 tonnes per month) Expansion of washing plant capacity from 23 tph to 45 tph Full re-evaluation by independent consultants of Kagem emerald storage and store tracking methodology
Financial Improvements	<ul style="list-style-type: none"> Restructuring Kagem's debt which exceeded USD 13 million prior to Pallinghurst's investment <ul style="list-style-type: none"> Pallinghurst has achieved a reduction in debt and simplification of number of loans New debt is at a lower weighted-average interest rate (was over 16%) Reorganisation of accounts department with new team and improved processes and software
Marketing Investment	<ul style="list-style-type: none"> Development of Indian cutting and polishing facilities – opened 12 August 2008 Investment and development of Fabergé team in London for brand development and licensing agreements



Proposed operating scope

OLD: the current coloured gemstone value chain is multi-layered and fragmented...



...NEW: Gemfields intends to vertically integrate and simplify the value chain, enhancing returns on mined gemstones



¹ Subject to exercise of the option



Coloured Gemstones - not the “poor relation”

Recent auction prices for gemstones demonstrate the value they can command

	Type: Diamond Size: 10.56 carats Colour/Clarity: D / IF \$/carat: \$118,114		Type: Ruby Size: 7.20 carats Origin: Burma \$/carat: \$262,735		Type: Sapphire Size: 25.45 carats Origin: Kashmir \$/carat: \$70,325		Type: Emerald Size: 10.22 carats Origin: Columbia \$/carat: \$62,577
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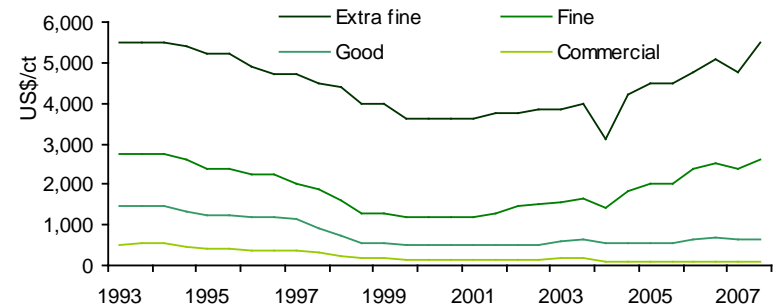
Source: Rappaport Magazine; Note: Gemstones shown are not the actual stones sold

Emerald production is dominated by Columbia and Zambia

Mct produced	Columbia	Zambia	World
2002	8.0	9.3	21.0
2003	N/A	10.0	26.0
2004	12.5	10.5	28.0
2005	N/A	12.5	29.5

Source: US Geologic Survey, Gemworld International
Note: converted 1kg:5kct

Emerald prices have risen significantly in the last 3 years



Source: Gemworld International; 1 carat emerald, moderately enhanced, multiple origins

- Columbia, Zambia and Brazil are the principal producers
- Zambian emeralds tend to be higher clarity than those from Columbia and Brazil, and have a rich bluish green colour
- Zambian emeralds require less treatment and this has proved increasingly important to treatment-weary customers



The Jaipur Cutting and Polishing Facility



Platinum Group Metals



Strategy

Background	<ul style="list-style-type: none"> Investment manager believes strong demand combined with challenges in supply make the PGM industry a promising area for investment PGMs are used across a wide range of industries and it is estimated that 20% of all consumer products either contain PGMs or require PGMs in their production South Africa has consistently produced between 70-80% of the world's primary PGMs Senior executives of the investment manager have significant in-house experience in PGMs through companies including Rustenburg Platinum Mines Limited, Impala Platinum Holdings Limited and Incwala Resources (Proprietary) Limited
Vision	<ul style="list-style-type: none"> Create a strategic platform to enter the platinum group metals ("PGM") industry with the purpose of exploiting PGM opportunities in accordance with the Company's investment policy and objectives
PGM SPV	<ul style="list-style-type: none"> In May 2008, Pallinghurst, together with certain strategic equity investors ("PGM Consortium"), formed a joint venture with the Bakgatla-Ba-Kgafela Tribe ("Bakgatla") to be held initially as to 49.9% by the Company and 50.1% by the Bakgatla ("PGM SPV") PGM SPV will endeavour to exploit each of the Moepi and Magazynskraal transactions on a stand-alone basis and may consider acquisitions and/or development opportunities where such opportunities have an attractive investment proposition and favourable return prospects Manganese Consortium has secured management control over the JV
Company interest	<ul style="list-style-type: none"> Pallinghurst has acquired a see-through interest in PGM SPV of 9.3%
Founding investments	<ul style="list-style-type: none"> Acquisition by the PGM SPV of 100% of the issued share capital of Moepi Acquisition by PGM Consortium of a 40% interest in Magazynskraal

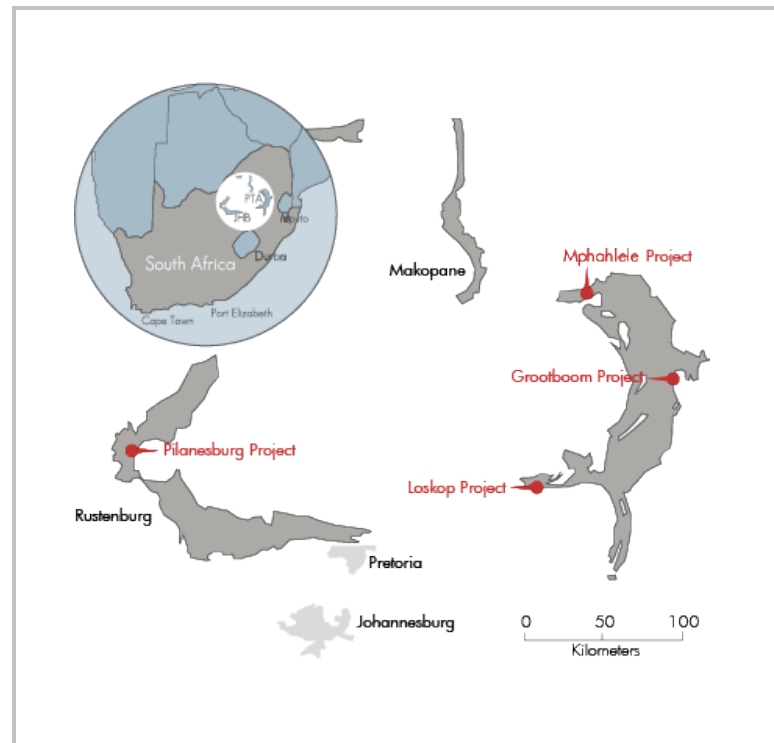


Moepi transaction (Boynton)

Moepi

- On 24 December 2007, PGM SPV concluded an agreement to acquire 100% of the issued share capital of Moepi
- Moepi holds an indirect effective interest of $\pm 25\%$ in Boynton Investments (Proprietary) Limited ("**Boynton**")
- Boynton is a private company whose primary assets are situated in the Western limb of the Bushveld Igneous Complex ("**BIC**") north of the Pilanesberg, South Africa
- Boynton is controlled, through a 73% interest, by Platmin Limited ("**Platmin**"), a USD 500 million company incorporated in Canada and listed on the Toronto Stock Exchange and Alternative Investment Market of the London Stock Exchange
- Platmin focuses on the exploration and development of PGM interests in South Africa
- The acquisition was declared unconditional on 4 June 2008
- Pursuant to the inward listing on the JSE, the Company has acquired a 9.3% interest in PGM SPV as the platform for a broader PGM strategy

Project Location

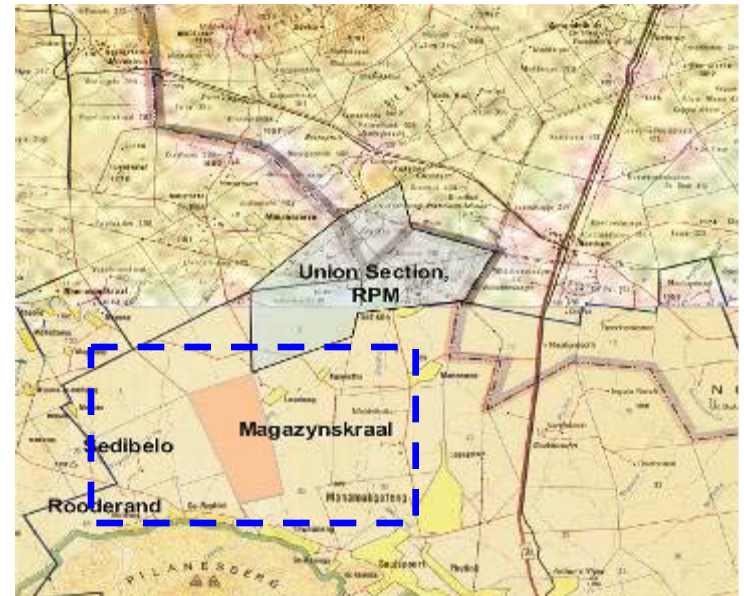


Magazynskraal

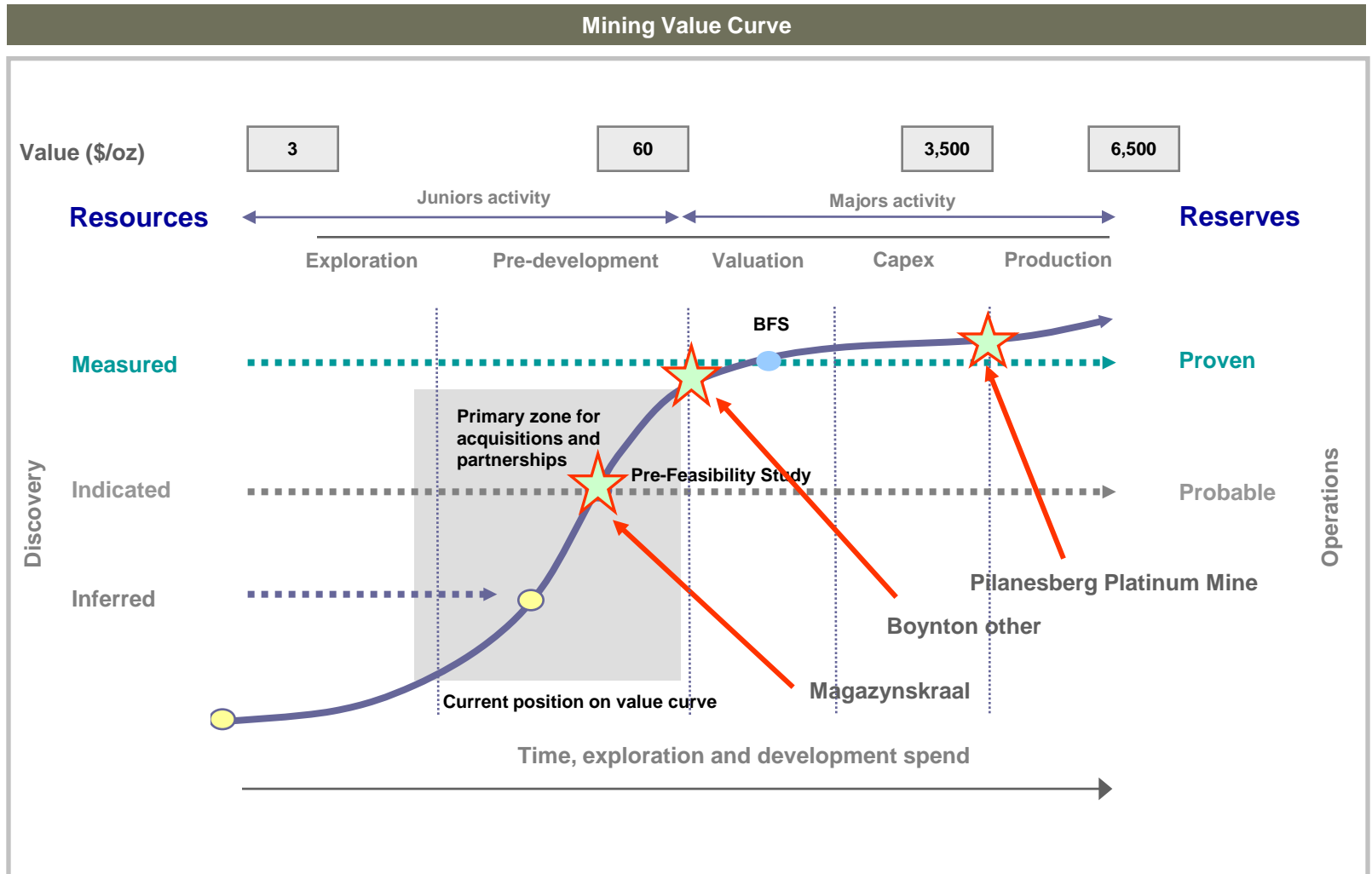
Magazynskraal

- Located on the Western Limb of the BIC, south of Union Section (world class producing PGM mine)
- PGM SPV to acquire a 40% interest in Richtrau Magazynskraal
- Transaction agreements governing Magazynskraal were concluded and signed on 31 May 2008 with regulatory approval, standard to a transactions of this nature, awaiting fulfilment (± 4 months)
- The remaining 60% interest is held by Bakgatla (40%) and Rustenburg Platinum Mines Limited (20%)
- Pursuant to the inward listing on the JSE, the Company has acquired a 7.4% interest in Magazynskraal

Project Location



African Queen: value curve



Disclaimer

Investors are advised to consult their lawyer, broker, tax manager, or other professional adviser, who specialises in advising on the acquisition of shares and other securities before entering into the transactions described in this document. Investment in shares involves above average risk. Investment is only suitable for sophisticated investors who are in a position to understand the nature of the risks involved in investing in equities, take risks and satisfy themselves that such investment in equities is suitable for them.

Sophisticated investors means sophisticated or professional investors who can afford to take a higher degree of risk, which may include the risk of the loss of their entire investment, and who have extensive knowledge and experience in financial and business matters and are capable of evaluating the merits and risks associated with an equity investment in Pallinghurst Resources (Guernsey) Limited.

Prospective investors are advised to obtain independent legal, tax, accounting, investment and other relevant advice when contemplating any transaction described in this document.

