

**UPDATE TO SHAREHOLDERS****Angel Diamonds (Proprietary) Limited**

Shareholders are referred to the interim results announcement released on SENS on 1 September 2011 and are advised that the Thabex, Angel Diamonds (Proprietary) Limited ("Angel Diamonds") and other interested parties successfully brought an urgent interdict on 30 September 2011, against, inter alia, The Minister of Natural Resources and the Commissioner of Mines and Geology of Lesotho to show why they and others are not in contempt of court in terms of the main interdict (Case CIV/APN/664/2010) granted on 30 November 2010 and extended to 14 February 2011, relating the apparent granting of a Mining License ("ML") to Reskol Diamond Mining (Proprietary) Limited ("Reskol").

Reskol is a company incorporated in the Kingdom of Lesotho, which company was registered with the initial shareholders and directors being, Messrs TP Mosebo and CJ Engelbrecht on 8 October 2010, the same day Angel Diamonds was placed in provisional liquidation by the very same Mosebo and Engelbrecht.

In terms of the latest interdict, the Minister of Natural Resources, the Commissioner of Mines and Geology, Reskol, Messrs Mosebo and Engelbrecht and others are prevented to give effect to the new ML, to conduct mining and prospecting operations at the Kolo Ha Petlane diamond project in the district of Mafateng, until the finalisation of:

1. the main interdict under Case CIV/APN/664/2010;
2. the ML application of Angel Diamonds, dated 12 December 2008;
3. a review application to be launched regarding the ML ostensibly having been granted to Reskol over the area Angel Diamonds have applied for a ML almost three years ago;
4. the removing, dealing with, interfering, coming in contact with or within a radius of 50m of the mining equipment of Angel Diamonds; and
5. not to consider or granting of any Prospecting Licence, Prospecting Lease, Mining Lease or Mining Rights at the Kolo Ha Petlane diamond project in the district of Mafateng until the proceedings in the main application under case number Case CIV/APN/333/2010 and case number Case CIV/PET/01/2010 (Now Case CCA/08/2010) have been finalised.

Messrs Mosebo and Engelbrecht have flouted their fiduciary duties owed to Angel Diamonds and its shareholders in terms of this initial court order in Case CIV/APN/333/2010 relating to the their appointment as directors and managers of Angel Diamonds, by ceasing the corporate opportunity, evaluated and prospected by Angel Diamonds, for themselves in silencing Angel Diamonds on 8 October 2010 and apparently diverting the ML to Reskol prior to the ML application of Angel Diamonds has been finalised. The provisional liquidation of Angel Diamonds was discharged with costs on 19 May 2011.

Despite a meeting with the Minister of Mineral Resources on 1 June 2011 and theft charges brought against Messrs Mosebo and Engelbrecht on 14 June 2011, Thabex and other interested parties have not been informed about the whereabouts of approximately 1 000 carats rough diamond stock of Angel Diamonds in the Kingdom of Lesotho.

**Annual Financial Statements for the year ended 28 February 2011**

During an Audit Committee meeting on 12 September 2011, the Annual Financial Statements of the Company for the year ended 28 February 2011 were approved subject to the Engagement Quality Review Control process of the auditors. Even though Thabex and most of its subsidiaries have been assessed by the South African Revenue Services ("SARS") for the period ended 28 February 2010, the auditors on 29 September 2011 have requested a full tax evaluation of the Group. The board has appointed a tax consultant to liaise with SARS and to assist in producing such an evaluation.

Furthermore, the auditors have also requested the details of the unauthorised application for a bank overdraft of R100 000 for Angel Diamonds and the guarantees given by Mr Mosebo to First National Bank Lesotho for this overdraft as well as the bank confirmations of this company's bank balances as at 28 February 2011. In view of these latest requests, which are being attended to as a matter of urgency, it is not possible for the board to determine with reasonable certainty when these Annual Financial Statements will finally be signed off by the auditors for release on SENS and mailing to shareholders.

Johannesburg

3 October 2011

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