
NAMAKWA SECURES KEY INFORMATION LICENCE AGREEMENT WITH DE BEERS TO UNDERPIN EXPANDED WEST COAST EXPLORATION PROGRAM

- Agreement signed with De Beers giving Namakwa access to extensive historic exploration and sampling data covering Namakwa's West Coast project areas.
 - The access to the data will enable Namakwa to fast track and significantly enhance its Stage 2 exploration program at the Namakwa Diamond Project.
 - Expanded Stage 2 exploration program to commence in early 2005.
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Namakwa Diamond Company NL (**ASX: NDC**) today announced that it had signed a key information licence agreement with **De Beers Consolidated Mines Limited** giving it access to detailed historic exploration and bulk sampling data generated by De Beers over Namakwa's current diamond project areas on South Africa's West Coast.

Access to this information adds a significant new dimension to Namakwa's growth and development strategy at its recently commissioned West Coast Diamond Project, enabling it to fast track its expanded exploration program in 2005 with the benefit of a decade of historic exploration data.

In conjunction with the results of a recent airborne electro-magnetic (EM) survey completed by Namakwa over its tenement areas last year, and its own recent drilling and sampling activities, the licence agreement is expected to significantly enhance Namakwa's exploration and development program.

Namakwa's recently commissioned Stage 1 operation (currently completing its production ramp-up) is based on an initial resource (411,000 carats) covering less than 3 per cent of its total 90.4 km² tenement area along South Africa's West Coast. Its growth focus moving forward will be on further exploration of the remaining areas outside of this resource to underpin a potentially significant expansion of its current operations.

Under the agreement announced today between Namakwa's South African subsidiary, NDC Mining Company Limited, and De Beers, De Beers has licensed the use by Namakwa of an extensive database of information from a large number of small exploration pits excavated during the late 1950s until the late 1960s. The commercial terms of the agreement are confidential.

De Beers excavated the small pits (3m by 3m) to sample diamond bearing gravel overlaying the bedrock, following up its previous drilling activities. The pits – which are easy to locate – were arranged in coast-perpendicular lines, giving a good overview of the behaviour of the bedrock from west to east as well as the presence of any gravel bodies.

The pit lines are approximately 1 - 1.5 km apart and are grouped in approximately 20 lines covering the length of Namakwa's tenement area, totalling approximately 300 pits.

The pitting data acquired by Namakwa under the agreement includes detailed geological descriptions of the overburden, gravel and bedrock, along with profiles drawn of each pit showing the different horizons, surface elevation, depth to bedrock and bedrock elevation. The data also includes sampling results from processing of the gravels including diamond recoveries and sizes.

Namakwa's Chairman, Karl Simich, said the agreement reflected the excellent co-operative relationship established with De Beers – which had provided invaluable assistance to Namakwa as the original explorer of its West Coast tenement areas.

"I would like to thank De Beers for the exceptionally professional and helpful manner in which they have concluded this transaction, which represents a significant enhancement of Namakwa's exploration and development strategy on the West Coast," Mr Simich said.

"The De Beers data will be very useful in helping to identify areas where gravel bodies are present, especially in areas not yet explored by Namakwa," he added. "In conjunction with the EM data generated by the recently completed SPECTREM survey, the data will enable us to fast track exploration, prioritise target areas and move quickly to delineate new ore bodies."

"Combined with the results of our own drilling and EM database, the pit data will significantly enhance our understanding of the bedrock and gravel deposits in the area that are so closely associated with the bedrock type and bedrock elevation."

Namakwa has already generated a large number of new target areas for its 2005 exploration campaign based on the results of the SPECTREM survey, including encouraging bedrock features in the form of embayments, palaeo-channels and palaeo-raised beach targets. These geological features may have been trap sites for diamonds washed downstream from the interior, or transported out to sea and then deposited back on the shore by wave action.

Mr Simich said the De Beers database would be analysed in detail over the Christmas season, in conjunction with existing exploration information as the basis for the expanded Stage 2 exploration program, due to commence in early 2005.

"We are looking forward to a very active start to the New Year, with intensive exploration underpinned by our existing diamond operations," he said.

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BACKGROUND INFORMATION

Namakwa Diamond Company NL is an Australian Stock Exchange-listed diamond company, whose vision is to become a substantial producer of gem quality diamonds in Southern Africa, leveraging off the strong production base of its Namakwa Diamond Project on the country's West Coast.

The Namakwa Diamond Project comprises 90.4 km² of highly prospective ground in three adjacent Concessions located some 350 kilometres north of Cape Town. The Project is located in the heart of one of the world's most prolific diamond-producing regions – with major historic and current diamond mines located to the north and south.

The diamonds within the rich onshore gravels being exploited by these operations were transported to the coast by the major drainage systems of the interior – the Olifants, Buffels and Orange Rivers. Namakwa's Concessions are located just north of the mouth of the Olifants River.

Stage 1 production commenced late September 2004, with the Company reporting the first sale of production diamonds on 17 November 2004. The Stage 1 operation is based on a 500,000 tpa DMS diamond production plant and on-site Diamond Recovery Unit.

Stage 2 exploration will target the 97 per cent of Namakwa's tenement areas outside of the Stage 1 mining resource (2.2 million tonnes grading 18.7 cpht) with the objective of achieving a substantial increase in the Project's resource inventory as a basis for upgrading the production facility in the future.