

ASX ANNOUNCEMENT

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## ELLENDALE EAST PROJECT - PROGRAM UPDATE

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Resource and Investment NL (R&I), formerly known as Namakwa Diamond Company NL (ASX: NDC), today announced that drilling has commenced in the Ellendale East Project area. The Project is a joint venture between R&I and Caldera Resources Inc. (Caldera) and is located about 20 kms south-east of the Ellendale 4 diamond mine operated by Kimberley Diamond Company NL.

The Ellendale East Project covers an area of 246 kms<sup>2</sup> along the fault bound southern contact of the Oscar Range; the major structural feature controlling the Ellendale Lamproite Field. Geophysical surveys undertaken by Caldera recognised a number of magnetic targets within the area. Reconnaissance drilling of a number of these targets was completed during 2005 and fragmental rocks containing diamonds and diamond indicator minerals were identified in a number of localities. Petrological studies carried out by Dr. Greg Pooley identified the diamond host-rocks as a "volcanoclastic quartz tuff". This lithology was recognised in six of the targets drilled by Caldera and is considered one of predominant diamond bearing rocks in the Ellendale Lamproite Field.

Most of the targets drilled by Caldera were tested with a single drill hole and an extensive follow-up drilling program is being undertaken to define the size of the diamondiferous bodies and to collect additional material for assessment. The program will test about 20 magnetic targets in the Ellendale East area and a total of 94 holes and 5000m of drilling are planned. Drill samples will be shipped to Perth for processing.

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