



**Namakwa** Diamond Company

**ASX ANNOUNCEMENT**

**31 JULY 2003**

## **UPDATE ON FUNDING**

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### **NAMAKWA DIAMOND PROJECT – STAGE 1 PROJECT FUNDING**

On 24 April 2003, Namakwa Diamond Company (**ASX: NDC**) announced that it had executed an exclusive 3-month mandate with RMB Resources Limited (RMB) to undertake a work program with a view to arranging a quasi debt-equity facility of up to A\$2.75 million to fund feasibility and development costs for the Stage 1 Project.

Namakwa advises that this mandate has now expired. However, the Company is continuing negotiations with RMB regarding the finalisation of funding arrangements for the Stage 1 Project including a possible extension of the mandate.

Namakwa's objective is to secure a financing package for project development that optimises the level of financial return from the Project for shareholders. In this regard, the expiry of the mandate is not considered to be a matter of significance, with the Project continuing to attract a high level of interest from investors and financiers as it moves closer to development.

Namakwa is continuing exploration activity on site with the imminent commencement of further bulk sampling and exploration drilling which will be the subject of a separate announcement, also including details of recent progress in obtaining relevant approvals and permitting.

The Company expects to finalise negotiations on the funding arrangements within the next 3-4 weeks and will keep the market informed on progress.

### **BACKGROUND INFORMATION**

Namakwa is exploring and developing the Namakwa Diamond Project, comprising 49 square kilometres of highly prospective ground in three adjacent Concessions on South Africa's West Coast, 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 are thought to have been 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.

Between 1994 and 2000, South Africa's West Coast yielded 5.8 million carats, worth an estimated US\$900 million at an average grade of 14 cph. The run of mine diamond values ranged between US\$80 and US\$220 a carat.

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