

Namakwa Diamond Company

NOTICE OF THE 2004 ANNUAL GENERAL MEETING

TO BE HELD ON MONDAY, 29 NOVEMBER 2004 AT 10.00 WST

AT THE CELTIC CLUB, 48 ORD STREET WEST PERTH WA 6005

Please read the Notice carefully and if you are unable to attend the Annual General Meeting of Shareholders please complete and return the enclosed Proxy Form in accordance with the specified directions.

NAMAKWA DIAMOND COMPANY NL

ABN 77 085 806 284

Registered Office
12 Walker Avenue
West Perth, Western Australia 6005

Postal Address
PO Box 806
West Perth, Western Australia 6872

Telephone: +61-8 9321 5887
Facsimile: +61-8 9321 5884
Email: general@namakwa.com.au
Website: www.namakwa.com.au

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The 2004 Annual General Meeting of the shareholders of Namakwa Diamond Company NL will be held at:

The Celtic Club

48 Ord Street

West Perth WA 6005

Commencing 10.00 am (WST) on 29 November 2004

Voting Entitlements

For the purposes of the Corporations Act 2001, all shares of the Company that are quoted securities at 10.00 am (WST) two days prior to the Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at the time and such persons are eligible to vote at the Meeting.

How to Vote

The business of the meeting affects your shareholding and your vote is important. Please take action by voting in person (or authorised representative) or by proxy.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The Meeting will commence at 10.00 am (WST).

Proxies

A Proxy Form accompanies this Notice of Annual General Meeting. To be effective the Proxy Form must be completed and received at either the Company's registered office or its share registry, Security Transfer Registrars no later than 48 hours before the Meeting:

Registered Office

Company Secretary
Namakwa Diamond Company NL
12 Walker Avenue
West Perth WA 6005
PO Box 806
West Perth WA 6872

Share Registry

Security Transfer Registrars
770 Canning Highway
Applecross WA 6153
PO Box 535
Applecross WA 6953

Or by facsimile on:
+61-8 9321 5884

Or by electronic address:
general@namakwa.com.au

If any shareholder wishes to lodge a proxy electronically, it will be necessary to scan an image of a signed proxy form and e-mail that image of the proxy form with the signature affixed to be received no later than 48 hours before the Meeting. This is needed to comply with the requirements of section 250A of the Corporations Act that a valid proxy be in writing and be signed by the shareholder appointing the proxy.

If you are entitled to attend and cast a vote at the Meeting you may appoint up to two proxies. A proxy may be an individual or a corporation but need not be a shareholder. If you appoint two proxies each proxy may exercise half of the shareholders votes if no proportion or number of votes is specified.

If you appoint a proxy but attend the meeting yourself, the rights of the proxy to speak and vote on your behalf at the meeting will be suspended while you are present.

Corporate Representatives

A corporation may appoint an individual as a representative to exercise its powers as shareholder or as a shareholder's proxy. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless it was previously given to the Company's share registry.

Powers of Attorney

A person appearing as an Attorney for a shareholder should produce a properly executed original (or certified copy) of an appropriate Power of Attorney for admission to the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Namakwa Diamond Company NL, ABN 77 085 806 284 (the **Company**) gives notice that the 2004 Annual General Meeting of shareholders will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia 6005 on Monday, 29 November 2004 at 10.00 am (Western Standard Time).

AGENDA

ORDINARY BUSINESS

Financial Statements

To receive the financial report of the Company and the reports of the Directors and Auditors for the year ended 30 June 2004.

Election of Directors

To consider, and if thought fit, to pass the following resolutions (with or without amendment) as ordinary resolutions.

1. Re-election of Mr John Firth

“That John Firth who retires by rotation in accordance with the Company’s constitution, and being eligible, offers himself for re-election, be re-elected a director of the Company.”

2. Re-election of Mr Peter Danchin

“That Peter Danchin who retires by rotation in accordance with the Company’s constitution, and being eligible, offers himself for re-election, be re-elected a director of the Company.”

3. Re-election of Mr John Hutton

“That John Hutton who retires by rotation in accordance with the Company’s constitution, and being eligible, offers himself for re-election, be re-elected a director of the Company.”

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolution (with or without amendment) as an ordinary resolution.

4. Approval for the allotment of securities

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, this meeting hereby approves and authorises the directors to issue and allot:

- up to 10,000,000 Shares at an issue price of not less than 80 percent of the average closing price of the Shares on ASX over the last five trading days on which sales were recorded before the date of the prospectus in relation to the proposed issue; and
- up to 5,000,000 options at \$0.02 each expiring 30 September 2006 exercisable at \$0.20.

and otherwise as set out in the Explanatory Notes accompanying this Notice.

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in and any person who might obtain a benefit from the issue of securities referred to in this resolution and any votes cast by an associate of any such person. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, or it is cast by the person chairing the meeting as proxy for the person who is entitled to vote, in accordance with the direction on the proxy form.

Other Business

To deal with any other business that may be brought forward in accordance with the Company’s Constitution and the Corporations Act 2001.

By order of the Board



Jean Mathie
COMPANY SECRETARY

Date: 22 October 2004

EXPLANATORY NOTES

These Notes form part of the Notice of Annual General Meeting.

Financial Statements

This deals with the presentation of the Company's Financial Report and the reports of the directors and auditors for the year ending 30 June 2004. The Company will take shareholders' questions and comments about the management of Namakwa. The auditor of Namakwa will be available to take shareholders' questions and comments about the conduct of the audit and preparation and content of the audit report.

No resolution is required to be moved in respect of this item.

Directors Information

John LG Firth, Executive Director, Chief Executive Officer (South Africa) (35 years)

B.Agric.Admin, MBA

Appointed 12 January 1999. Mr Firth is responsible for the day-to-day operations in South Africa. He has had extensive experience in the exploration, production and marketing of rough diamonds in various countries, including Angola, Democratic Republic of Congo, South Africa, Namibia, and the Ivory Coast. Mr Firth has a degree in agriculture administration from the University of Stellenbosch, South Africa and a MBA from the Thames Valley University in London, UK.

Peter D Danchin, Non-Executive Director (58 years)

B.Sc (Hons), Pr.Sci.Nat. – RSA

Appointed 1 November 2001. Mr Danchin has extensive experience in the exploration, mining and marketing of rough diamonds and has an intimate knowledge of the Namaqualand and Kimberley areas of South Africa. He has held senior technical and managerial positions with the Union Carbide Corporation of USA and the Anglo American Corporation of South Africa. He was also Group Managing Director – Operations with the Trans Hex organisation, which is the second largest diamond producer in South Africa. Mr Danchin is the Managing Director of Kimberley Diamond Company NL. Mr Danchin has special responsibilities including providing advice and managing certain aspects relating to technical issues, relations with the Department of Industry and Resources, environmental matters, black empowerment liaison and project generation. Mr Danchin holds an honours degree in exploration geology from the University of Witwatersrand, Johannesburg.

John R Hutton, Non-Executive Director (38 years)

Appointed 12 January 1999. Mr Hutton is Managing Director of Tiger International Limited in Western Australia, a listed company researching technologies and developing markets for the cultivation of fish and prawns. With a background in accounting, Mr Hutton has experience in merchant banking, budgeting, financial planning and tax related matters. He is a director of a number of successful private companies involved in the resources, pearling and tourism industries and is closely involved in the management of a highly successful pearl farm, producing Australian South Sea Pearls.

Approval for the allotment of securities

ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which is relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the shares on issue at the commencement of that 12-month period aggregated with shares issued with shareholders approval, shares issued under an excepting to Listing Rule 7.1 and any partly paid shares that become fully paid shares, less any shares cancelled during that period.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4 to allow Shareholders to assess the proposed facility for the future issue of up to 10,000,000 shares together with one option for every two shares issued up to a maximum of 5,000,000 options.

- a) The maximum number of shares which may be allotted and issued under Resolution 4 is 10,000,000 fully paid ordinary shares at an issue price which is at least 80% of the average market price for the Company's shares on ASX over the last 5 trading days on which sales in the shares are recorded preceding the date on which the issue is made.
- b) The maximum number of options which may be allotted and issued under Resolution 4 is 5,000,000 options at an issue price of \$0.02 each.
- c) The allottees of the shares and options will be determined by the directors of the Company. The identity of these parties are not yet known, however, they will not be related parties of the Company.
- d) The shares and options will rank equally with the existing shares and options on issue. The terms of the options the subject of Resolution 4 are set out in Terms of Options in these Explanatory Notes.

- e) The shares and options the subject of Resolution 4 will be issued and allotted no later than three months after the date of approval of the resolution or such later date as approved by ASX.
- f) The funds being raised from the issue of the shares and options will be used to supplement working capital and to accelerate the Company's exploration programme.

Terms of Options Exercisable at \$0.20 Expiring 30 September 2006

- a) Definitions:
 - (i) **Exercise Price** means the exercise price of each option, being 20 cents.
 - (ii) **Expiry Date** means 5.00pm (WST) on 30 September 2006.
 - (iii) **Exercise Date** means the Expiry Date or, if applicable, the Underwritten Expiry Date.
 - (iv) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising options.
 - (v) **Option Holder** means the person or persons registered as the holder of one or more options from time to time.
 - (vi) **Option Underwriter** means any person or persons (other than the Company) that is party to an Option Underwriting Agreement.
 - (vii) **Option Underwriting Agreement** means all agreements made prior to the Expiry Date between the Company and an Option Underwriter whereby the Option Underwriter agrees to exercise the Underwritten Options prior to the Underwritten Expiry Date.
 - (viii) **Share** means a fully paid ordinary share in the capital of the Company.
 - (ix) **Underwritten Expiry Date** means, if the Company has entered into an Option Underwriting Agreement, 5.00pm (WST) 14 days after the Expiry Date.
 - (x) **Underwritten Options** means that number of Unexercised Options the subject of an Option Underwriting Agreement.
 - (xi) **Unexercised Option Holder** means any person or persons registered as the holder of Unexercised Options.
 - (xii) **Unexercised Options** means all options not exercised on or before the Expiry Date.
- b) Each option carries the right to subscribe for one Share.
- c) Options may be exercised by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Exercise Date.
- d) The Exercise Notice must state the number of options to be exercised and be accompanied by the relevant holding statement(s) and a cheque (in Australian currency) made payable to the Company for an amount being the result of the Exercise Price multiplied by the number of options being exercised.
- e) If the Company has entered into an Option Underwriting Agreement, then at the Expiry Date all Unexercised Option Holders immediately, unconditionally and irrevocably appoint the Company as the Option Holder's agent to transfer all Unexercised Options the subject of an Option Underwriting Agreement to the Option Underwriter and the Option Underwriter is entitled to exercise the options prior to the Underwritten Expiry Date.
- f) Following receipt of a properly executed Exercise Notice and application monies in respect of the exercise of any options, the Company will issue the resultant Shares and deliver notification of shareholdings.
- g) The Company will make application to have the Shares (issued pursuant to an exercise of options) listed for quotation by ASX within 7 days of the date of issue.
- h) Shares issued pursuant to an exercise of options shall rank, from the date of issue, pari passu with existing Shares in all respects.
- i) Options carry no right to participate in pro rata issues of securities to shareholders unless the options are exercised before the record date for determining entitlements to the relevant pro rata issue.
- j) Each Option Holder will be notified by the Company of any proposed pro rata issue of securities to shareholders in accordance with ASX Listing Rules.
- k) Subject to the Corporations Act 2001 and ASX Listing Rules, options do not confer the right to a change in exercise price.
- l) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the options will be changed to the extent necessary to comply with the requirements of the ASX Listing Rules (in force at the time of the reorganisation).



SHAREHOLDER PROXY FORM

Holder Identification Number (HIN)

Appointment of Proxy

I/We appoint as proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy or Chairman see fit) at the Annual General Meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Monday, 29 November at 10.00 am (WST) (and at any adjournment thereof) (Meeting).

	Or	the Chairman of the Meeting
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Name of person you are appointing (if not the meeting Chairman)

IF YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, PLEASE PLACE A MARK IN THIS BOX * ➔

***The Chairman currently intends to vote undirected proxies in favour of all resolutions.** By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even though he may have an interest in the outcome of a resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

ORDINARY RESOLUTIONS

	FOR	AGAINST	ABSTAIN*
1 Re-election of John Firth as a director	<input style="width: 50px; height: 20px;" type="checkbox"/>	<input style="width: 50px; height: 20px;" type="checkbox"/>	<input style="width: 50px; height: 20px;" type="checkbox"/>
2 Re-election of Peter Danchin as a director	<input style="width: 50px; height: 20px;" type="checkbox"/>	<input style="width: 50px; height: 20px;" type="checkbox"/>	<input style="width: 50px; height: 20px;" type="checkbox"/>
3 Re-election of John Hutton as a director	<input style="width: 50px; height: 20px;" type="checkbox"/>	<input style="width: 50px; height: 20px;" type="checkbox"/>	<input style="width: 50px; height: 20px;" type="checkbox"/>
4 Approval for allotment of securities	<input style="width: 50px; height: 20px;" type="checkbox"/>	<input style="width: 50px; height: 20px;" type="checkbox"/>	<input style="width: 50px; height: 20px;" type="checkbox"/>

*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

APPOINTING A SECOND PROXY (if applicable)

Contact Telephone Number

	or	%
<i>Number of shares applicable to this proxy form</i>		<i>Percentage of your voting rights</i>

PLEASE SIGN HERE

THIS SECTION MUST BE SIGNED IN ACCORDANCE WITH THE INSTRUCTIONS OVERLEAF TO ENABLE YOUR DIRECTIONS TO BE IMPLEMENTED.

Individual or Shareholder 1

Sole Director/Sole Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director / Secretary

Company Seal (if required)

DEADLINE FOR RECEIPT OF PROXY FORM

Your completed proxy form (and any relevant authorities) must be received at the registered office of the Company or at the Company's Share Registry no later than 48 hours before the time appointed for the Meeting.

Documents may be lodged using the enclosed envelope or:

- BY FAX +61-8 9321 5884
- BY MAIL PO Box 806, West Perth 6872, Western Australia or delivered to the registered office of the Company at 12 Walker Avenue, West Perth 6005, Western Australia.
- BY EMAIL: general@namakwa.com.au

For assistance in completing this form, refer to the reverse of this form.

INSTRUCTIONS FOR COMPLETION OF THE PROXY FORM

Shareholder's Name & Address

Your pre-printed name and address is as it appears on the share registry of Namakwa Diamond Company NL. If this information is incorrect please make the correction on the proxy form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

Appointment of Proxy

A shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two other persons (whether shareholders or not) as proxy or proxies to attend in the shareholder's place at the Meeting. The proxy has the same right as the shareholder to speak and vote at the Meeting. If you leave this section blank, the Chairman of the meeting will be your proxy to vote your shares even if you attend the meeting (unless you revoke your proxy before the meeting). Your proxy's authority to speak and vote for you at the meeting is suspended if you are present at the meeting.

Vote on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the resolution/s you wish to direct your proxy to vote on. If you do so, all your shares will be voted in accordance with your direction. You can split your vote on any resolution/s by inserting the number/s of shares you wish to vote in the appropriate box/es. Please ensure you clearly mark the box in black or blue ink by placing a mark or the number of shares you are voting. If you mark more than one box relating to the same resolution any vote by your proxy on that resolution will be invalid.

Appointing a Second Proxy

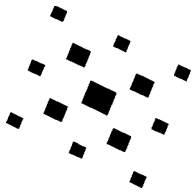
If a shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes.

Contact Telephone Number

This will help us if there are any problems with your proxy form.

Signing Instructions

Each shareholder must sign this form. If your shares are held in joint names, all shareholders must sign in the boxes. If you are signing as an Attorney, then the Power of Attorney must have been noted by the Company or be duly stamped and accompany this form. Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided which state the office held by the signatory.



Namakwa Diamond Company

October 2004

Holder Identification Number (HIN)

ANNUAL REPORT REQUEST

The Company will automatically mail you an Annual Report unless you elect otherwise.

Please mark this box with an "X" if you DO NOT wish to receive the Company's Annual Report in the Future and return this form to the address set out above. You will however receive all the other security holder mailings including notices of meetings and proxy forms.

ANNUAL REPORT AND COMPANY ANNOUNCEMENTS AVAILABLE ON LINE

The Company wishes to provide the opportunity for security holders to amend current delivery of Annual Reports. If you are happy with your existing choice for the receipt of the Annual Report you do not need to do anything. However, if you are interested in the options available, please read further.

1. Cancel Delivery of Annual Report

If you do not want the Annual Report delivered to you at all, you can request this by placing a cross in the box above.

2. To be notified by email when the Annual Report and other Announcements are available online

Electronic Version of Annual Reports (pdf format)

Namakwa Diamond Company NL would like to offer you an email service for its Annual Reports. Should you wish to receive your annual report electronically, please respond on our website www.namakwa.com.au "Contact" page by completing the Enquiry Form with subject line "ANNUAL REPORT" in the "Comments" box. Non-response will automatically result in the Annual Report being mailed to you in the normal manner.

Email service for Announcements and other matters of interest

Shareholders are advised that an email service exists for announcements and other matters of interest. Should you wish to participate in this service please respond on our website www.namakwa.com.au "Contact" page by completing the Enquiry Form with subject line "ANNOUNCEMENTS" in the "Comments" box.

3. Security Transfer Registrars – Shareholder Site

www.securitytransfer.com.au

The Company's share registry, Security Transfer Registrars, has developed a website for shareholders to view their holdings with the Registry. A link has been established from the Namakwa website www.namakwa.com.au (Home page) directly to the Registrars' website. Shareholders will now be able to "click and view" their current holdings in the Company.