

Namakwa Diamond Company

NAMAKWA DIAMOND COMPANY NL

ASX CODE: NDC
NDCOA

RESOURCE STATEMENT

1.0 HIGHLIGHTS

A resource of 2,490,400 tonnes containing an estimated 393,000 carats of diamonds has been delineated in limited testing to date on less than 1.34 % of the surface area, on the Company's tenements on the West Coast of South Africa, of which:

- A resource of 470,880 tonnes grading at 14.8 carats of diamonds per hundred tonnes (cpht) is delineated in the Recent Emergent Terrace (RET);
- A resource of 2,019,600 tonnes grading at 16.1 cpht is delineated in the Older Unit (OU); and
- Further bulk sampling is continuing at Liebenberg Bay.

2.0 GLOBAL RESOURCE

The Directors of Namakwa Diamond Company NL (**ASX: NDC**) are pleased to announce a global resource of 2,490,400 tonnes containing an estimated 393,000 carats of diamonds has been delineated at its South African West Coast Project, following upon the successful completion, to date, of two bulk sample trenches and 5,164 metres of drilling.

These resource blocks are located at Langstrand and Liebenberg Bay (Figure 1 below) and comprise 1.34% of the 49 km² surface extent of its three South African tenements.

Table 1

Global resource estimate for the Recent Emergent Terrace (RET) and Older Unit (OU) gravels on the farms Klipley Karoo Kop 153 and Graauwduinen 152

Global Resource									
Area	RET				Older Unit				Total
	Vol (m3)	Mass (t)	Grade (Cpht)	Carats	Vol (m3)	Mass (t)	Grade (Cpht)	Carats	Carats
Liebenberg Bay	105,400	210,800	9.3	19,604	461,700	923,400	8.9	82,183	101,787
Langstrand	130,000	260,000	19.2	49,920	548,100	1,096,200	22.1	242,260	292,180
Total	235,400	470,800	14.8	69,524	1,009,800	2,019,600	16.1	324,443	393,967

3.0 RESOURCE BLOCKS

Eight resource blocks have been identified in two separate, but internally contiguous geological areas, Langstrand and Liebenberg Bay. The details of each block, including estimates of volume, tonnage, grade, contained carats and resource classification is presented in Tables 2 and 3 below. These resources will, subject to external feasibility, provide the cornerstone of Namakwa's Stage 1 mining application.

Table 2

Resource estimation and classification at Liebenberg Bay

Liebenberg Bay Mineral Resource Block Classification										
Block No	RET				Older Unit				Total Carats	Classification
	Vol (m3)	Mass (t)	Grade (cpht)	Carats	Vol (m3)	Mass (t)	Grade (cpht)	Carats		
LB 1	8,000	16,000	9.3	1,488	Absent	Absent	-	-	1,488	Inferred
LB 2	68,400	136,800	9.3	12,722	270,000	540,000	8.9	48,060	60,782	Inferred
LB 3	13,000	26,000	9.3	2,418	78,300	156,600	8.9	13,937	16,355	Indicated
LB 4	16,000	32,000	9.3	2,976	113,400	226,800	8.9	20,185	23,161	Inferred
Total	105,400	210,800		19,604	461,700	923,400		82,183	101,787	

Table 3

Resource estimation and classification at Langstrand

Langstrand Mineral Resource Block Classification										
Block No	RET				Older Unit				Total Carats	Classification
	Vol (m3)	Mass (t)	Grade (cpht)	Carats	Vol (m3)	Mass (t)	Grade (cpht)	Carats		
LS 1	42,500	85,000	19.2	16,320	48,000	96,000	22.1	21,216	37,536	Inferred
LS 2	57,500	115,000	19.2	22,080	405,000	810,000	22.1	179,010	201,090	Inferred
LS 3	10,000	20,000	19.2	3,840	60,000	120,000	22.1	26,520	30,360	Indicated
LS 4	20,000	40,000	19.2	7,680	35,100	70,200	22.1	15,514	23,194	Inferred
Total	130,000	260,000		49,920	548,100	1,096,200		242,260	292,180	

At both Langstrand and Liebenberg Bay the targeted gravel horizons, the Recent Emergent Terrace (RET) and the Older Unit (OU) are significantly mineralised and have demonstrated geological continuity, established during grid based reverse circulation (RC) drilling. Grade at inferred and or indicated resource status has been established by bulk sampling. Indicated status is accorded to blocks directly proximal to completed bulk sampling.

Namakwa has commenced bulk sample KKT5R at Liebenberg Bay to upgrade the resource status of blocks located there.

4.0 MODIFYING AND MATERIAL FACTORS

4.1 Geology

Namakwa has identified and sampled two mineralised diamond bearing horizons on two of its three tenements on its West Coast Project. On both farms Graauwduinen 152 (PP 26/2000) and Klipvley Karoo Kop 153 (PP19/2000), these are the "Recent Emergent Terrace" (RET) and the "Older Unit" (OU).

The Older Unit (OU) has two sub-facies which have been reported as the Older Boulder Facies (OBF) and Older Sandy Facies (OSF) in previous ASX announcements.

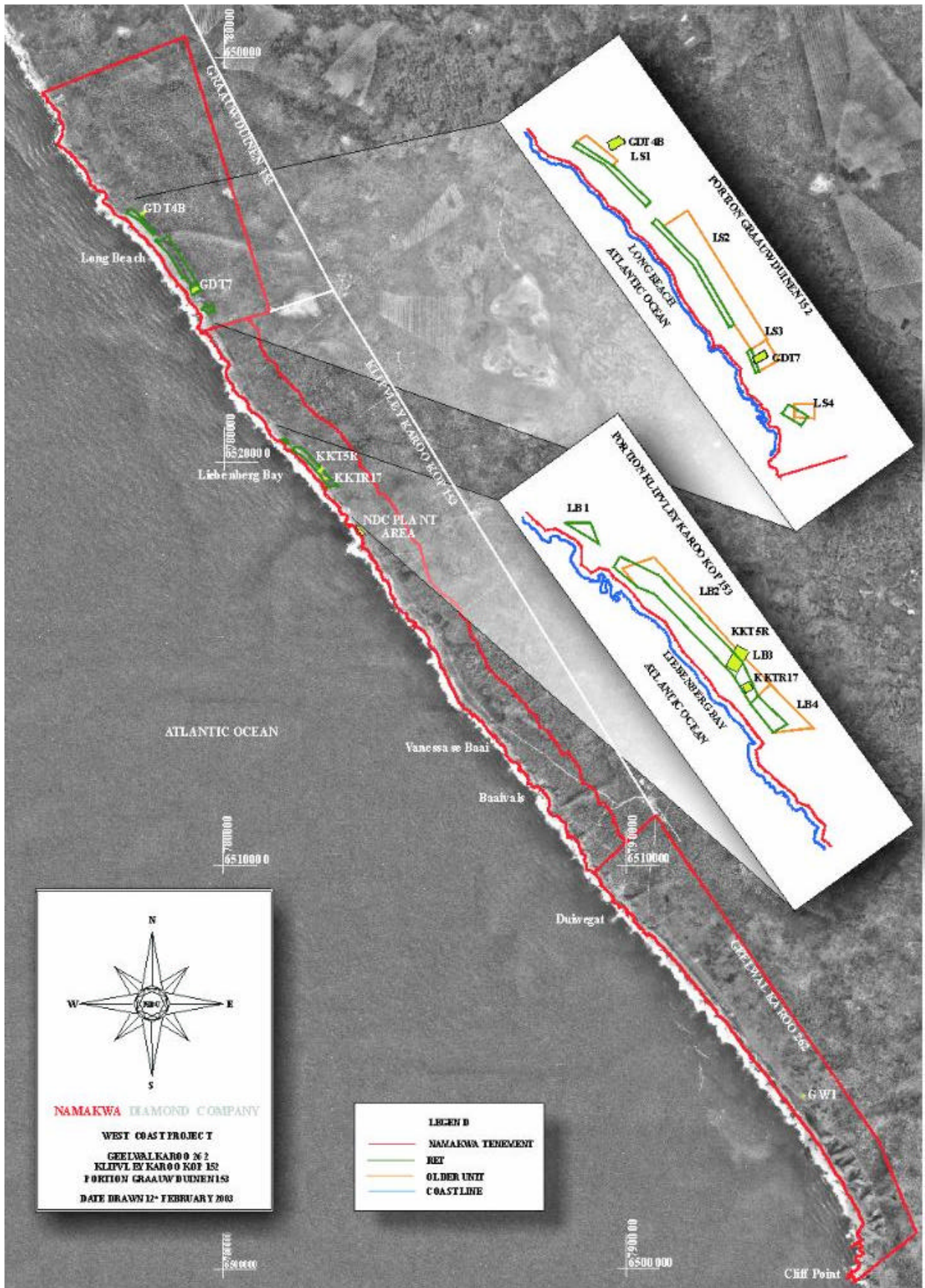
The RET, which is the geologically younger of the two horizons, overlies, onlaps and transgresses the OU. Both are marine palaeoplacer nearshore and beach deposits. An older, channelised stratigraphy is preserved beneath the OU which is as yet unsampled and one channel is partly delineated.

These marine palaeo-placer deposits are characterised by the presence of diamonds in the matrix between gravel boulders as well as on the bottom contact of the gravel horizon. The bottom contact draps bedrock, within which rills, joints, potholes and larger gullies provide trap sites and areas of elevated diamond concentration.

At Liebenberg Bay the OU is underlain by bedrock and older channelised features. At this location the RET overlies the OU in places and where the OU is absent overlies bedrock directly. At Langstrand the OU overlies bedrock directly. Here the RET overlies the OU and in places overlies bedrock. The presence of trap sites is a critical determinant of grade and the relative local prevalence (or absence) of trap sites can materially change grade projections.

Figure 1

Position of resource blocks on Namakwa's West Coast Project Tenements



4.2 Drilling

Resource blocks at Langstrand and Liebenberg Bay have been defined by high definition Reverse Circulation (RC) drilling.

At Liebenberg Bay, 70 drill holes, on 17 sections demonstrated the continuity (or otherwise) of geology and the target horizons across the four resource blocks. These sections are 100m apart and drill hole spacing within each section is at 25m intervals

At Langstrand, 69 drill holes, on 23 sections demonstrated the continuity of geology and the target horizons across the blocks. The sections are 150m apart and drill hole spacing within each section ranges from 50-100m.

4.3 Strip ratios and reported gravel horizon thickness

At Liebenberg Bay the RET resource blocks have strip ratios of 2:1 and the OU a ratio of 6:1. The OU is not present at the base of block LB1. At Langstrand the RET blocks have strip ratios of 2:1 and the OU ratios of 10:1. These are well within estimates provided in Namakwa's initial prospectus. Strip ratios are the estimate of the ratio of barren overburden to mineralised gravel for each target gravel, per resource block.

Mineralisation grades within Liebenberg Bay were initially reported over intersected geological vertical thickness and these were all in the order of less than half a metre. These were the results from trench R17. Mineralisation width at Langstrand has averaged 1m in both the RET and OU. Consequently in situ geological grades in trench R17 have been re-calculated over 1m to provide a standardised method of calculating volumes, tonnages, strip ratios and grade, across all the resource blocks.

4.4 Sampling Process

Target gravels are excavated, sub sampled in geologically consistent horizons and transported to Namakwa's processing plant located on Klipvley Karoo Kop. Grades are established by bulk sampling. In the case of Langstrand this was in trench GDT07, completed in December 2002 and reported finally in January, 2003. At Liebenberg Bay grades were established in trench R 17. Given that R 17 is a smaller trench than GDT07, Namakwa has commenced trench KKT5R at this location to confirm, with a larger bulk sample the grades identified in R 17.

Processing is by size screening and separation by Dense Media Separation (DMS). Sample feed is scalped at + 80 mm, to remove oversize boulders. The - 80 mm feed is fed to a scrubber from which a -16mm to + 1.25mm size fraction is liberated and fed to a DMS circuit. The dense media (Ferro-silica) feed to the DMS cyclone separates by gravity. DMS concentrate is transported to the sort house where diamonds are recovered from the concentrate by Flow Sort X-ray separation and final hand sort. The DMS circuit is subject to daily audit and efficiencies of separation calculated. Both the DMS circuit and Sort House processes are subject to regular and periodic independent metallurgical audit.

4.5 Valuation

Valuation of the value of diamond rough recovered in bulk sampling is occurring concurrently and will be subject to a separate announcement.

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 cpht. The run of mine diamond values ranged between US\$80 and US\$220 per carat.

4.6 Permit Status

These resource blocks are located on tenements over which the Company holds valid prospecting permits.

The Langstrand resource blocks are located on farm Graauwduinen 152 over which Namakwa holds Prospecting Permit PP 26/2000, valid to 26 October 2005. This prospecting permit is a first issue and subject to subsequent renewals

The Liebenberg Bay resource blocks are located on farm Klipvley Karoo Kop 153 over which Namakwa holds Prospecting Permit PP 19/2000 valid to 20 June 2003. This prospecting permit is a first issue and subject to subsequent renewals

These prospecting permits were issued in terms of the Minerals Act, 1991 (Act 50 of 1991) and its regulations which have been superseded by the Minerals and Petroleum Resources Development Act, 2002 (Act 28 of 2002) and its regulations. Schedule II of the latter Act, entitled Transitional Arrangements, can be construed to apply to these tenements.

The geological information contained in this release has been compiled by Albert George Thamm, M.Sc., FSEG., M.Aus.IMM, who is a Competent Person as defined by the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves ("JORC Code") and is included in this release with his consent.

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