

11,098 DIAMONDS RECOVERED FROM BULK SAMPLING

HIGHLIGHTS

- ◆ Excellent results continue to be received from bulk sampling trenches at Namakwa Diamond Project, South Africa.
 - ◆ Largest diamond recovered at 14.89 carats – previous largest 3.64 carats. This diamond was recovered from trench GDT07.
 - ◆ 11,098 diamonds and 1,070 carats have been recovered since commissioning in May 2002.
 - ◆ Trench GDT07 has yielded 8,443 diamonds and 874 carats, thus far.
 - ◆ Grade results are impressive from trench GDT07 and are currently 22.08 cpht in the Recent Emergent Terrace (RET) and 16.76 cpht in the Older Basal Facies (OBF).
 - ◆ Size analysis of the recovered rough indicates 10% of the carats in the RET are greater than 0.6 carats per stone in GDT07, an estimated 20% of the carats from the OBF are greater than 0.5 carats per stone and 10% are greater than 1 carat per stone.
 - ◆ Sampling to date confirms the existence of a new gravel unit with high grades and larger average diamond sizes.
 - ◆ Trench GDT07 reconfigured within approved limits to extract additional sample with approximately 53% of the sample still to be processed through the HMS Plant.
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BULK SAMPLING PROGRAM – NAMAKWA DIAMOND PROJECT

Namakwa Diamond Company NL (ASX: NDC) is pleased to announce an update on its bulk sampling program at the Namakwa Diamond Project on South Africa's West Coast. Namakwa is currently processing samples from exploration trench GDT07, located approximately 10 kilometres north of trench R17.

To date, 11,098 diamonds and 1,069.80 carats have been recovered in sampling operations. Sampling continues to focus on the Recent Emergent Terrace (RET) and the Older Boulder Facies (OBF), both of which have been yielding outstanding grades.

Table 1

Number of Carats and Stones Recovered from Sampling Operations

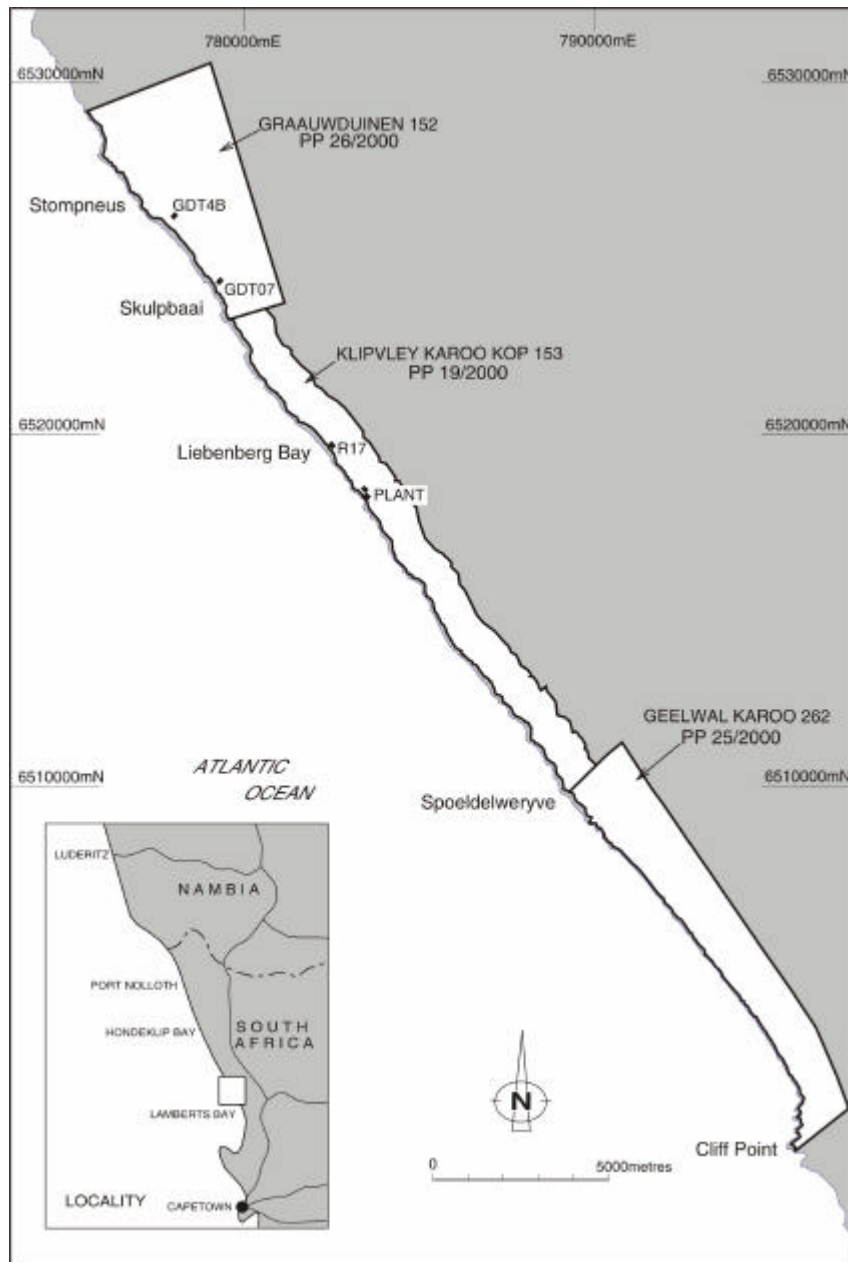
SAMPLE	CARATS	NUMBER OF DIAMONDS
GDT07	873.55	8,443
R17	54.79	552
GDT04	13.25	187
OTHER**	128.21	1,916
TOTAL	1,069.80	11,098

**Other include:

- (1) Carats recovered from samples not processed by the previous vendor (126.44 carats)
- (2) Carats recovered from plant and sort-house clean up (1.47 carats)
- (3) Small volumes uncovered from gravels unearthed during civils excavation (0.3 carats)

Figure 1

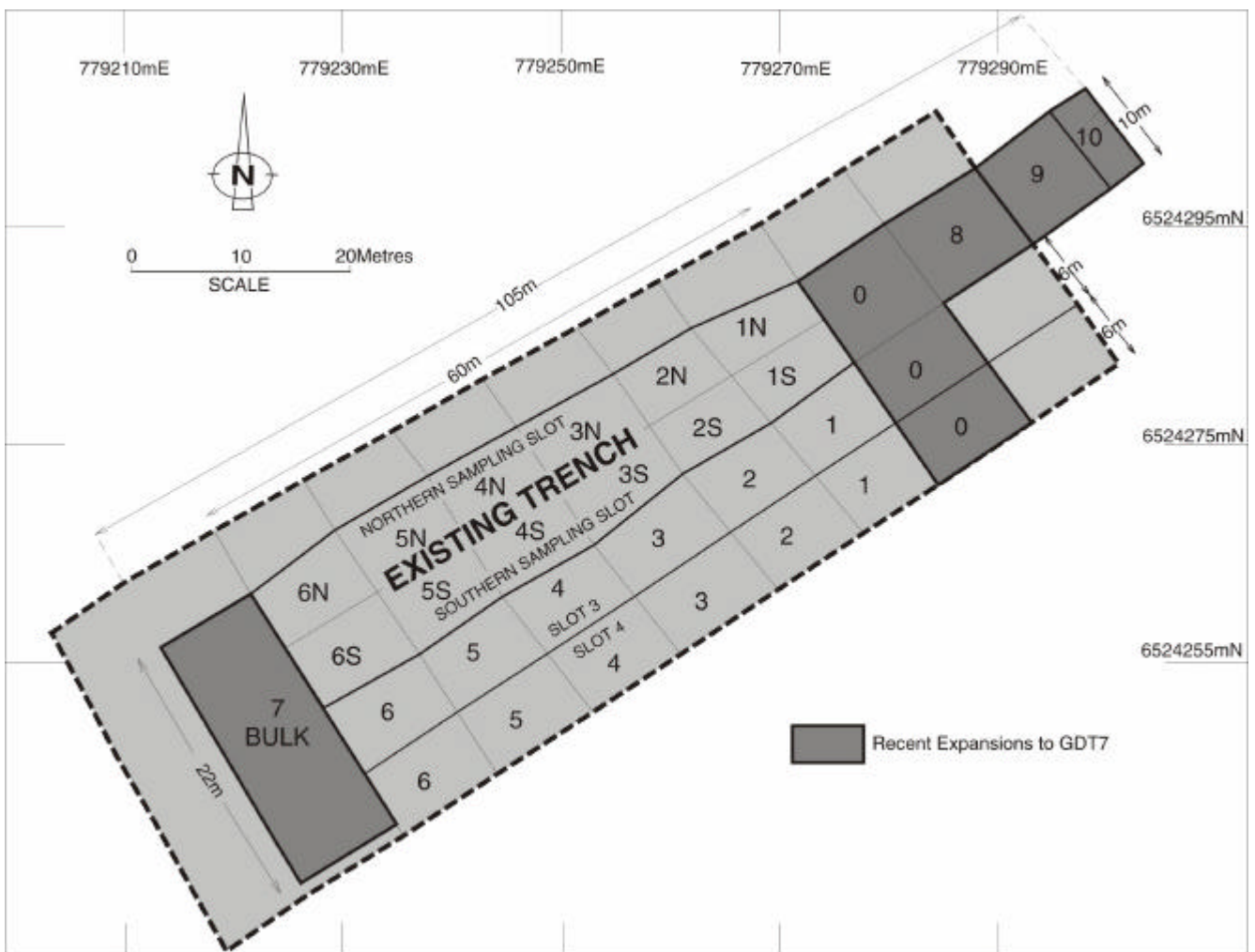
Location of Namakwa's West Coast Tenements



Given the excellent results achieved to date, additional sampling will be undertaken in trench GDT07. Sampling terminated in strong grade at the limits of the initial trench footprint and it has been decided that additional panels be excavated and processed.

Sampling positions 0, 8, 9 and 10 will test landward extensions of the Older Boulder Facies beneath overburden and the 30m Package, across the two northern-most sampling slots. The 7 Bulk Sample will test both the RET and the OBF mineralised gravel, across all four sampling slots.

Figure 2
Plan View of Trench GDT07



The RET directly overlies and onlaps the OBF in the 7 Bulk Sample.

To date, 47% of the 6,399 bcm (bank cubic metres) of sample excavated from GDT07 has been processed.

GTD07 Geological Grade

No additional sample has been processed from the Recent Emergent Terrace (RET) subsequent to the last announcement. Two samples from the 30m Package, one from the Older Sandy Facies (OSF) and 14 from the Older Boulder Facies (OBF) have been processed to completion. The indicated geological grade in the RET has remained at 22.08 cpht and the grade in the OBF is 16.67 cpht. The total sample processed is estimated at 7,182 geological tonnes.

The largest diamond recovered to date, at 14.89 carats and described as white to off white and of gem quality, has been recovered from the OBF in this trench. This diamond appears to be a fragment of a larger octahedral diamond.

Table 2

Progressive and Cumulative Geological Grades in GTD07

Geology	SG	Volume (bcm)	Geological Tonnes**	Mineralised Thickness (m)	Total Carats	Geological Grade (cpht)	Largest Stone (carat)	Overburden Thickness (m)*
Recent Emergent Terrace (RET)	2.05	471	965	0.99	213.09	22.08	3.64	4.7
30m Package (30m)	2	140	280	0.96	1.81	0.65	0.26	2.0
Older Sand Facies (OSF)	2	787	1,573	0.91	49.32	3.14	1.87	7.5
Older Boulder Facies (OBF)	2	1,272	2,543	0.93	426.18	16.76	14.89	7.8
Bulked*(Bkd)		885	1,770	2.69	183.15	10.35	3.16	5.3
ALL SAMPLES		3,554	7,132		873.55			

Notes:

* Overburden thickness – average thickness to surface above mineralised horizon.

** Geological tonnes – volumes measured by survey, SG by weigh bridge.

+ Includes D, E, F and G horizons and internal waste, samples as separate slot.

GDT Raw Sampling Data

Results not previously announced have a 'Y' description in the right hand column of Table 3, below. Two samples from the Recent Emergent Terrace (RET), one from the Older Sandy Facies (OSF) and 14 from the Older Boulder Facies (OBF) are additional to results previously reported. Sampling operations on trench GTD07 has recovered 873.55 carats from 8,443 stones.

Table 3

Sample Recovery Data from Trench GDT07
(samples not reported before are flagged (Y) in the right hand column)

Geology	Sample Number	Plant Tonnes Scrubber Feed (tonnes)	Carats Recovered (cts)	Number of Diamonds (stones)	Average Size (cts)	Largest Stone (cts)	Recovered Plant Grade (cpht)	
SLOT 1								
30m Package	1D	57.2	0.57	7	0.08	0.26	1.00	
30m Package	2D	71.3	0.23	5	0.05	0.07	0.32	Y
30m Package	3D	64.3	1.01	15	0.07	0.10	1.57	Y
RET	4G	99.3	2.56	45	0.06	0.09	2.58	
RET	5G	81.2	19.63	293	0.07	0.19	24.17	
RET	6G	112.6	67.82	965	0.07	1.17	60.23	
OSF	1E	124.7	2.36	23	0.10	1.00	1.89	
OSF	2E	128.4	2.40	26	0.09	0.38	1.87	
OSF	3E	94.4	0.80	13	0.06	0.08	0.85	
OSF	4E	55.0	2.00	10	0.20	1.29	3.64	
OSF	5E	52.6	3.52	38	0.09	0.16	6.69	
OSF	6E	58.5	14.20	184	0.08	0.70	24.27	
OBF	1F	87.3	39.67	241	0.16	2.41	45.44	
OBF	2F	36.0	6.34	43	0.15	1.49	17.61	
OBF	3F	63.2	1.90	22	0.09	0.42	3.01	
OBF	4F	72.4	1.26	17	0.07	0.10	1.74	
OBF	5F	25.2	2.76	25	0.11	0.90	10.95	
OBF	6F	29.9	7.88	81	0.10	1.00	26.35	
OBF	1FS	31.0	8.56	70	0.12	1.01	27.61	
OBF	2FS	14.3	2.46	22	0.11	0.31	17.20	
OBF	3FS	16.9	1.89	19	0.10	0.31	11.18	
OBF	4FS	8.3	3.56	27	0.13	0.75	42.89	Y
OBF	5FS	11.8	2.54	28	0.09	0.27	21.53	
OBF	6FS	8.1	1.04	11	0.09	0.41	12.84	
Sub Total		1,403.9	196.96	2,230	0.09	2.41		
SLOT 2								
Bulked	1B	246.9	11.66	123	0.09	0.59	4.72	
Bulked	2B	269.6	26.49	197	0.13	0.93	9.83	
Bulked	3B	268.0	15.59	106	0.15	3.16	5.82	
Bulked	4B	306.0	7.04	88	0.08	0.65	2.30	
Bulked	5B	289.1	39.85	510	0.08	1.59	13.78	
Bulked	6B	253.1	82.52	1,014	0.08	1.33	32.60	
OBF	1FS	22.7	4.12	12	0.34	0.98	18.15	
OBF	2FS	22.5	5.47	29	0.19	1.25	24.31	
OBF	3FS	11.1	1.72	13	0.13	0.63	15.50	
OBF	4FS	28.8	7.68	50	0.15	0.70	26.67	
OBF	5FS	20.6	1.45	15	0.10	0.23	7.04	
OBF	6FS	22.1	1.16	18	0.06	0.14	5.23	
OBF	0F 1&2	279.1	47.26	275	0.17	14.89	16.93	Y
Sub Total		2,039.7	252.01	2,450	0.10	14.89		
SLOT 3								
RET	4G	37.1	3.11	36	0.09	0.93	8.38	
RET	5G	65.5	23.08	295	0.08	0.62	35.24	
RET	6G	113.2	41.95	442	0.09	1.42	37.06	
OSF	0E	236.0	4.63	62	0.07	0.23	1.96	Y
OSF	3E	127.0	0.36	8	0.05	0.10	0.28	
OSF	5E	94.9	3.58	47	0.08	0.35	3.77	
OSF	6E	65.4	6.02	46	0.13	0.74	9.20	
OBF	0F	98.5	6.89	63	0.11	0.65	6.99	Y
OBF	2F	143.2	36.28	288	0.13	1.43	25.34	
OBF	3F	142.3	20.06	168	0.12	0.95	14.10	Y
OBF	4F	49.8	5.01	38	0.13	0.13	10.06	Y
OBF	5F	103.3	15.61	126	0.12	1.03	15.11	
OBF	6F	99.9	15.68	112	0.14	1.88	15.70	
OBF	0FS	7.2	0.92	11	0.08	0.21	12.78	Y
OBF	1FS	32.7	1.77	12	0.15	0.43	5.41	Y
OBF	2FS	7.3	2.80	24	0.12	0.45	38.36	Y
OBF	3FS	24.1	10.73	63	0.17	1.33	44.52	Y
OBF	4FS	12.8	5.50	33	0.17	1.40	42.97	Y
OBS	6FS	10.9	0.36	3	0.12	0.19	3.30	Y
Sub Total		1,471.1	204.34	1,877	0.11	1.88		

Geology	Sample Number	Plant Tonnes Scrubber Feed (tonnes)	Carats Recovered (cts)	Number of Diamonds (stones)	Average Size (cts)	Largest Stone (cts)	Recovered Plant Grade (cpht)	
SLOT 4								
RET	4G	42.3	2.76	42	0.07	0.07	6.52	
RET	5G	66.4	16.82	222	0.08	0.08	25.33	
RET	6G	125.3	35.36	288	0.12	3.64	28.22	
OSF	1E	166.0	2.90	16	0.18	1.87	1.75	
OSF	2E	160.0	2.50	25	0.10	1.25	1.56	
OSF	5E	74.0	1.79	22	0.08	0.18	2.42	
OSF	6E	34.0	2.26	22	0.10	0.45	6.65	
OBF	1F	258.0	17.63	162	0.11	1.41	6.83	Y
OBF	2F	263.8	40.75	294	0.14	2.86	15.45	Y
OBF	3F	183.1	39.26	280	0.14	2.47	21.44	
OBF	4F	88.8	18.97	151	0.13	1.71	21.36	
OBF	5F	97.5	14.57	149	0.10	1.05	14.94	
OBF	6F	79.9	21.85	183	0.12	1.37	27.35	
OBF	0FS	7.3	0.10	2	0.05	0.05	1.37	Y
OBF	1FS	22.2	0.65	6	0.11	0.10	2.93	Y
OBF	2FS	7.3	0.03	1	0.03	0.03	0.41	Y
OBF	4FS	10.9	0.91	10	0.09	0.10	8.35	Y
OBF	5FS	8.8	0.31	5	0.06	0.13	3.52	Y
OBF	6FS	8.9	0.82	6	0.14	0.39	9.21	Y
Sub Total		1,704.5	220.24	1,886	0.12	3.64		
TOTAL			873.60	8,443	0.10	14.89		

GDT07 Stone Size Distribution

Fundamental to any bulk sampling and project evaluation is an estimation of the value of the diamonds recovered. Value is a function of the relative proportions of different sizes of stones, estimated as carats per standard industry sieve-size fractions. Namakwa's rough production is expected to be 95% gem quality.

Namakwa has recovered sufficient rough sample to begin estimates of the relative proportion of stones in different size classes. The RET has a distinct and different stone size distribution from the OBF. The OBF contains a larger proportion of larger stone sizes. Size analysis of the recovered rough indicates 10% of the carats in the RET are greater than 0.6 carats per stone in GDT07. An estimated 20% of the carats from the OBF are greater than 0.5 carats per stone and 10% of the carats are greater than 1 carat per stone. The largest stones recovered from the RET and the OBF are 3.64 carats and 14.89 carats, respectively.

Namakwa will have a formal independent valuation undertaken of its diamonds once a representative parcel (+1,000 cts) is available. Namakwa expects the diamond size distribution to translate into an average value of between USD100 and USD120 per carat.

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 and Orange Rivers. Namakwa's Concessions are located just north of the mouth of the Olifants River.

Namakwa's objective is to develop a profitable mining operation based on placer beach diamond deposits within its tenements.

The geological information contained in this release has been compiled by Albert George Thamm, M.Sc., 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.

ENDS

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