NATIONAL INSTRUMENT 43-101
TECHNICAL REPORT
prepared on
DIAMOND EXPLORATION PROPERTIES
in
LIBERIA and SIERRA LEONE
for
STELLAR DIAMONDS LIMITED
PANMURE GORDON (UK) LIMITED
and
GMP SECURITIES EUROPE LLP

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1.0 SUMMARY

Stellar Diamonds Limited ("Stellar"), a company incorporated in Guernsey, British Isles, holds a number of mineral exploration properties in the West African Republics of Liberia and Sierra Leone. The properties were formerly held by Mano River Resources Inc., ("Mano") until June 2007 when the board of Mano executed a strategic plan to separate the company's gold and other non-diamond assets from its diamond assets, and place the latter in Stellar Diamonds Limited. Mano retains the first right to purchase or option at fair market value any non-diamond assets on Stellars'properties.

This report sets out to describe Stellar's diamond assets in the manner required by the Canadian Securities Administrators National Instrument (NI) 43-101, Standards of Disclosure for Mineral Projects and complies with Form 43-101F1, "Technical Report". This report also conforms to the March 2006 guidance notes for mining, oil and gas companies prepared by the London Stock Exchange, Alternative Investment Market (AIM).

The board of Stellar wishes to raise funds for the company's projects by means of an initial public offering (IPO) and will seek admission to the AIM market of the London Stock Exchange. The company's nominated advisor for the AIM admission application is Panmure Gordon (UK) Limited, to whom this report is also addressed.

1.1. Properties

Stellar holds its properties in the two countries through local subsidiaries, which are now indirectly owned and controlled by Stellar rather than Mano. Many of the properties are subject to joint venture agreements, as described below.

The diamond properties described in this report cover a total area of 5,087 km^2, of which 4,459 km^2 are in Liberia and 628 km^2 in Sierra Leone (Figure 1). They comprise a portfolio ranging from early stage exploration projects to two projects, Kono and Weasua, which are at the bulk sampling stage. There are convincing indications of undiscovered kimberlite bodies on all of the properties.

Stellar has its main West African office and laboratory in Monrovia, Liberia. Land holdings by country are summarized in Tables 1-1 and 1-2 below.

Stellar's exploration programs in Liberia and Sierra Leone are for kimberlitic (primary) diamond deposits only. However all of the properties have historical or current alluvial diamond production by artisanal miners.

1.2. Geology

The Stellar properties lie within the Man Craton of West Africa and have the stable, cool, cratonic setting traditionally regarded as favorable for diamondiferous kimberlite. Known kimberlites within the Man Craton are the Banankoro, Bouro and Droujba clusters in southeastern Guinea, the Koidu and Tongo clusters in Sierra Leone, and the

Weasua, Kumgbo and Mano Godua clusters of western Liberia (Skinner et al 2004). Of these, the Weasua kimberlites were discovered by Mano in 2000.

Age provinces within the eastern Man Craton trend NNE-SSW and young from west to east. The oldest province, in Sierra Leone, is the Leonean (2.95 – 3.2 Ga), succeeded by the Liberian (~2.7 Ga) and the Eburnean (~2.0 Ga). All of the Stellar concessions lie in Leonean or Liberian terrain. The Leonean/Liberian rocks consist of tonalite-trondhjemite granodiorite gneisses which underlie about 65% of the area, and enclose greenstone belt relics and metasedimentary rocks including schists, iron formations, quartzites, plus ultramafic and amphibolite schists. The margins of the greenstone belts are intruded by younger (~2.7 – 2.8 Ga) granites. The Leonean rocks make up typical Archaean granite – greenstone terrain. The Liberian rocks display very high metamorphic grades (up to granulite facies) and are typical of Neoarchaean mobile belts. A Pan-African age (~550 Ma) mobile belt trends parallel to the coast in Sierra Leone and Liberia, truncating the older rocks (Tysdal & Thorman 1983).

Ages of the Man Craton kimberlites vary. Those in Guinea and Sierra Leone are of Jurassic age, with the Koidu kimberlites being dated at 146 Ma. Three of the Weasua kimberlites in Liberia have recently been dated at ~800 Ma (Skinner et al *op cit*), whilst the age of other kimberlites in Liberia remains unknown.

1.3. History

Diamonds were first found in West Africa early in the 20th century. The British Geological Survey discovered diamonds in the Koidu area, Sierra Leone, in 1930 and diamonds were found in the Weasua area, Liberia, in the 1950s. Historical diamond production is difficult to quantify due to long periods during which few records were kept. However total historical production from Sierra Leone is officially 50 million carats and the true figure may be nearly double this. Diamonds from Sierra Leone are known for their very high quality, and between 1965 and 1975 the country produced 25% of the world's diamonds by value. Historically, diamonds from Liberia have had a slightly lower value.

With the exception of the Koidu pipes in Sierra Leone, all historical West African diamond production has been alluvial, and much of it artisanal. All current production in Liberia is by artisans, but modern mechanized mining is taking place in Sierra Leone.

Diamond exploration in Liberia and Sierra Leone was severely affected by civil wars in both countries. Mano's exploration programs in Sierra Leone were at a standstill from 1998 until 2002, during which time the concessions were placed under *force majeure*. In Liberia, no exploration took place during 2002, 2003 and 2004 due to civil conflict. Both countries are now returning to normality, and exploration by both major and junior companies has resumed.

In 2006 Sierra Leone officially exported 603,566 carats worth USD125.304,842 - an average value of USD207.61/ct. The United Nations placed a ban on diamond exports from Liberia between 2001 and 2007. However since July 2007 Liberia is compliant

with the Kimberley Process Certification Scheme and legal diamond exports resumed in September 2007 with the export of a parcel of 2,253 carats worth USD225,597, *i.e.* approximately USD100/ct.

1.4. Diamond Exploration by Stellar

1.4.1 The Weasua Diamond Project, Liberia (Stellar 50%)

This is Stellar's most advanced project in Liberia, consisting of an area of 200 km^2 around the village of Weasua, Lofa County, under the Kpo Range Mineral Development Agreement (MDA) which was signed in November 2001. In June 2002, Mano signed a Heads of Agreement with the Trans Hex Group Ltd ("THG") for a joint venture over the Kpo Range MDA whereby Trans Hex would spend USD2M in exploration and bulk sampling over a two year period to earn a 50% interest in the project. Due to security concerns, the joint venture agreement could only come into effect from January 2005, and was fully ratified in October 2006.

The Weasua kimberlites are a previously unknown cluster discovered by Mano in 2000 - 2001, a remarkable early exploration success for the company. The area was selected in 1998 based on its history of alluvial diamond mining. Reconnaissance work by Mano noted that artisanal mining was taking place along a number of tributaries of the Lofa River where the gravels being worked were angular, poorly sorted and thus locally derived. It was postulated that the diamonds were therefore from a local, unknown, source.

From May to September 2000, stream sediment samples were collected from around the village of Weasua. Many samples returned high counts of kimberlitic chromite, accompanied by garnet and chrome diopside. The chemical composition of these minerals was compatible with their derivation from diamond bearing kimberlites. During follow up of some of these high interest anomalies, kimberlite (K001) was found outcropping in the Weagbu stream, east of Weasua, in November 2000.

Follow up stream and loam sampling resulted in the rapid discovery of four further kimberlites, with a sixth, K007, being found in 2005 after the resumption of exploration. Kimberlite K005 was shown to be material worked by artisans, or a kimberlite stringer, and is not significant. It was clear from pitting that at least four of the kimberlite bodies were pipes, not dykes, and could therefore have significant tonnage potential. All of the kimberlites discovered are ilmenite free, or nearly so. The lack of ilmenite, and relative paucity of garnet (which does not survive well in the tropical environment), may explain why the kimberlites were not found by earlier explorers, notably De Beers. Chromite, the most abundant indicator mineral in the Weasua kimberlites, was only recognized as an important kimberlite indicator after De Beers had explored western Liberia.

Table 1-1
Stellar Diamonds Ltd. Summary of Mineral Assets in Liberia

Concession Name	Concession Type	Concession holder	Stellar's interest, 28 April 2008[1]	Status	Licence Expiry Date	Licence area km^2	Comments
Bea Mountains[2]	Mineral Development Agreement (MDA)	Bea Mountain Mining Corp	100%	exploration	2027	1,000	Diamond rights assigned to Stellar from Mano
Kpo Range	MDA	Kpo Resources Inc.	50%	exploration /bulk sampling	2027	200	JV with Trans Hex Group
Camp Alpha[3]	Mineral Exploration Agreement (MEA) applied for	Western Mineral Resources Corporation (WMRC)	70%	exploration		603	JV with Government of Liberia (GoL)
Kolahun North[3]	MEA applied for	WMRC	70%	exploration		397.4	JV with GoL
Ngilima[3]	MEA applied for	WMRC	70%	exploration		100.5	JV with GoL
Mbalema[3]	MEA applied for	WMRC	70%	exploration		200.9	JV with GoL
Zoi[3]	MEA applied for	WMRC	70%	exploration		974.3	JV with GoL
Golu[3]	MEA applied for	WMRC	70%	exploration		153.4	JV with GoL
Botosu[3]	MEA applied for	WMRC	70%	exploration		125.6	JV with GoL
Bakiemai[3]	MEA applied for	WMRC	70%	exploration		144.6	JV with GoL
Vahun[3]	MEA applied for	WMRC	70%	exploration		359.3	JV with GoL
North Bea	MEA	African Aura Resources Ltd	0%	exploration		200	JV with African Aura Resources
						4,459	

[1]The State of Liberia will have a 10% free carried interest in any future mining project
[2]Licence area held by Mano River
[3] area retained from former MCA (Minerals Cooperation Agreement)

Note: refer to section 4.0 for detailed explanations of the concession types for both Tables 1-1 and 1-2

Table 1-2
Stellar Diamonds Ltd. Summary of Mineral Assets in Sierra Leone

Concession Name	Concession Type	Concession holder	Stellar's interest, 28 April 2008	Status	Licence Expiry Date	Licence area km^2	Comments
Nimini	EXPL 8/07	Golden Leo Resources Ltd	49%	exploration	Aug 2009	54	JV with Petra Diamonds Ltd. Diamond rights from Nimini licence are assigned to Stellar from Mano.
Njaiama	EXPL 3/05	Basama Diamonds Ltd	49%	exploration/ bulk sampling	Feb 2009	103.5	
Yengema	EXPL 4/05	Basama Diamonds Ltd	49%	exploration/ bulk sampling	Feb 2009	103.5	
Tongo	EXPL 5/07	Sierra Diamonds (SL) Ltd	100%	exploration	Aug 2009	33.12	Funded by Stellar
Gola Forest	EXPL issued	Sierra Diamonds (SL) Ltd	100%	exploration		61	
Gorahun	EXPL 10/07	Mano Diamonds (SL) Ltd	100%	exploration	Aug 2009	30	JV partner sought
Zimmi	EXPL 11/07	Mano Diamonds (SL) Ltd	100%	exploration	Aug 2009	242.87	
						627.99	

Work by the THG joint venture started in April 2005. Four of the kimberlites have been delineated through pitting and the drilling of 33 cored boreholes which totaled 3,720 m. The inferred areas are given in Table 1-3 below. Kimberlite K004 could not be drilled because of access difficulties in the rainy season, but subsequent trenching for the bulk sample showed it to be a dyke rather than a pipe as first thought. No drilling or bulk sampling was done on pipe K006 which is small (about 80 m x 60 m) and barren of microdiamonds.

Bulk sampling of kimberlites K001, K002, K003, K004 and K007 started in May 2007 and a 5 tph (tonnes per hour) DMS (dense media separation) plant was commissioned in June. A total of 8,616 tonnes was excavated and processing of 5,000 (dry) tonnes yielded 167.54 carats, the largest diamond being 3.34 carats. A further 5.35 carats were later recovered when the DMS concentrate tailings were treated in Stellar's Monrovia laboratory. Full results are summarized in Table 1-3 below.

Although diamonds were recovered from each kimberlite sampled the grades established are considered too low to be economic under present market conditions.

The focus has now returned to exploration with the objective of discovering further diamondiferous kimberlites which may be bulk sampled in the future. Detailed loam sampling is in progress over many areas of the concession and new indicator mineral anomalies have been generated which point to yet undiscovered kimberlites in the Weasua cluster. To date 224 stream sediment samples and 3,932 loam samples have been collected. Ground electro-magnetic surveys are planned to assist in identifying drill targets.

Stellar commissioned the Liberian consultancy Earthcons Inc. to carry out an environmental scoping study on the Weasua Diamond Project and the results of this have been presented to Liberia's Environmental Protection Agency.

The joint venture partners had each spent USD2,223,124 as of 31st December 2007. A budget for the 24 months from January 2008 to December 2009 of USD684,000 (Stellar's 50% share being USD342,000) has been agreed on to complete the follow up sampling and geophysical surveys.

MPH endorses the above program which has a high probability of the discovering more kimberlite intrusions around Weasua.

1.4.2 Western Mineral Resources Corporation, retained areas from former Mineral Cooperation Agreement (MCA), Liberia (Stellar 70%)

In 2004, through its subsidiary Western Mineral Resources Corporation, Mano secured exclusive prospecting rights to 15,000 km^2 in western Liberia under a reconnaissance licence, the largest concession ever awarded in the country. The property was the subject of a Mineral Cooperation Agreement (MCA), a 70:30 participating joint venture with the Liberian Government and incorporates many areas of artisanal workings and known

kimberlite dykes. However it was essentially unexplored by modern diamond exploration techniques.

Reconnaissance stream sediment sampling started early in 2005, focusing initially on the Camp Alpha area in the southwestern part of the concession, close to the Bea Mountains MDA. First results were very encouraging, and led to the discovery of a kimberlite dyke system near the village of Camp Alpha in May 2005, only four months after the start of the exploration program. A blow of hypabyssal kimberlite, named Alpha-1, was discovered by pitting and later delineated by drilling. A second kimberlite, Alpha-2, was also discovered by pitting and determined to be a narrow dyke. An unrepresentative 95 kg pit sample of Alpha-1 returned 16 microdiamonds. Analyses of a suite of garnets recovered from Alpha-1 shows moderate diamond potential.

Table 1-3
The Weasua Diamond Project. Inferred Areas, Microdiamond (MiDA) Results and Bulk Sampling Results

Kimberlite	Inferred Area, ha	MiDA Sample wt, kg	MiDA results no. stones >100 µm	Bulk Sampling			
				Total (dry) tonnes treated	Total carats >1 mm recovered	Grade, ct/100 t	Av $/ct[1]
K001	2.5	122.33	18	500	8.85	1.77	71.06
K002 west lobe	Trilobate, 5 - 6			531	19.37	3.65	80.20
K002 central lobe		102.55	10	1,165	53.59	4.60	122.63
K002 east lobe				628	27.71	4.41	85.94
K003/1 (west)	3	185.72	16	400	7.37	1.84	77.70
K003/2 (centre)				532	9.04	1.70	173.16
K003/3 (north)				0			
K004	dyke	74.82	57	297	11.24	3.78	55.97
K006	<0.5	179.84	0	not sampled			
K007	<1	not sampled	n/a	946	30.37[2]	3.21[2]	89.47

[1] valuations by Liberian Government Valuator
[2] after re-treatment of 50 t of tailings

Stellar collected 1,223 stream samples over the greater part of the MCA (the Camp Alpha area excluded) which extended northwards towards the Guinea and Sierra Leone borders. Eight areas of interest have been identified for retention.

In April 2007 the area of the MCA was reduced by 3,450 km^2 to 11,550 km^2. The MCA expired in January 2008, and, under the terms of the original agreement, Stellar has

applied to retain a total of 3,059 km^2 under nine Mineral Exploration Agreements (MEAs) as listed in Table 1-1 above. Issuing of the MEAs is pending, but Stellar is entitled to continue exploration work in the meantime.

As of 31st December 2007, Stellar had spent a total of USD3,665,227 on the MCA, including the Camp Alpha area. The 30% equity participation of the Liberian government is currently under negotiation. A joint venture partner may be sought for continued exploration on the retained areas of the MCA during 2008 - 2009. Therefore, no budget is proposed by Stellar.

1.4.3 African Aura Resources Joint Venture Area, Liberia (Stellar 0%)

The Joint Venture agreement with African Aura Resources Ltd covers an MEA with an area of 200 km^2. This ground was once held by Mano under its original Bea Mountains exploration licence. The area was reduced from 400 km^2 to 200 km^2 in Q2 2007, in accordance with concession requirements.

No kimberlite has yet been discovered on this property, which has however been worked by artisanal miners for over 50 years. Stellar has completed stream sampling over the licence, obtaining strong ilmenite anomalies with supporting garnet. Work has focused on the historical diamond area near Camp Israel, where an 800 sample loam block has been completed with positive results. Ground electro-magnetic surveys over this block have identified four co-incident geophysical and mineralogical anomalies which may be due to kimberlite pipes, and a further six anomalies possibly due to dykes. Pitting of these targets is in progress.

Expenditure by Mano to 31st December 2007 totals USD388,741, and the joint venture commits Stellar to spending a further USD136,259 to earn a 46% interest in the project. For the period January 2008 to December 2009 Stellar has budgeted USD73,000 for soil sampling, geophysics and initial testing of kimberlites discovered.

1.4.4 Bea Mountains Mineral Development Agreement (MDA), Liberia (Stellar 100%)

The Bea Mountains MDA covers 1,000 km^2 and was awarded to Mano primarily for the exploration and mining of gold deposits. The area has seen a great deal of artisanal mining of alluvial diamonds and includes the barren Mano Godua kimberlite discovered in 1972 by a United Nations program. From May to September 2000, Mano collected stream sediment samples focused on the Mano Godua area and the Mabong and Yambasei Valleys as it was thought that there could be other, diamondiferous, kimberlites associated with the low interest Mano Godua occurrence.

Many stream samples yielded abundant kimberlitic ilmenite plus chromite and garnet. The chemistry of these mineral grains suggests they are from undiscovered, potentially diamond bearing, kimberlites. The Mabong Valley has been identified as the priority area for follow up sampling.

No work has been done on the Bea Mountains MDA post 2001. The MDA is maintained in good standing by Mano's expenditure on gold exploration.

1.4.5 Kono Project– the Lion Dykes, Sierra Leone (Stellar 49%)

The Kono properties are Stellar's most advanced project and include Exploration Licences (EXPLs) 3/05 and 4/05, situated within the long established Koidu diamond mining camp in eastern Sierra Leone. A third EXPL to the west (EXPL 8/07) is at an early exploration stage. Underground bulk sampling of kimberlite dykes is in progress, plus detailed airborne geophysics over EXPLs 03/05 and 04/05.

Stellar has mapped a number of kimberlite dykes (the Lion dykes) which were largely discovered by artisanal miners. Until now, no modern mechanized mining has taken place on these dykes. The Lion-1 dyke has been traced discontinuously for at least 5 km along strike, and Lion-5 is believed to represent the on-strike extension of the Koidu Dyke A/Pipes 1 & 2 system, the largest established hard-rock diamond resource in West Africa, currently being mined by Koidu Holdings Ltd. The total strike length of kimberlite dyke held by Stellar exceeds 17 km.

For initial evaluation, Stellar collected a total of six, one tonne, mini-bulk samples from dykes Lion-1, Lion-2, Lion-3 and Lion-5. The samples were washed by hand and concentrated by hand jigging, and diamonds picked by eye from the concentrates. These samples are qualitative only, and are too small, unrepresentative and inadequately processed to provide a reliable estimate of grade. However the work showed the Lion-1, Lion-2 and Lion-5 dykes to be significantly diamondiferous.

The property is the subject of a joint venture agreement with Petra Diamonds Ltd ("Petra"), signed in 2004, who have a proven record in dyke mining. EXPLs 3/05 and 4/05 are held by joint venture company Basama Diamonds (SL) Ltd. The terms of the joint venture obliged Petra to commit USD3M to earn a 51% interest, and these funds have now been spent through an on-going program of shaft sinking and bulk sampling. In June 2006, Petra commissioned a 75 tph DMS plant at Yengema, and commenced sinking five shafts from which bulk samples are being taken by underground development. A program of trenching selected the shaft sites. The results of Petra's work to date are summarized in Table 1-4 below. Results from the Lion-2, Lion-5 and Lion-7 dykes are very encouraging, and it has been decided to focus work on the highest grades dykes, Lion-5 and Lion-7, which are currently being developed from the Bardu and Pol-K Shafts respectively.

To date, three shipments, totaling 894.54 carats, have been exported to Petra's associate company Calibrated Diamonds (Pty) Ltd in South Africa. For the second and third shipments, which were in 2008 and totaled 854.54 carats, the Sierra Leone Government Gold and Diamond Office (GGDO) gave an average value of USD133.4/carat. As these relatively small parcels only contained one stone of >5 carats, it may reasonably be expected that larger parcels will return higher per carat valuations. Koidu Holdings Ltd, working the same dyke system, obtain average values of USD230/carat. The largest

diamond found by the joint venture so far is a 10.53 ct octahedron from Pol-K Shaft, which was valued at $31,211 ($2,964 per carat).

Stellar is now contributing to maintain its 49% interest in the project and total expenditure by Stellar including pre-joint venture costs and *pro-rata* joint venture costs up until 31st December 2007 is USD5,232,308. It is expected that sales of diamonds from the project will begin in July 2008. Stellar's 24 month budget for January 2008 – December 2009 is USD814,314 (49% of costs) which is net of anticipated income from diamond sales.

Table 1-4
Bulk Sampling of the Lion Dykes as of 18 March 2008

Dyke	Shaft	Depth	Development, meters	Total tonnes hoisted	In-situ kimberlite tonnes	total carats >1 mm	ct/100t
Lion-2	Bakarr	31.7 m	Shaft mothballed	499	208	67.96	32.7
Lion-3	Black Rock	30 m	38 m (to NE only). Shaft mothballed.	783	34	8.7	25.6
Lion-5	Lost Shaft	30 m	80 m. Shaft mothballed.	1,277	190	16.15	8.5
Lion 5	Bardu	30 m	Shaft sinking	457	76.8	60.05	78.2
Lion-5	Bardu	45 m[1]	development SW – 12.8 m NE – 18.2 m	290	100.3	67.62	67.4
Lion-7	Pol-K	65 m[1]	development SW – 105.4 m NE – 74 m Stoping SW – 25 m NE – 28 m	2,046	863.6	559.35	64.7

[1] shaft depths are as of date of report, 28th April 2008

The bulk sampling work is expected to pass seamlessly into a production operation. The present infrastructure could support stoping on two levels (60 m and 90 m) in two shafts, which would produce approximately 11,200 run-of mine tonnes per month.

In the opinion of MPH, the development work at Bardu and Pol-K Shafts has defined an inferred resource as given in Table 1-5 below. The limits of the inferred resource have been taken 60 m beyond the last sampling points in both lateral directions and downwards. A speculative exploration target, which is conceptual at present, has been calculated assuming a total strike length on the dykes of 5 km and downwards continuity to 300 m. It is emphasized that there has been insufficient exploration to define a mineral resource within the speculative target, and it is uncertain whether ongoing exploration will be successful in delineating any resource.

Table 1-5
Kono Project. Summary of Inferred Resource and Speculative Exploration Target, Exploration 03/05 and 04/05

SUMMARY OF INFERRED RESOURCE[1]

	Gross						Net attributable			
Target	dyke strike length, m	depth, m	in-situ kimberlite width, m	tonnes @ SG of 2.65 nearest 1,000t	approx. grade, ct/t (>1 mm)[2]	contained carats nearest 100ct	tonnes nearest 100t	approx. grade, ct/t (>1 mm)	contained carats, nearest 100ct	Operator
Lion 7 (Pol-K Shaft)	320	95	0.6	48,000	0.65	31,200	23,500	0.65	15,300	Petra
Lion 5 (Bardu Shaft)	150	95	0.9	34,000	0.67	22,780	16,700	0.67	11,200	Petra
Estimates				82,000		53,980	40,200		26,500	

[1] as defined by the SAMREC code, 2000. The strike lengths given are based on limited underground development, projected by 60 m beyond the present workings.
[2] grades are based on the results from underground development.

SPECULATIVE EXPLORATION TARGETS[3]

	Gross						Net attributable			
Target	Assumed dyke strike length, m	assumed depth, m	assumed in-situ kimberlite width, m	tonnes @ SG of 2.65 nearest 1,000t	assumed grade, ct/t (>1 mm)	contained carats nearest 100ct	tonnes, nearest 100t	assumed grade, ct/t (>1 mm)	contained carats, nearest 100ct	comment
Lion 7 (Pol-K Shaft)	1,000	200	0.6	270,000	0.65	175,500	132,300	0.65	86,000	conservative
	2,500	**300**	**0.6**	**1,144,000**	**0.65**	**743,600**	**560,600**	**0.65**	**364,400**	**preferred**
	5,000	300	0.6	2,337,000	0.65	1,519,100	1,145,100	0.65	744,400	optimistic
Lion 5 (Bardu Shaft)	1,000	200	0.9	443,000	0.67	296,800	217,100	0.67	145,400	conservative
	2,500	**300**	**0.9**	**1,755,000**	**0.67**	**1,175,900**	**859,900**	**0.67**	**576,200**	**preferred**
	5,000	300	0.9	3,544,000	0.67	2,374,500	1,736,600	0.67	1,163,500	optimistic

[3] the potential tonnage and grade is conceptual in nature, as there has been insufficient exploration to define a mineral resource. It is uncertain whether further exploration will result in the target being delineated as a mineral resource. The speculative exploration target is based on locations of artisan workings and remote sensing interpretation.

Stellar has carried out stream and loam sampling in an attempt to find further kimberlite, and the JV has engaged Fugro Airborne Geophysics to carry out an airborne magnetic and electro-magnetic survey over the licence areas in an attempt to locate pipes or blows.

1.4.6 Tongo, Sierra Leone (Stellar 100%)

In 2004 Mano, through its local subsidiary Sierra Diamonds (SL) Ltd., secured a 9,700 km^2 concession termed the Regional Exclusive Prospecting Licence (REPL) in eastern Sierra Leone which covered many areas of artisanal diamond workings for which there are no known primary sources. Shortly after the Licence was granted, Mano signed a joint venture agreement with BHP-Billiton Worldwide Exploration Inc. ("BHP-B") by means of which BHP-B could earn a 51% interest in the REPL through an expenditure of USD3.4M over three years.

The REPL expired in 2006, and Stellar retained four areas of interest for further work – named Tongo, Gola Forest, Gorahun and Zimmi (Figure 1). Applications for EXPLs were made over these areas. BHP-Billiton elected to continue funding of the Tongo and Gola Forest areas, whilst Stellar decided to proceed alone with Gorahun and Zimmi.

In May 2007 Stellar and BHP-B amended the joint venture terms to give BHP-B a time extension of 18 months in which to reach the USD3.4M expenditure needed to earn its 51% interest in Gola Forest and Tongo. However in March 2008, BHP-B elected to withdraw from the joint venture, having spent just under USD3.4M, and thus retains no equity and lost its rights to any royalties on future diamond sales. Since the departure of BHP-B, Stellar has funded work at Tongo and Gold Forest.

The Tongo Property, EXPL 5/07, lies on the eastern extension of the well known diamondiferous Tongo dykes. Four dykes, named Dyke 1 to Dyke 4, with thicknesses varying from a few centimeters to 1 m, have been traced into the Stellar ground. Some 24 mini-bulk samples, of up to a maximum of 1 tonne, gave unrepresentative but very encouraging grades of up to 385 ct/100t and returned diamonds of evident high quality. The results of six microdiamond samples are given in Table 1-6, distinguishing the commercial sized (+0.85mm) diamonds recovered. Whilst these results cannot be taken as a quantitative indication of actual grade, the results are very positive and a statistical analysis of the microdiamond results by an independent diamond expert suggests the Tongo dykes contain kimberlite with average grades in excess of 500 ct/100 t. The recovery of so many commercial diamonds (>0.85 mm, DTC no. 1 sieve) from such small samples is remarkable. Indicator mineral chemistry is also favourable.

A core drilling program of 20 holes, totaling 1,219.4 m, has been completed. Three intersections of Dyke 1 were made, two of Dyke 4, and one each in Dykes 2 and 3. The holes were sited mainly from ground electro-magnetic (EM) surveys of which a total of 64 lines were surveyed, with lengths of 1 – 2 km, and spaced 50 or 100 m apart. Interpretation was supported by stream sediment sampling (although not loam sampling). Some of the EM targets were thought to be possibly pipes, but none was proved by

drilling. Dyke intersections generally had true widths of less than 20 cm, though some holes intersected multiple dykes or stringers over short intervals.

Further work is required to establish the diamond grade and values with more confidence. A mini-bulk sampling exercise is in progress which will collect a 100 tonne sample from each of the four dykes using a bull-dozer and back-hoe, digging to 8 to 10 m below surface. The samples will be trucked to the Basama Diamonds plant in Kono and processed there. These results will determine whether underground bulk sampling, as at Kono, is justified.

The Tongo dykes have seen limited mining in the past, and yielded diamonds of very high quality. There is extensive artisanal activity in the area. As of 31st December 2007 Stellar had spent USD323,640 since BHP-Billiton's withdrawal from the project. The mini-bulk sampling in progress has a budget of USD194,930 and will take about four months to complete. Tongo represents Stellar's third most advanced project in Sierra Leone and Liberia, after Kono and Weasua.

1.4.7 Gola Forest, Sierra Leone (Stellar 100%)

Limited stream sampling on the Gola Forest EXPL area has identified mainly ilmenite anomalies with lesser counts of garnet and chromite. There is artisanal working in the area, which is close to the Kumgbo kimberlite cluster in Liberia, the most productive diamond area in that country. The Kumgbo area contains ilmenite bearing kimberlite dykes and possibly pipes, and it is postulated that the cluster extends westwards into Sierra Leone. Some of the garnets recovered have G10 compositions.

Further stream sediment sampling is required to identify areas for loaming and geophysical surveys. MPH estimates a budget of USD30,000 would be required for this initial follow up phase of work.

Table 1-6
Microdiamond Results from the Tongo Dykes (all samples are 200 kg)

Dyke	No. of diamonds +0.85 mm	carats +0.85 mm	Indicated ct/100 t, +0.85mm diamonds	No. of diamonds +0.075 mm -0.85mm	Total carats+0.075mm
Dyke-1 (spl 2447)	5	0.1282	64	262	0.2049
Dyke-1 (spl 2525)	8	0.4559	228	240	0.5335
Dyke-2 (spl 2448)	6	0.2108	105	339	0.3261
Dyke-3 (spl 2527)	13	0.3170	159	743	0.5605
Dyke-4 (spl 2446)	4	0.0802	40	77	0.1369
Dyke-4 (spl 2505)	13	0.2425	121	184	0.3004

Note: grade values from such small samples are indicative only

1.4.8 Gorahun, Sierra Leone (Stellar 100%)

High counts of ilmenite, garnet (including G10) and spinel were found in stream sediment samples near the village of Daru, where some artisanal working has taken place. Loam sampling and ground magnetic and electro-magnetic surveys, followed by trenching, led to the discovery of a kimberlite dyke, the first kimberlite found in this part of Sierra Leone. Mineral chemistry shows the dyke to have low to moderate diamond bearing potential.

Stellar is seeking a joint venture partner for the Gorahun project. In view of priorities, no budget is proposed until a partner is secured.

1.4.9 Zimmi, Sierra Leone (Stellar 100%)

There are significant ilmenite anomalies in the Zimmi area, in southeast Sierra Leone close to the Liberian border, in an area known for producing fancy coloured diamonds from alluvial workings. Garnet is absent from the samples, perhaps as a result of tropical weathering. Chromites found in the north of the concession have been shown to have non-kimberlitic compositions.

Stellar will attempt to secure a joint venture partner for the Zimmi project. Because of other priorities, no budget is proposed until a JV agreement is reached.

1.5. Conclusions and Summary of Past and Recommended Exploration Expenditure

MPH is of the opinion that Stellar Diamonds Ltd has a diamond property portfolio in Liberia and Sierra Leone of very high calibre, with excellent prospects for the establishment of several small mining operations.

Stellar's exploration properties may be divided into:

1. Advanced properties where kimberlite has successfully been found or was known, shown to be diamondiferous, and evaluations leading to resource estimates, or trial mining in the case of Kono, are in progress.

2. Early stage exploration programs where no kimberlites are yet known, but where exploration results have been positive and there are strong indications that kimberlite will be found.

In the first category, in order of current priority, are:

1. The Kono Project in Sierra Leone, where JV partner Petra Diamonds is aggressively carrying out shaft sinking and underground trial mining of two kimberlites in order to evaluate their economic potential, feeding samples via a fully operational 75 tph DMS plant.

2. The Tongo project in Sierra Leone, which is not as advanced as Kono, but where potentially significantly diamondiferous kimberlite dykes are undergoing initial

evaluation and where very encouraging microdiamond and mini-bulk sample results have already been obtained.

3. The Kpo Range MDA in Liberia, where five kimberlites discovered near Weasua have been bulk sampled in joint venture with Trans Hex. Although these pipes proved to be uneconomic, exploration work suggests more pipes within the cluster remain to be discovered.

The Camp Alpha area, Liberia, and the Gorahun area, Sierra Leone, could also be considered in this category, although the kimberlites discovered have not been fully delineated, and may be quite small dyke systems.

In the second category are:

1. The Bea Mountains MDA, Liberia.
2. The African Aura Joint Venture, Liberia.
3. The retained areas of the MCA (Camp Alpha excluded), Liberia.
4. The Gola Forest and Zimmi areas, eastern Sierra Leone.

Table 1-7 below summarizes Stellar's past expenditure, present percentage interest in each property and immediately budgeted expenditure (by Stellar or joint venture partner), and Stellar's interest after completion of this expenditure.

In period January 2008 to December 2009, Stellar proposes to prioritise projects and expenditure as follows:

1. Meet 49% of the cost for continued underground trial mining and future commercial mining of the Lion dykes, Kono, as well as complete an airborne magnetic and electro-magnetic survey to locate potential kimberlite pipes or blows. (USD814,314 net of sales revenues).
2. Spend USD194,930 to bulk sample the Tongo dykes in order to determine the preliminary diamond grade and value of these kimberlites.
3. Meet 50% of exploration costs in the Weasua area, Kpo Range MDA required to discover additionl diamndiferous kimberlite pipes (USD342,000).
4. Consider initial follow up of the Gola licence (MPH estimated budget of USD30,000)
5. Spend a further USD73,000 on sampling and geophysics for the African Aura JV.
6. Seek a JV partner for the MCA retained areas.
7. Seek a JV partner or partners for the Gorahun and Zimmi projects, Sierra Leone.

The above represents a proposed allocation of funds over 24 months of USD415,000 on the Liberia projects (Weasua and African Aura JV) and USD1,009,244 (net of revenue) on the Kono and Tongo projects, Sierra Leone. These are direct exploration expenditures only and do not include corporate overheads.

MPH endorses the above approaches and expenditures.

Table 1-7
Summary of Stellar's Past and Budgeted Expenditure

Property	Stellar expenditure as at 31 December 2007. USD	Joint Venture Partner:	Spent by Joint Venture Partner as of 31 December 2007, USD	Stellar's present interest, April 2008	To Be Spent by Joint Venture Partner over 24 mths from Jan'08-Dec '09 USD	To Be Spent by Stellar over 24 mths from Jan'08 – Dec '09 USD	Stellar's Interest Potential Interest Will Be:
Kpo Range MDA, Liberia	2,223,124	Trans Hex Group Ltd	2,223,124	50%	342,000	342,000	50%
Bea Mountains MDA, Liberia	500,000	n/a	0	100%	0	0	100%
MCA Reconnaissance Licence, Liberia. Retained areas – nine MEAs (including Camp Alpha)	3,665,227	Government of Liberia[1] Additional JV partner sought	0	70%	to be determined	0	to be determined
North Bea, Liberia	388,741	African Aura Resources Ltd	0	0%	0	73,000	0
Kono, Sierra Leone	5,232,308	Petra Diamonds Ltd	5,445,871	49%	847,552	814,314	49%
Tongo, Sierra Leone	323,640	n/a	Former partner BHP-B spent approx >3M	100%	n/a	194,930	100%
Gola Forest, Sierra Leone	31,743	JV partner sought		100%	n/a	30,000	100%
Gorahun and Zimmi, Sierra Leone	99,906	JV partner sought		100%	to be determined	0	to be determined
TOTALS	12,464,689					1,454,244	

. [1] Participation of Liberian Government under review
In Liberia, Government would have a 10% free carried interest in any future mining venture.

2.0 INTRODUCTION AND TERMS OF REFERENCE

At the request of Mr Karl Smithson, Chief Executive Officer of Stellar Diamonds Ltd of 32 Bloomsbury Street, London, United Kingdom, ("Stellar"), MPH Consulting Limited ("MPH") has prepared an Independent Technical Report compliant with National Instrument 43-101 on the diamond properties held by Stellar in the West African Republics of Liberia and Sierra Leone. The report is also compliant with the March 2006 guidance notes for mining, oil and gas companies issued by the London Stock Exchange, Alternative Investment Market (AIM). The effective date of this report is 28th April 2008.

Stellar Diamonds Limited is a Guernsey incorporated diamond mining and exploration company which has a portfolio of development and exploration properties in the countries of Sierra Leone, Guinea, Liberia and the Democratic Republic of Congo. The company acquired its properties in Liberia and Sierra Leone through entering into a share purchase agreement with Mano River Resources Inc. ("Mano").

The company is seeking to raise funds through an initial public offering and admission to the London AIM in order to carry out its immediate strategic objectives of developing two diamond mines in Sierra Leone and Guinea (Kono and Mandala) and to continue its growth through exploration and development on a number of other diamond projects. In view of the intention to list on AIM, this report is also addressed to Stellar's nominated advisor for AIM admission, Panmure Gordon (UK) Ltd.

2.1. History of Stellar Diamonds Ltd and relationship with Mano River Resources Inc.

Mano River Resources has been exploring the West African countries of Guinea, Sierra Leone and Liberia since 1995. In this time the company has assembled an array of gold, iron ore and diamond properties. The diamond properties have been explored since 2000, and two are now being advanced to the development stage.

The Board of Mano believed that value could be unlocked for shareholders by creating and listing a diamond focussed company in which Mano would retain a significant shareholding. Therefore Stellar Diamonds Limited was incorporated under the law of Guernsey, British Isles, on the 2nd May 2007.

In June 2007 Stellar acquired its current portfolio of projects in Liberia and Sierra Leone through entering into a share purchase agreement with Mano Diamonds Limited, the 100% owned subsidiary company of Mano River Resources, whereby 15,442,021 shares were issued to acquire the shares and inter-corporate debt of Western Mineral Resources Corporation Inc., Weasua Diamonds Limited, Mano Diamonds (Liberia) Inc., Basama Diamonds Limited, Sierra Diamonds Limited, East Sierra Diamonds Limited and Mano Diamonds (Sierra Leone) Limited. The price per share was £0.871.

On the 29th May 2007 Stellar concluded a non-brokered private placement of £800,000 through issuing 1,211,890 shares. This was followed by a brokered pre-IPO placement of 4,822,044 shares at a price of £0.871 for gross proceeds of £4.2 million. A further private placement on 31st March 2008 raised £2.375 million from the sale of 2,375,000 shares at £1.00 each.

The properties and joint ventures are covered in more detail in Section 4 below. Generally in this report the properties are referred to as being held by Mano when historical work is discussed, and held by Stellar when discussing the present and future.

2.2. Principal Sources of Information

Mr Ian McGeorge MSc CGeol FGS, consulting geologist and the qualified person for this report, visited Stellar's properties in Liberia from 11th to 13th September 2007 and properties in Sierra Leone from 14th to 17th September 2007. In Liberia, the Weasua Diamond Project was visited. In Sierra Leone, visits were made to the Tongo and Kono Projects, including underground visits to the Bakarr and Pol-K Shafts at Kono. A comprehensive review of Stellar's technical data was undertaken and sources listed in the "References" section of this report were consulted.

Visits were made to Stellar's offices in Monrovia, Liberia, and Freetown and Kenema, Sierra Leone. The Monrovia laboratory was visited by McGeorge on 11th September 2007. During the site visits, McGeorge was accompanied by and provided with information by Mr Smithson and Mr Stephen Dorbor, Mr Kassim Mansaray, and Mr Sulaiman Swaray, project geologists, and Mr Jenkins Dorbor, laboratory manager. Information on the Kono Project was provided by Mr Charl Barnard, Sierra Leone country manager for Petra Diamonds Ltd.

This report was written by McGeorge and Mr Paul Sobie, P.Geo., Vice President, MPH Consulting Ltd and co-author for the purposes of this report. MPH has previously prepared Independent Technical Reports, for Mano River, on Stellar's West African diamond properties dated September 2005 and March 2007. (MPH Consulting 2005, MPH Consulting 2007). Mr McGeorge had previously visited the Weasua, Camp Alpha, Gorahun and Kono properties in 2005, being in Liberia from 4 – 7th August and in Sierra Leone from 8 – 11th August 2005.

2.3. Independence and Qualifications

Neither MPH nor any of the authors of this Report (nor their family members or associates) have a business relationship, other than acting as an independent consultant, with Stellar or any associated company, nor with any company mentioned in the Report, which is likely to materially influence their impartiality or create the perception that the credibility of the Report could be compromised or biased in any way. The views expressed herein are genuinely held and deemed independent of Stellar.

Moreover, neither the authors of the Report nor MPH (nor their family members or associates) have any financial interest in the outcome of any transaction involving the properties considered in this Report, other than the payment of normal professional fees for the work undertaken in their preparation (which are based upon hourly charge-out rates and reimbursement of expenses). The payment of such fees is not dependent upon the content or the conclusions of either this Report, or any consequences of any proposed transaction.

Stellar has accepted that the qualifications, expertise, experience, competence, and professional reputation of MPH's principals, associate geologists and engineers are appropriate and relevant for the preparation of this Report. Stellar has also accepted that MPH's principals are members of professional bodies that are appropriate and relevant for the preparation of this Report.

2.4. No Material Change

MPH is not aware of any material change with respect to the subject matter of this report that is not reflected in the report, the omission to disclose which makes the report misleading.

3.0 RELIANCE ON OTHER EXPERTS

MPH assumed that all of the information and technical documents reviewed and listed in the "References" are accurate and complete in all material aspects. While MPH carefully reviewed all of this information, MPH has not concluded any extensive independent investigation to verify their accuracy and completeness.

MPH has not searched titles to the land holdings and has not independently verified the legal status of the ownership of the property or the underlying agreements. Information provided in this report with respect to land holdings and legal status is that provided to MPH by Stellar Diamonds Limited.

The information and conclusions contained herein are based on the information available to MPH at the time of preparation of this report, assumptions, conditions and qualifications as set forth in the Report and data listed in the "References".

Stellar Diamonds Limited has warranted that a full disclosure of all material information in its possession or control has been made to MPH. Stellar Diamonds Limited has agreed that neither it nor its associates will make any claim against MPH to recover any loss or damage suffered as a result of MPH's reliance upon the information provided by Stellar Diamonds Limited for use in the preparation of this Report. Stellar Diamonds Limited has also indemnified MPH against any claim arising out of the assignment to prepare this Report, except where the claim arises as a result of any proved willful misconduct or negligence on the part of MPH. This indemnity is also applied to any consequential extension of work through queries, questions, public hearings or additional work required arising from MPH's performance of the engagement.

Stellar Diamonds Limited has reviewed draft copies of the Report for factual errors. Any changes made as a result of these reviews did not involve any alteration to the conclusions made. Hence, the statement and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this Report.

MPH reserves the right to, but will not be obligated to, revise this Report and conclusions thereto if additional information becomes known to MPH subsequent to the date of this Report.

4.0 PROPERTY DESCRIPTIONS AND LOCATIONS

The properties are mineral concessions within the Republics of Liberia and Sierra Leone, West Africa. The properties cover a grand total area of 5,087 km^2 as listed in Tables 4-1 and 4-2. The properties lie in western Liberia and eastern Sierra Leone as shown in Figure 1. Property co-ordinates are contained in appendix 1.

Many of the properties are the subject of joint venture agreements as described below.

4.1. Joint Venture Agreements - Liberia

In Liberia, exploration is governed by the Minerals and Mining Law, 2000, administered by the Minister of Lands, Mines and Energy. The State is entitled to a 10% free carried interest in any mining venture, and a 3% royalty on diamond sales. Stellar's properties are held either under Mineral Exploration Agreements (MEAs) which give exclusive exploration rights, Mineral Development Agreements (MDAs) which give the right to mine, or the unique Mineral Cooperation Agreement. The details of these concession types are as follows:

Mineral Exploration Agreement (MEA)
An agreement between the Government and people eligible for a Class A Mining Licence. A continguous area not greater than 1,000 km^2 (with the right to add to the original area by 20% of unencumbered adjacent land should geology dictate). Valid for up to three years, and renewable for a single two year term. Exploration program to be provided within 90 days, and work to commence within 180 days of acquiring licence. Minimum of 50% of land to be relinquished in the case of an extension of the original licence.

Mineral Development Agreement (MDA)
An agreement between Government and people eligible for a Class A Mining Licence. Limited to 1,000 km^2. Valid for up to 25 years if feasibility suggests sufficient reserves, and renewal for periods of 25 years should revised feasibility reports show further reserves. Subject to five yearly review.

Mineral Cooperation Agreement (MCA)
A unique joint venture agreement between Government and Western Mineral Resources Corporation (WMRC) where some 15,000 km^2 was granted for the exploration of diamonds and gold for three years. The operational date is recorded as the 20th January 2005. On the second anniversary (January 2007) a surrender of ground was agreed between the Ministry of Lands, Mines and Energy and WMRC. On the third anniversary (January 2008) further ground was relinquished and WMRC applied for MEA's covering the residual area.

4.1.1 Kpo Range MDA

The Kpo Range MDA area is held by Stellar's Liberian subsidiary Kpo Resources Inc. The 200 km^2 area is subject to a joint venture with the Trans Hex Group Ltd ("THG") which came into effect in January 2005 giving Trans Hex the right to earn up to a 50% interest in the MDA by spending USD2M on exploration and development over three years. This target has been met and Stellar is now required to meet 50% of expenditure in order to maintain its interest.

The MDA is valid until 2027 (25 years from 2002). It includes the right to mine.

4.1.2 Mineral Cooperation Agreement (MCA) Reconnaissance Licence

The 15,000 km^2 MCA Reconnaissance Licence in western Liberia was issued to Mano's 100% owned Liberian subsidiary Western Mineral Resources Corporation on 20th January 2005, valid for three years. It was the subject of a Mineral Cooperation Agreement (MCA) with the Ministry of Lands, Mines and Energy whereby Mano held a 70% interest, with a 30% contributing joint venture interest held by the Government of Liberia. The continued participation of the Liberian government is currently under negotiation.

In the event of exploration leading to a diamond mining venture, the Government would also have its normal 10% free carried interest together with 3% royalty.

Stellar has spent a total of USD3,665,227 on regional exploration and preliminary assessment of kimberlites in the Camp Alpha area.

On the expiry of the MCA in January 2008, Stellar applied for nine MEAs which will allow the company to retain 3,059 km^2 of the original area. The Government of Liberia retains a 30% interest in the MEAs, which is currently under negotiation and the Government may reduce or relinquish its equity. Stellar has the right to enforce dilution if the Government does not contribute its 30% of costs. If enforced the Government participation interest would fall to 8.7%.

4.1.3 African Aura Resources Joint Venture (North Bea MEA)

Stellar has a joint venture agreement, ratified in April 2005, with African Aura Resources Ltd (AAR) over a 200 km^2 area held under an MEA by AAR, situated between Stellar's Bea Mountain MDA and the MCA Reconnaissance Licence. AAR is exploring the area for gold whilst Stellar earns-in to the diamond rights. The joint venture agreement allows Stellar to earn up to a 78% interest in the diamond rights of the property through completion of a four year, four phase exploration program comprising:

Phase-1: Consolidation of previous exploration data (obtained by Stellar) and infill sampling in order to define anomalies for follow up, within a 12 month period (*i.e.* by April 2006). Stellar was committed to a minimum expenditure of USD125,000 and upon completion of this phase earned the right to proceed to phase-2.

Phase-2: A structured follow-up program which may include detailed stream and loam sampling, airborne and/or ground geophysics and drilling of targets to define kimberlite dykes and pipes with a minimum additional expenditure of USD525,000. Upon completion, Stellar will have earned a 46% equity interest in the diamond rights of the property.

Phase-3: Subject to results, Stellar may elect to increase its interest in the diamond rights of the property to 64% through financing completion of a bulk sampling program over one or more kimberlites having economic potential, within a further period of 12 months.

Phase-4: Stellar can increase its interest in the diamond rights of the property to 78% through sole funding of a feasibility study over one or more kimberlites considered to have economic potential, within a further period of 12 months.

Upon completion of the feasibility study, AAR may grant Stellar the option to sole fund mine construction which would result in Stellar's interest increasing to 90%. The Government of Liberia would have a free carried interest of 10% and AAR would retain a 2.25% gross profits royalty on diamond sales.

4.2. Joint Venture Agreements - Sierra Leone

In Sierra Leone, exploration is governed by the Mines and Minerals Act, 1994, administered by the Ministry of Mineral Resources. Licences are issued on the advice of an independent Mineral Advisory Board. All of Stellar's properties are held under Exploration Licences (EXPLs) which give exclusive exploration rights and are issued for three years, and renewable for up to four years.

Mineral concessions in Sierra Leone are of three types:

Exclusive Prospecting Licence (EPL)
A rectangular area no greater than 100 square miles (259 square kilometers) and no less than four square miles (10.4 square kilometers). The duration of the licence is flexible, but at each renewal (at least three months prior to expiry of the licence) 50% of the ground has to be relinquished. Half yearly and annual reports are required, together with work programs.

Exploration Licence (EXPL)
A rectangular area no greater than 20 square miles (51.8 square kilometers) and no less than four square miles (10.4 square kilometers). The duration of the licence is flexible, but at each renewal (at least three months prior to expiry of the licence) 50% of the ground has to be relinquished. Half yearly and annual reports are required, along with work programs. The Director of Mines must be informed in advance when exploration begins.

Mining Lease
The application for a Mining Lease must be supported by a feasibility study and an environmental impact assessment. The duration of the licence is flexible. The area of a Mining Lease must be demarcated by cut-lines at least 6 feet wide with beacons in the centre, which are properly surveyed. Monthly production reports and an annual report are expected. Renewal applications must be submitted at least one year before the licence expires.

There is no provision for free carried interest by the State, but diamonds produced from a mining lease attract an export tax of 5% of their value as determined by the Gold and Diamond Department. Stellar currently has one joint venture agreement in Sierra Leone.

4.2.1 The Kono Project (EXPLs 3/05 and 4/05)

The Kono Exploration Licenses are held by joint venture company Basama Diamonds (SL) Ltd, set up by Petra and Mano River Resources. A joint venture agreement for the development of the Lion dykes was originally signed with Crown Diamonds, now Petra Diamonds Limited, following Petra's merger with Crown. Under the agreement, which came into effect in September 2004, Petra, the operator, would acquire a 51% interest in the Kono property by spending USD3M over three years on the sinking of exploration shafts, extraction of bulk samples and commissioning of a diamond processing plant and associated infrastructure. This point has been reached and Stellar is now contributing *pro rata* to expenditure in order to maintain its interest.

The Petra joint venture includes EXPL 8/07, Nimini, which is held by Mano subsidiary Golden Leo Resources. Basama has the rights to diamond discoveries on this concession. No kimberlite has been discovered at Nimini, and exploration is at an early stage.

4.2.2 Gola Forest and Tongo Properties

The Tongo and Gola Forest EXPLs were applied for on the expiry of the 9,700 km^2 Regional Exclusive Prospecting License (REPL) in southeastern Sierra Leone. The REPL was issued to Mano River Resources's Sierra Leone subsidiary, Sierra Diamonds (SL) Limited in 2004 (Figure 1). It was the subject of a joint venture Memorandum of Agreement with BHP-Billiton Worldwide Exploration, dated May 2004, whereby the partners will conclude a full joint venture agreement following completion of the first phase of a four phase exploration and development program. Following the expiry of the REPL in 2006, BHP-Billiton elected to continue with the Gola Forest and Tongo areas, only to withdraw from the joint venture in March 2008, following an expenditure in excess of USD3M.

The Tongo exploration licence, EXPL5/07, was issued in August 2007. The Gola Forest exploration licence was issued shortly before the date of this report, and the number allocated is not yet available.

Stellar has continued exploration on its own since the withdrawal of BHP-Billiton and has to date (31st December 2007) spent USD323,640.

4.2.3 Gorahun and Zimmi

Gorahun and Zimmi, EXPLs 10/07 and 11/07 respectively, were applied for on the expiry of the REPL and are held by Stellar's subsidiary Mano Diamonds (SL) Ltd. Stellar will seek a joint venture partner or partners to fund further work on these projects.

4.3. Environmental Liabilities

MPH is not aware of any existing environmental liabilities on the Stellar properties. Stellar has addressed its obligations to the Liberian Environmental Protection Agency in connection with the Weasua Diamond Project through commissioning an environmental scoping study by Liberian consultants Earthcons Inc.

4.4. Permits

From information provided by Stellar, MPH accepts that all necessary permits to carry out the proposed work programs have been obtained by Stellar.

Table 4-1
Stellar Diamonds Ltd. Summary of Mineral Assets in Liberia

Concession Name	Concession Type	Concession holder	Stellar's interest, 28 April 2008[1]	Status	Licence Expiry Date	Licence area km^2	Comments
Bea Mountains[2]	Mineral Development Agreement (MDA)	Bea Mountain Mining Corp	100%	exploration	2027	1,000	Diamond rights assigned to Stellar from Mano
Kpo Range	MDA	Kpo Resources Inc.	50%	exploration /bulk sampling	2027	200	JV with Trans Hex Group
Camp Alpha[3]	Mineral Exploration Agreement (MEA) applied for	Western Mineral Resources Corporation (WMRC)	70%	exploration		603	JV with Government of Liberia (GoL)
Kolahun North[3]	MEA applied for	WMRC	70%	exploration		397.4	JV with GoL
Ngilima[3]	MEA applied for	WMRC	70%	exploration		100.5	JV with GoL
Mbalema[3]	MEA applied for	WMRC	70%	exploration		200.9	JV with GoL
Zoi[3]	MEA applied for	WMRC	70%	exploration		974.3	JV with GoL
Golu[3]	MEA applied for	WMRC	70%	exploration		153.4	JV with GoL
Botosu[3]	MEA applied for	WMRC	70%	exploration		125.6	JV with GoL
Bakiemai[3]	MEA applied for	WMRC	70%	exploration		144.6	JV with GoL
Vahun[3]	MEA applied for	WMRC	70%	exploration		359.3	JV with GoL
North Bea	MEA	African Aura Resources Ltd	0%	exploration		200	JV with African Aura Resources
						4,459	

[1]The State of Liberia will have a 10% free carried interest in any future mining project
[2]Licence area held by Mano River
[3] area retained from former MCA (Minerals Cooperation Agreement)

Note: refer to section 4.0 for detailed explanations of the concession types for both Tables 1-1 and 1-2

Table 4-2
Stellar Diamonds Ltd. Summary of Mineral Assets in Sierra Leone

Concession Name	Concession Type	Concession holder	Stellar's interest, 28 April 2008	Status	Licence Expiry Date	Licence area km^2	Comments
Nimini	EXPL 8/07	Golden Leo Resources Ltd	49%	exploration	Aug 2009	54	JV with Petra Diamonds Ltd. Diamond rights from Nimini licence are assigned to Stellar by Mano
Njaiama	EXPL 3/05	Basama Diamonds Ltd	49%	trial mining/und-erground bulk sampling	Feb 2009	103.5	
Yengema	EXPL 4/05	Basama Diamonds Ltd	49%	trial mining/und-erground bulk sampling	Feb 2009	103.5	
Tongo	EXPL 5/07	Sierra Diamonds (SL) Ltd	100%	exploration	Aug 2009	33.12	Funded by Stellar
Gola Forest	EXPL issued	Sierra Diamonds (SL) Ltd	100%	exploration		61	
Gorahun	EXPL 10/07	Mano Diamonds (SL) Ltd	100%	exploration	Aug 2009	30	JV partner to be sought
Zimmi	EXPL 11/07	Mano Diamonds (SL) Ltd	100%	exploration	Aug 2009	242.87	
						627.99	

5.0 ACCESSIBILITY, CLIMATE, INFRASTRUCTURE AND PHYSIOGRAPHY

The Republic of Liberia lies on the West African coast centred at approximately 6º north of the equator. It has an area of 96,320 km^2, made up of an extensive coastal plain which rises inland to a rolling plateau with low mountains in the northeast, the highest point being Mount Wuteve at 1,380 m. It is bordered by Côte d'Ivoire, Guinea and Sierra Leone. The population is 3.6 million, 5% of whom are descendents of the American and Caribbean slaves who were settled in the country in the early 19th century and who established Liberia as an independent republic in 1847.

The Republic of Sierra Leone is a former British Colony and Protectorate which became independent in 1961. The country lies immediately northwest of Liberia with the border partially defined by the Mano River. It has an area of 71,740 km^2 which supports a population of 5.3 million.

5.1. Climate

The climate in Stellar's West Africa properties is tropical, with a high mean annual temperature of about 25° Celsius and high mean annual rainfall (approximately 3,150 mm/annum in Sierra Leone). Most of the rainfall occurs during the rainy season from May to October, when temperatures are slightly lower than during the dry season. The average maximum and minimum temperatures are 32° and 19° Celsius respectively.

In lower lying areas the vegetation is tropical rain forest, which thins on the higher ground. Elevations of Stellar's properties vary from 20 m to 400 m above sea level. Much of the country is dissected by a well developed dendritic drainage system. Although low lying, there may be considerable local relief.

5.2. Access - Liberia

Stellar's properties lie in western Liberia, within Lofa, Montserrado and Grand Cape Mount Counties. Access from the capital Monrovia to the Kpo Range and Bea Mountains MDAs, and to the southern parts of the former MCA Reconnaissance License is via the tarred road to Tubmanburg. From Tubmanburg an unsurfaced road leads to Lofa Bridge and then to the villages of Tahn and Weaju, within the Bea Mountains area. Before Lofa Bridge a secondary road turns off to the north, to Weasua. This road, which follows the Lofa Valley and crosses many of its east bank tributaries, has recently been upgraded by Stellar. The Weasua Diamond Project lies some 115 km NNE of Monrovia.

The Camp Alpha area of the former MCA is reached by a fair unsurfaced road from Lofa Bridge.

Stellar suspends work on its Liberian properties during the peak of the rainy season in August and September.

5.3. Access - Sierra Leone

Stellar's key Kono Project is 250 km due east of the capital, Freetown, from which it can be reached by fair all weather roads. Access to the Kono EXPLs from the adjacent town of Koidu

is good. The Tongo property is approximately 45 km south of Kono, from where it is accessed by a fair all weather road.

The nature of access to the Gola Forest, Gorahun and Zimmi areas is similar to that for the Liberian properties. Roads are rather poor, but in general access to the properties in Sierra Leone is somewhat easier than to those in Liberia, and fieldwork continues through the rainy season.

5.4. Infrastructure

The infrastructure of both Liberia and Sierra Leone was badly damaged by years of civil conflict, and is generally in bad condition, although slowly being restored. Public electricity and water supplies are rare, roads are poorly maintained and railways no longer function. Fixed line telephone services are limited to the capital cities of both countries but there is quite widespread and dependable cellular phone coverage.

6.0 HISTORY

6.1. General

There are few reliable records of historical diamond exploration and production from the Stellar properties. This is due to much of the previous work being of an artisanal nature, and the histories of political instability and poor public administration in both countries. There has also been a long-lived culture of smuggling, so that where production is reported, the figures may be quite misleading.

The result was that historical work could only guide Stellar to broad regions and drainage basins. There was no historical database which could focus its diamond exploration programs more precisely. Stellar thus had to begin with a regional sampling approach over quite large areas. Fortunately the terrain is very well suited to stream sediment sampling for kimberlite indicator minerals, as there is a dense dendritic pattern of active streams across all of the exploration properties.

6.2. Liberia

Liberia has historically been a producer of gold, iron ore, diamonds and industrial minerals. Prior to the civil conflicts, mining was the most important sector of Liberia's economy and accounted for two-thirds of the country's exports, with iron ore production contributing one half of government revenues. At present the infrastructure which supported the iron ores mines is in a state of disrepair, and there is no current production. Gold production remains nominal, given as 16 kg in 2005 (USGS 2007).

All historical diamond mining in Liberia has been from alluvial deposits and more or less artisanal. From 2001 until 2007 the United Nations imposed sanctions on the export of diamonds from Liberia. However in July 2007 Liberia became compliant with the Kimberly Process and the first legal export of diamonds took place in September 2007 (See section 18.0).

Diamonds were first discovered in Liberia just before World War 1, but it was not until 1925 that the British company Consolidated African Selection Trust (CAST) began systematic exploration. No economic discoveries were reported at that time. In 1933, the Holland Syndicate reported diamonds near Koenbong, close to the border with Sierra Leone, but offered to sell its concessions to CAST. However no production appears to have taken place (Gberie 2004).

Working of alluvial diamonds in the Lofa River valley around Weasua started in the 1950s. Although no records of this mining are available, it is clear that there was considerable mechanized mining of the gravels, and that some rivers (*e.g.* the Butulu) were diverted. Diamonds were taken to Monrovia by air, and the disused airstrip can be seen in Weasua village. Liberia's national airline, which is called Weasua Air Transport, originated in this trade.

Mining by artisans appears to have become widespread over western Liberia. In 1957, over 1 million carats were officially exported, but a large portion was likely smuggled into the country from Sierra Leone and Guinea. After the authorities in Sierra Leone introduced tighter controls on diamond mining in the 1960s and 1970s Liberian exports fluctuated. Between 1965 and

1989, the largest annual export was 817,000 carats in 1973, after which quantities generally declined, with the smallest export being 138,000 carats in 1985 (Ministry of Lands, Mines and Energy).

From 1962–1966, De Beers, operating as the Diamond Mining Corporation of Liberia, discovered a number of low grade or barren kimberlite dykes in western Liberia, including some in Stellar's Bea Mountains MDA and the former MCA area. De Beers also carried out some trenching in the Weasua area.

In the early 1970s the United Nations Development Program (UNDP) carried out diamond exploration in western Liberia that resulted in the discovery of the small Mano Godua kimberlite in 1972. This pipe is within Stellar's Bea Mountains MDA. It was subsequently bulk sampled by the UNDP through surface trenching and some 50 tonnes of kimberlite processed. No diamonds were recovered. The Mano Godua kimberlite is ilmenite rich, and was discovered through follow up of ilmenite in stream sediments.

6.3. Sierra Leone

The mining sector in Sierra Leone is dominated by diamond mining, which is the main source of foreign exchange to the economy. About 90% of Sierra Leone's diamonds are produced by artisans (USGS 2005).

Diamonds were first discovered in Sierra Leone in 1930 when the British Geological Survey found alluvial diamonds in the Koidu area. A monopoly concession for the mining of these diamonds was awarded to the British company Selection Trust, operating as Sierra Leone Selection Trust (SLST). SLST carried out mechanized mining of alluvial deposits in the Moinde and other rivers in the areas, with ore being treated at a plant in the town of Yengema. SLST discovered the small Koidu 1 and 2 kimberlite pipes in 1948, which were worked to shallow depths along with the Dyke-A system between them. It is not clear when the Kono dykes were first recognized, but they have been known for some time. SLST at one time mined material from the surface of the Tongo dykes also.

SLST was nationalized in 1985 to become the National Diamond Mining Company (NDMC). In 1997 Koidu fell to rebels of the RUF (Revolutionary United Front) and organized diamond mining and exploration ceased.

Legal mining in the Koidu area re-started in 2002 following the end of hostilities and the disarming of the RUF. At present the Koidu 1 and 2 pipes, adjacent to the Kono EXPLs, are being mined by Koidu Holdings Limited (KHL), which has developed a modern vertical pit mine on Pipe 1 and conventional open pit mine on Pipe 2. This is the only kimberlite mining operation in the country. In 2004, KHL exported 79,000 ct worth USD13.8M, and in 2005 the value of exports rose to USD22.5M at a reported average price of over USD230/ct. The latest set of production results for 2006 state some 112,902 carats of diamond were produced at an average value of USD233/ct.

There are very extensive artisanal workings in the Kono area, which remain poorly regulated.

Sierra Leone is well known for the quality of its diamonds and for the recovery of occasional large stones of very high value. The third largest diamond in the world, the 969.8 ct "Star of Sierra Leone" was discovered in February 1972 in Kono. In 1996, two diamonds, one of 188 ct and the other 283 ct, were found.

Diamond production in Sierra Leone reached a peak of around 2 million carats per year in 1970, but has declined since. From 1997 to 2002 diamond production was seriously disrupted, but is recovering strongly. Official diamond exports for 2006 were 603,566 ct worth USD125,304,842 an average value of USD207.61/ct. It is accepted that considerable smuggling of diamonds out of Sierra Leone continues, thus actual production is likely to be greater than this figure.
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7.0 GEOLOGICAL SETTING

7.1. Regional Geology

The Stellar properties lie on the Man Craton of West Africa (Tysdal & Thorman 1983) (Figure 2). Known kimberlites within the craton are the Banankoro, Bouro and Droujba clusters in southeastern Guinea, the Koidu and Tongo clusters in Sierra Leone, and the Weasua, Kumgbo and Mano Godua clusters of western Liberia (Skinner *et al* 2004). Age provinces within the eastern Man Craton trend NNE-SSW and young from west to east. The oldest province, in Sierra Leone, is the Leonean (2.95 – 3.2 Ga), succeeded by the Liberian (~2.7 Ga) and the Eburnean (~2.0 Ga). All of Stellar's concessions lie in Leonean or Liberian terrain. The Leonean/Liberian rocks consist of tonalite-trondhjemite-granodiorite gneisses which underlie about 65% of the area, and enclose greenstone belt relics and metasedimentary rocks including schists, iron formations and quartzites. Ultramafic and amphibolite schists are also known. The margins of the greenstone belts are intruded by younger (~2.7 – 2.8 Ga) granites. The Leonean rocks make up typical Archaean granite – greenstone terrain. The Liberian rocks display the very high metamorphic grades (up to granulite facies) typical of Neoarchaean mobile belts.

A Pan-African age (~550 Ma) mobile belt trends parallel to the coast in Sierra Leone and Liberia, truncating the older rocks.

Some of the major rivers in the region, which flow NNE-SSW at right angles to the coast, are deduced to be fault controlled. The Lofa River, Liberia, follows a major shear zone (the Lofa Shear) separating granitic gneiss to the southeast from more leucocratic gneiss to the northwest. Local control of drainages by small faults is evident.

There are quite numerous Jurassic age dolerite dykes trending northeast – southwest parallel to the coast.

The kimberlites of the Man Craton include three Jurassic aged clusters in Guinea, two Jurassic age clusters in Sierra Leone, and two clusters of unknown age in Liberia. Three of the Weasua kimberlites in Liberia have recently been dated at ~800 Ma (Skinner *et al op cit*). The Koidu kimberlites in Sierra Leone are dated at 146 Ma.

7.2. Property Geology - Liberia

7.2.1 Kpo Range MDA (Weasua)

The Kpo Range consists of low but steep hills with a topographic, geological and magnetic trend northeast – southwest. This trend is due to metasedimentary relics within the gneissose terrain. These include iron formation (itabirite), which is a magnetite quartzite in which iron has been enriched by supergene processes. These quartzites are highly magnetic, and often form the caps of hills. There are amphibolite and talcose metaperidotite bodies within the gneisses. The metasedimentary units are more resistive than the gneisses, and thus control the topography.

Dolerite dykes are quite numerous in the Weasua area.

7.2.2 Bea Mountains MDA, former MCA and African Aura Joint Venture Areas

These areas have more of the character of typical Achaean granite – greenstone terrain, as evidenced by its gold mineralization.

7.3. Property Geology - Sierra Leone

The properties are in Leonean granite – greenstone terrain. The topography is often dominated by granite tors and may be quite severe. Relics of metasedimentary rocks and mafic schists are found within the granitic gneiss. Structural control of drainage patterns is very evident in the Kono area.

8.0 DEPOSIT TYPES

Stellar's exploration target is economic diamondiferous kimberlite pipes or dykes, especially in areas where alluvial diamonds are known, the model being that the in-situ weathered kimberlite bodies will prove to be the source of the alluvial diamonds. This is the situation at the well known Kono and Tongo alluvial fields/kimberlites in Sierra Leone.

The properties presently include a significant cluster of six newly discovered (by Mano/Stellar) kimberlite bodies at Weasua, Liberia, extensive lengths (approximately 17 km) of kimberlite dykes in Sierra Leone adjacent to Koidu, a system of four dykes at Tongo, and newly discovered dykes at Camp Alpha and Gorahun.

Whilst kimberlite dykes may carry very high grades, their tonnage potential is inherently limited due to their narrow widths and vertical orientation and can only be realized by underground mining. Pipes offer much higher tonnages and can be mined by open pits.

Kimberlite intrusions are often composite, and made up of several different kimberlite lithologies or "facies" which have been intruded during successive eruptive episodes, so that one may cut into the other. The Weasua kimberlites have been shown to be composite intrusions. The diamond grade and quality of diamonds may vary between different facies and lithologies, therefore a good geological understanding of the kimberlite bodies and lithologically controlled sampling are important in their evaluation.

Kimberlite facies may also vary in the proportion of country rock xenoliths they contain, which impacts on the grade. They may also vary in metallurgical properties, resulting in varying plant efficiencies.

To date Stellar has not investigated alluvial deposits in Liberia or Sierra Leone. However it is realized by the company that alluvial diamond potential remains in the Kpo Range area, Liberia, as high water tables and inadequate pumping capacity prevented artisanal miners from reaching the basal gravels, which are likely to be the richest part of the deposits.

9.0 EXPLORATION BY STELLAR DIAMONDS LIMITED, FORMERLY UNDER MANO RIVER, (2000 - 2008)

9.1. Exploration Approach and Methodology

Stellar's exploration target has been kimberlitic diamonds, with alluvial deposits being considered as indicators of undiscovered kimberlites, rather than potential resources. The company has chosen its exploration properties exceedingly well, based on a favorable tectonic setting (Archaean craton), historical kimberlite discoveries, plus historical and current artisanal mining of alluvial diamonds.

As discussed in Section 6 above, most of the historical mining in West Africa has been artisanal and poorly controlled, thus there are few reliable records. Historical kimberlite mining has been limited to the Koidu mining camp in Sierra Leone. The long history of political instability, diamond smuggling and corruption in the region has not favored public records of exploration and mining work, and has discouraged exploration for the past 30 years.

The result was that historical work could only guide Stellar to broad regions and drainage basins. There was no historical database which could focus its diamond exploration programs more precisely. Stellar thus had to begin with a regional sampling approach over quite large areas. Fortunately the terrain is very well suited to stream sediment sampling for kimberlite indicator minerals, as there is a dense dendritic pattern of active streams across all of the exploration properties.

Stellar and Mano's exploration approach to date has been as follows:

1. To identify areas with artisanal alluvial diamond workings, either current or historical.
2. Carry out regional stream sediment sampling programs for kimberlite indicator minerals (and diamonds).
3. Follow up stream sediment anomalies with loam sampling in the interfluve areas.
4. Test loam anomalies by pitting.
5. Delineate kimberlite discoveries by shallow pitting.
6. Use gravity and magnetic surveys to map or detect kimberlite, often in conjunction with loam sampling.
7. Obtain suites of kimberlite indicator minerals for geochemical analysis and diamond potential assessment.
8. Take small kimberlite samples from surface for simple washing, or to be processed by a total recovery method for microdiamonds.
9. Core drilling for delineation and determining the internal structure of kimberlites.
10. Bulk sampling of kimberlites for which microdiamond, mineral chemistry and drilling results are encouraging.

Mano initiated diamond exploration programs in 1998, several years after it started gold exploration in West Africa.

9.2. Liberia

Mano was granted the Kpo Range and Bea Mountains Exploration Licenses in April 1998. Initial reconnaissance work was done in 1998 and 1999, mainly in the Weasua area. Field operations started in earnest in May 2000.

9.2.1 Kpo Range MDA

The original Kpo Range MEA covered 2,500 km^2 including the historically important diamond producing areas in the Lofa River valley south of Weasua. Reconnaissance fieldwork on the alluvial areas was done in 1999, when areas of current alluvial production were noted. It was seen that diamonds were not being mined in the Lofa River itself, but rather in some of its east bank tributaries, notably the Butulu River. Examination of the diamondiferous gravels showed many of the clasts to be angular and of local derivation, which led Mano to propose that the diamonds may be of local origin also.

Stream sediment sampling commenced in May 2000, and covered an area of some 10 km x 6 km around Weasua. By September 2000, 72 stream samples had been collected. Many reported positive for kimberlitic chromite, supported in some cases by ilmenite, garnet and chrome diopside. The results were analyzed by drainage basin, with the most interesting results being obtained from the Butulu, Wuege and Wuegbeni streams to the east of Weasua, but especially from the Butulu (Figure 3).

Mano did electron microprobe analyses on the indicator grains recovered, which showed the chromites to have generally very favorable compositions, many falling within the diamond inclusion field. Ilmenites were rather rare, and the majority were non-kimberlitic. Garnet was also rare, except in the Butulu valley where they were peridotitic and included a very high proportion of sub-calcic G10s.

The results clearly warranted follow-up, and it was while pursing positive samples on the south side of the Butulu, in the Weagbu stream, that float and then in-situ kimberlite was found in November 2000. The kimberlite was named K001, and diatreme and small outcrops of hypabyssal facies kimberlite were identified and sampled. During 2001, some 660 loam samples were collected, mainly in the vicinity of the Butulu Valley. This led to the siting of pits which discovered kimberlites K002, K003, K004 and K006. The kimberlites are typically in swampy topographic lows, although K001 is an exception. Artisanal workings were found on K002, K003 and K004.

In 2002 the Kpo Range MEA was converted to a Mineral Development Agreement (MDA) which gives the right to mine, and which is valid for 25 years. The area of the property was reduced from 2,500 km^2 to 200 km^2, the retained area being the area covered by the reconnaissance sampling. Mano was therefore unable to complete its program throughout the original Kpo License.

No work was done from 2002 until 2005 due to the civil war. Following the resumption of exploration in April 2005, under the Joint Venture agreement with the Trans Hex Group, the loam sampling program was resumed and a further 755 samples collected.

The results from around K001, K003 and K006 show strong anomalies over the known pipes, but no suggestion that more pipes are present in the immediate vicinity. Loaming over K002 and K007 however suggests a further kimberlite body may be present to the west (Figure 4).

At this time, Mano also commissioned a ground magnetic and gravity survey over the Weasua kimberlites and the surrounding area. This was done by contractors Richard Day and Associates. Measurements with a susceptibility meter had showed that the diatreme facies rocks generally have very low magnetic susceptibility, whereas hypabyssal facies kimberlite, where found, is quite magnetic. The gravity data showed the Kpo West Anomaly, which has associated indicator minerals, but drilling of this site during 2006 failed to find kimberlite. The geophysical work did not lead to any more kimberlite targets in the Weasua area.

In 2005, a sixth kimberlite, K007, was discovered in a waterwell close to K002 (Figure 3).

Areas not already covered by stream sampling were sampled during the first and second quarters of 2006, with 121 samples being collected and processed at Mano's Monrovia laboratory. High interest spinel and ilmenite counts were found in east tributaries of the Lofa upstream of Weasua (Figure 3). Loam sampling (totalling 3,932 samples) over all of the areas of anomalous stream samples was completed during 2007, with sampling on a 200 m x 100 m grid. The results define high interest areas to the northeast and southwest of K004 and about 3 km to the west of K004 (Figure 4). Pitting and drilling will now be required to follow-up the loam anomalies, and it is highly probable that more kimberlites will be discovered.

Stream and loam sampling results from the Kpo Range MDA are contained in appendix 2, whilst the interpretative report on the geophysical work is given as appendix 3.

The presently known kimberlites were partially delineated by pitting, and then by a core drilling program which was completed between April and September 2006 and drilled 36 holes, of which 32 were delineation holes whilst the other four tested the Kpo West Anomaly. The delineation holes targeted K001, K002, K003 and K007. K004 was not drilled because of access problems, as drilling largely took place during the rainy season. K006 was omitted from the program because it is very small, and a microdiamond sample taken from a pit was barren, suggesting it is of no economic interest. The drilling program and its results are discussed in Sections 10 and 11 below.

A bulk sampling program, using a 5 tph DMS plant, started in June 2007 and was completed by February 2008. A total of 5,000 tonnes was treated, taken from K001, K002, K003, K004 and K007. This program is fully discussed in Sections 11 and 12 below.

9.2.2 Bea Mountains MDA

The current Bea Mountains MDA, which covers 1,000 km^2, is part of the original 1998 Bea Mountains MEA which totaled 2,600 km^2. This covered the important diamond producing areas around Camp Alpha, Israel and the Mabong Valley, as well as the barren Mano Godua kimberlite pipe, and a number of dykes. Mano Godua (a small pipe of 0.5 ha) had been shown by its UNDP discovers to be barren, but Mano had the hypothesis that other kimberlites in the same area could be the source of the alluvial diamonds. The Bea Mountains MEA was converted to a Mineral Development Agreement on 28th November 2001, with the area being reduced to its present 1,000 km^2. This was to allow Mano to proceed with evaluation of its gold targets in the area.

Stream sampling started in May 2000 and was completed in October 2000. A total of 190 samples were collected. Many of these were positive for kimberlitic ilmenite, in some cases supported by kimberlitic garnet and chromite.

The results were analyzed by drainage basin, which suggested that the Mabong Valley, Lofa River North East and the Yambasei Valley were of highest interest. Also, during the sampling program, artisanal workings were noted a few kilometers northeast of the Mano Godua kimberlite (NKS Consulting 2003). It was seen that the artisanal miners were processing laterite developed as a cap on the bedrock, and not the usual river gravel. Suspecting that the laterite could be the capping of a kimberlite pipe, Mano collected 121 loam samples on a 100 m x 100 m grid over the site (loam block BM/1). Many of these samples yielded kimberlitic ilmenite with the highest abundance being over the workings, in an interfluve. Microprobe analyses of a sample of these ilmenites identified both kimberlitic (high MgO) and non-kimberlitic varieties. No further work has been done on this site, and it remains possible that it is indeed underlain by a kimberlite pipe.

The Bea Mountains sampling data is contained in appendix 4.

Mano crushed and processed a single sample of the Mano Godua pipe for indicator minerals. Only ilmenite and chromite were recovered, both in low abundance, and their chemistry suggested the kimberlite to be of low interest, as expected from the historical work.

Fieldwork was stopped at the end of 2001, due to the civil war. As a result, the proposed reconnaissance stream sediment sampling program was never completed. Mano's gold exploration and evaluation work meets the company's commitments under the MDA.

9.2.3 Former MCA Reconnaissance Licence

Exploration in the 15,000 km^2 MCA (Mineral Cooperation Agreement) concession began early in 2005. Work initially focused on the historical diamond mining area near Camp Alpha, in the southwest of the concession. This area lies between the Kpo Range and Bea Mountains MDAs, includes north – south trending kimberlite dykes discovered by De Beers and is discussed in 9.2.4 below.

During 2006 and 2007, sampling was taken into the northern parts of the MCA, where a total of 1,223 stream sediment samples were eventually collected (Figure 5). Anomalous ilmenite counts have been found in eight areas which will be retained under MEAs. Results are contained in appendix 5.

The MCA was reduced to 11,550 km^2 in January 2007 and expired in January 2008. Applications for nine MEAs covering retained areas totalling 3,059 km^2 are pending.

9.2.4 Camp Alpha (MEA applied for)

Stream sampling in this part of the MCA produced numerous anomalies with high interest garnet chemistry, especially to the south of Camp Alpha. Two 100 m x 100 m loam blocks followed up very positive stream sediment samples. Results were again very positive, and led to the siting of pits. To date eight loam blocks, with 1,845 samples, have been sampled in the Camp Alpha area. Ground magnetic and gravity surveys were done over the loam blocks by contractors Richard Day and Associates.

The work was successful in discovering kimberlite, 5 km from the northern boundary of the property. The first kimberlite, named Alpha-1, was recognized in seven pits in a swamp area adjacent to a stream where abundant kimberlitic ilmenite and garnet were found. The kimberlite was located through loam sampling adjacent to the stream, which also pointed to a second body, Alpha-2, close by. A suspected third kimberlite, Alpha-3, was suggested by intensive artisanal activity in an area of positive stream samples located 10 km southeast of Alpha-2 (Figure 6). However fieldwork has so far failed to locate this kimberlite.

The Camp Alpha area was covered by a helicopter borne aeromagnetic survey with 75 m line spacing, carried out by New Resolution Geophysics from Johannesburg. The data was interpreted by consulting geophysicist Luc Antoine.

A core drilling program was done in mid-2006, and showed the Alpha-1 kimberlite to be a 25 m diameter blow on a dyke. Kimberlite was also proved by pitting at Alpha-2. The drilling program is fully described in Section 12 below. A total of 602.5 m was drilled to delineate Alpha-1 and Alpha-2, and test Alpha-3.

A 95 kg microdiamond sample of Alpha-1 yielded 16 diamonds, totaling 0.018 ct. The Camp Alpha kimberlites have also been evaluated from indicator mineral chemistry and petrography, as described in Section 10 below.

Stellar may in future seek a joint venture partner for the Camp Alpha MEA (once issued).

9.2.5 African Aura Joint Venture – North Bea MEA

The African Aura Joint Venture area is an MEA covering 200 km^2 which were part of the original Mano Bea Mountains Exploration Licence. No kimberlite has yet been discovered, but licence wide stream sediment sampling was completed during 2006, and identified strong anomalies, especially in the area of Camp Israel which is a centre of artisanal diamond workings (Figure 7). An 800 sample loam block in this area gave very

positive ilmenite counts (Figure 8), and was covered by an electro-magnetic survey which identified four pipe targets and six dyke targets (Figure 9). Pitting of these targets is in progress.

Sampling and geophysical data and reports for the North Bea MEA are contained in appendix 6.

9.3. Sierra Leone Projects

9.3.1 Kono Project

The Kono Project consists of Exploration Licences (EXPLs) 3/05 ("Njaiama") and 4/05 ("Yengema"), plus EXPL 8/07 to the west ("Nimini"). The Licences are contiguous, and cover the western part of the historical Koidu mining camp. The areas of EXPLs 03/05 and 04/05 correspond to former EPLs 2/98 and 3/98 respectively (Figure 10).

Unlike Stellar's other properties, the Kono area has a history of mechanized alluvial and hard rock mining going back to the 1930s, as described in Section 6 above.

Mano has traced 10 kimberlite dykes, named Lion-1 to Lion-10, through mapping in the widespread artisanal workings (Figure 10), which have a total strike length of over 17 km. The Lion-1 dyke has been traced discontinuously for at least 5 km along strike, and Lion-5 is believed to represent the on-strike extension of the Koidu Dyke A/Pipes 1 & 2 system, the largest established hard-rock diamond resource known in West Africa. The dykes are typically narrow, less than 1 m, and where weathered they have been mined to depths of several meters. Generally, however, the artisans work ground adjacent to the dykes.

Mano initially took samples from the Lion dykes for indicator mineral chemistry, and processed one tonne samples by hand, as discussed below, proving the dykes to be diamondiferous.

Mano completed stream sediment sampling and loam sampling blocks on EPLs 2/98 and 3/98. Interpretation of the results was complicated the widespread artisanal workings in the area, especially in the Moinde Valley. It appeared possible though that some of the low-lying swamps being worked by artisans may overlie outcrops of as yet unrecognized kimberlites.

The Kono program is being advanced in a joint venture with Petra Diamonds Ltd, concluded in 2004, under joint venture company Basama Diamonds (SL) Ltd. The joint venture has set an ambitious program of bulk sampling from shaft sinking and underground development on the Lion dykes. Petra, the operator, has constructed a 75 tph DMS plant in Yengema to process the kimberlite mined. Five shafts have been completed to 30 m depth and underground development done in three of these, two of which are now at depths of 45 m and 65 m respectively. The shaft sinking program is described in Section 12 below and the plant in Section 13.

An airborne magnetic and electro-magnetic survey has been commissioned from Fugro Airborne Geophysics Ltd and is in progress.

Petra has spent in excess of USD3M to date, and earned 51% of the joint venture. Both companies now contribute *pro rata*. Total expenditure on the Kono project exceeds USD10million. Contingent on economic grades and values being determined, the bulk sampling program will pass seamlessly into a production operation by mid 2008.

9.3.2 The former REPL

The four EXPLs described below, in southeast Sierra Leone, were part of a large concession, the REPL (Regional Exclusive Prospecting Licence) which was issued to Mano's subsidiary Sierra Diamonds Ltd in 2004. It covered 9,700 km^2 of essentially unexplored ground directly across the border from the MCA Reconnaissance License in Liberia. Shortly after Mano obtained the Licence it became the subject of a joint venture with BHP-Billiton which funded exploration from its commencement in early 2005 until BHP-Billiton's withdrawal from the project in March 2008. The REPL expired in 2006, and Stellar elected to retain four areas under EXPLs – named Gola Forest, Tongo, Gorahun and Zimmi. BHP-Billiton temporarily remained a joint venture partner for Gola Forest and Tongo, whilst Stellar sought a new partner for Gorahun and Zimmi. Following BHP-Billiton's departure Stellar has sole funded exploration at Tongo to USD323,640.

The exploration approach on the REPL was that used by Mano so successfully elsewhere in West Africa - an initial program of reconnaissance stream sediment sampling with anomalies followed up with loam sampling and geophysics. Sampling results for the former REPL, plus the Gola Forest and Zimmi areas, are given in appendix 7.

9.3.3 Gola Forest

Fairly limited stream sampling has found mainly ilmenite anomalies, with occasional garnet and chromite, in drainages close to the Liberian border (Figure 11). Some garnets have G10 compositions. There is current artisanal mining in the area, which is close to the Kumgbo kimberlite cluster in Liberia, implying a Sierra Leone portion to a larger kimberlite province. Kumgbo is Liberia's most important alluvial diamond area and ilmenite bearing dykes and possible pipes are known. More detailed soil sampling is needed to locate areas for loam sampling and geophysics. The Gola Forest data is given in appendix 7.

There was a delay in issuing the EXPL due to a proposal to declare the Gola Forest a reserve, but the concession has now been awarded (although the EXPL number is not available as of the date of this report).

9.3.4 Tongo

The Tongo Dykes were known from historical work, and were once mined at surface by SLDC and more recently by Koidu Holdings Ltd and River Diamonds plc. Koidu Holdings recent 1,000 tonne bulk sampling results for the Tongo dykes returned grades

between 196 cpht and 288 cpht. Diamond values, though not properly assessed, are believed to be in excess of USD175/ct.

The Tongo dykes have been traced into the Tongo EXPL by soil sampling, trenching and ground EM surveys. Four dykes have been located, with a total strike length of over 3 km (Figure 12). Mano collected 24 mini (up to a maximum of 1 tonne) bulk samples from trenches (Figure 12). These unrepresentative samples gave grades of up to 385 ct/100t, which are very encouraging. Although no valuations have been done as yet, the diamonds are believed by MPH and Stellar to be of high quality based on colour, clarity and crystal forms. Microdiamond samples have been collected from six sites with very good results (Figure 13) and indicator mineral data is also positive (Figure 14).

Electro-magnetic surveys (with Apex Max-Min), carried out by Stellar's staff, identified a number of dyke and pipe targets which were tested with 20 cored boreholes as described in Section 12 below (Figure 15).

9.3.5 Gorahun

Encouraging stream sampling results were obtained near the village of Daru, Gorahun area, where abundant kimberlite indicator minerals were found in the Moawa stream (Figure 16). Follow-up loam sampling on a 100 m x 50 m grid, a magnetic survey with 50 m x 25 m stations, an electro-magnetic (EM) survey, semi-continuous strip sampling and trenching led to the discovery of a kimberlite dyke (Figure 17).

The dyke has been exposed in two trenches dug on lines of semi-continuous soil samples. It has a width of 1.8 m and trends 070º. The garnet chemistry is illustrated in Figure 18, and is of moderate interest with respect to diamond grade implied. The linear EM anomaly which can be traced ESE across the loam grid may be the trace of the dyke (Figure 19).

The EM survey and loam sampling results have identified a possible kimberlite pipe target in the east of the loam block. This target, numbered SL02A, has co-incident ilmenite, garnet and spinel anomalies (Figure 19).

Stellar is seeking a joint venture partner to fund an immediate work program which will consist of further loam and stream sampling, including extending the loam sampling grid to the east, drilling of the Gorahun dyke and EM targets, and the collection of a 200 kg sample of the dyke for microdiamond recovery.

Gorahun sampling and geophysical data is contained in appendix 8.

9.3.6 Zimmi

Large ilmenite anomalies were found in the Zimmi area in the extreme south of the REPL, an area known for producing fancy coloured diamonds from alluvial workings (Figure 20). Garnet is absent in the anomalous samples, possibly because it does not survive well in the tropical environment. Zimmi data is contained in appendix 7. From

their chemistry, the spinels found in the north of the concession appear to be non-kimberlitic, but the ilmenite population has a high interest composition.

Stellar will focus initially on further stream sampling to complete coverage of the area, and loam sampling to follow up positive stream results. A joint venture partner will be sought to fund further work.

10.0 KIMBERLITE MINERALISATION

Kimberlite, demonstrated or expected, on the basis of indicator mineral chemistry, to be diamondiferous, has been identified on the following properties:

In Liberia:

- The Weasua kimberlite pipes, on the Kpo Range MDA
- The Alpha-1 and 2 kimberlite dykes and blow, in the Camp Alpha area

In Sierra Leone:

- The Lion dykes, on the Kono EXPLs
- The Tongo dykes
- The Gorahun dyke(s)

10.1. Liberia

10.1.1 The Weasua Kimberlites

Six kimberlite pipes were discovered by Mano, with a remarkably limited amount of exploration, to the east of the village of Weasua, about 115 km NNE of Monrovia. These rank as some of the larger kimberlites known in West Africa. Weasua lies on the Lofa River, and five of the kimberlites lie in the valley of the Butulu River, an east bank tributary which joins the Lofa near Weasua.

Kimberlites K001 – K004 and K006 were discovered in 2000 and 2001, whilst K007 was found in June 2005. A reported discovery, K005, was found to be either a thin vein or material dumped by artisans, and is not significant. Delineation was by pitting on 20 m or 25 m centers, following by core drilling on K001, K002, K003 and K007 as described in Section 12 below. The pits were sometimes as deep as 5 m. Due to the tropical weathering identification of kimberlite is sometimes difficult, although relic textures can often be seen in the saprolitic rock. Kimberlite is often confirmed by panning a sample for indicator minerals.

The Weasua kimberlites have been shown to be of Neoproterozoic age (Skinner *et al* 2004) and intrude granite gneiss (Neoarchaean), and are in places cut by later dolerite dykes (Jurassic).

The present understanding of the geology of the Weasua kimberlites is given in Table 10-1 below.

Petrography

The Weasua kimberlites are generally mineralogically classified as mixed calcite-phlogopite-serpentine kimberlites. They are geochemically classified as Group 1A, although they are only moderately micaceous (Skinner *et al* 2004).

Table 10-1
The Weasua Kimberlites

Kimberlite	Area	Description	Comments
K001	2.5 ha	Mainly diatreme facies, although (probably insignificant) hypabyssal facies seen in outcrop in Weagbu stream. Seen to be cut by dolerite dyke in Weagbu stream. Drilling shows pipe to be very diluted TKB (tuffisitic kimberlite breccia) with zones of hypabyssal and transitional facies.	First kimberlite discovered. Forms fresh outcrops in stream and high ground on stream bank. No artisanal workings.
K002	5-6 ha	A trilobate body, mainly very soft diatreme facies kimberlite, but some float of fresh hypabyssal facies seen over pipe. Drilling shows diatreme and hypabyssal facies kimberlite with large blocks of granite. More drilling needed.	In a topographic low, swampy ground. Artisans are currently working eluvial material on top of the pipe, and have been doing so for several years.
K003	3 ha	Cores show K003 to be a transitional facies kimberlite and zones of hypabyssal and diatreme facies. Drilling showed the kimberlite in the eastern zone to be highly diluted kimberlite - granite breccia and this zone will not be considered as part of the potential resource. As a result of the drilling, the size estimate for K003 was been revised downwards to 3 ha.	Artisans currently working eluvial material on top of pipe.
K004	dyke	Partially delineated by pits on 25 m centers. Only hypabyssal facies seen. Excavation of bulk sample shows this to be a dyke.	Artisans currently working eluvial material on kimberlite. Not drilled.
K006	?	Appears to be diatreme facies, and therefore a pipe, but has not been delineated. So far has been proved to be at least 80 m x 40 m in extent.	not drilled
K007	< 1 ha	Drilling shows the pipe to consist of diatreme and hypabyssal facies kimberlite.	

Petrographic work is available for samples from K001 (diatreme and hypabyssal), K002 and K003 (Kurszlaukis 2001). Skinner (2000) describes samples from K001, whilst Skinner (2001a) describes kimberlites K001, K002 and K003. A later report (Skinner 2001b) describes K003, K004 and K006 whilst Skinner 2001c describes K006. These reports are included as appendix 9. Numerous samples have been described, and the conclusions with regard to diamond potential listed in Table 10-3 below.

K001 contains diatreme facies, hypabyssal facies and transitional facies kimberlite types. The proportion of olivine macrocrysts is quite variable between specimens. It is a calcite-serpentine-phlogopite kimberlite. Although this is similar to Group II kimberlites elsewhere, the groundmass opaque minerals and perovskite are more typical of Group I kimberlites, and both Skinner and Kurszlaukis favour at least K001, K002 and K003 being Group I kimberlites.

K002 is a phlogopite kimberlite with contains diatreme, transitional and hypabyssal facies types. K003 is similar, except that transitional facies has not been recognized.

K004 is a hypabyssal facies macrocrystic kimberlite, with olivine macrocrysts in a matrix of altered olivine and phlogopite phenocrysts. The groundmass spinels are relatively coarse.

Specimens from K006 include poorly macrocrystic hypabyssal facies kimberlite and diatreme facies magmaclastic tuffisitic kimberlite. The hypabyssal kimberlite and magmaclasts are diopside – phlogopite kimberlites, similar to southern African Group II kimberlites.

Specimens from K001, K002 and K003 are rated as of generally moderate interest (with respect to diamond potential) based on the petrography only, by Skinner. K004 is rated moderate, whilst K006 is rated as low interest.

Indicator Mineral Chemistry

The chromite and garnet chemistry from the Weasua kimberlites is of very high interest on a stand-alone basis, compared to localities world-wide. The garnet population contains an unusually high proportion of sub-calcic grains. Garnet is, however, relatively scarce in all of the pipes, a downgrading factor, which has led to the kimberlites being classed as “low to moderate” interest on a mineral geochemical basis (Mineral Services, 2001a and 2001b). However it is possible that garnet is being preferentially destroyed by the tropical weathering, and that fresh kimberlite may yield a higher garnet count. Weasua mineral chemistry data is given in appendix 10. Grade prognoses from indicator mineral chemistry are given in Table 10-3, together with microdiamond results.

Microdiamond Samples

Samples from kimberlites K001, K002, K003, K004 and K006 were submitted for recovery of diamonds using a total liberation laboratory technique. The results are given in Table 10.2 below. The samples are all from pits, and were analysed by SGS Lakefield

Research Limited, Canada, using the caustic dissolution method. The lower cut-off size is 100 microns. Certificates from SGS Lakefield Research are given in appendix 11.

The data presented in Table 10-2 and appendix 11 is positive, especially for K001 and K003, where a coarse size distribution is beginning to be seen, with the recovery of +0.6 mm and +0.85 mm diamonds from these first, very small, samples. The best microdiamond result to date however is from K004, where a small sample (75 kg) yielded 57 diamonds with a total weight of 0.035 ct. The majority of the diamonds are described as white and transparent.

MPH would stress that microdiamond results from small samples provide an indication of laboratory – derived microdiamond mineralisation only, and are not definitive in terms of macrodiamond grade. Positive results lead to successively larger sampling campaigns designed to be spatially and geologically representative, which evolve into bulk sampling programs for macrodiamonds only.

10.1.2 Camp Alpha Kimberlites

The kimberlites have been identified as hypabyssal and petrography suggests they are of moderate interest. Garnet compositions however are very encouraging. A 96 kg sample of Alpha-1 was sent to SGS Lakefield Research, Canada, for microdiamond testing, and yielded 16 diamonds totaling 0.018 ct. Mineralogical data for the Camp Alpha kimberlites is included in appendix 12.

Table 10-2
Microdiamond Results for the Weasua Kimberlites

Kimberlite	Sample Weight, kg	No. of Diam.	Carats	4.75mm	3.35mm	2.36mm	1.7mm	1.18mm	0.85mm	600µm	425µm	300µm	212µm	150µm	105µm
K001	122.33	18	0.018	0	0	0	0	0	1	1	2	4	3	4	3
K002	102.55	10	0.003	0	0	0	0	0	0	0	1	2	1	3	3
K003	185.72	16	0.011	0	0	0	0	0	1	1	0	1	6	1	6
K004	74.82	57	0.035	0	0	0	0	0	1	1	7	6	7	15	20
K006	179.84	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 10-3
Comparative Grade Prognoses for the Weasua Kimberlites (prior to bulk sampling)

Kimberlite	Size ha	Facies	Mineralogy	Garnets %G10	Chromites % DI	Diamonds (caustic fusion)		Petrography Interest rating	Overall Interest Rating / Potential
						Sample Weight	Total Diam.		
K001	2.5	diatreme hypabyssal transitional	chr, gt, CD	20	36	122 kg	18	Mod – mod high	moderate
K002	5 -6	diatreme hypabyssal transitional	chr, gt, CD, (ilm)	49	40	102 kg	10	Mod - high	High
K003	3	diatreme hypabyssal transitional	chr, gt, CD	54	32	171.8 kg	16	Mod – high	High – very high
K004	dyke	hypabyssal	chr, gt, ilm	75	42	74 kg	57	mod	Mod – high
K006	Minimum 100x40m	hypabyssal diatreme	chr, gt	96	47	179.8 kg	0	Low	Low
K007	< 1 ha	Diatreme hypabyssal	not sampled						

10.2. Sierra Leone

10.2.1 Kono Project – the Lion Dykes

The Lion Dykes trend ENE, with the exception of Lion-2, on EXPL 3/05, which trends NNE (020°). Lion-2 also has a somewhat different mineral composition to most of the others, being ilmenite poor whereas in the others ilmenite is abundant. The other ilmenite poor dyke is Lion-3, which may possibly join with Lion-2.

Mineral chemistry is available for the Lion-1, Lion-2, Lion-3 and Lion-4 dykes, and is given in appendix 13. These dykes have excellent indicator mineral chemistry from both a diamond prospectivity, and preservation perspective. No mineral chemistry is available for Lion-5.

Petrography is available for samples of float collected close to the Lion dykes (Skinner 2002, included in appendix 13). The dyke samples are rated as of moderate to high interest.

No microdiamond samples were taken from the Lion dykes. Initially, Mano took samples of approximately one tonne as outlined below in Table 10-4. Samples of soft friable kimberlite were wet sieved to +0.71 mm, hand jigged, and diamonds picked by eye from the concentrates. These results should not be regarded as quantitative, but serve to prove that the dykes are diamond bearing at the sites sampled.

Table 10-4
Mini-bulk Sampling of the Lion Dykes

Dyke	No. of Diamonds	Deduced Grade ct/100t
Lion-1	22	65
Lion-1	5	15
Lion-2	35	45
Lion-2	14	46
Lion-3	0	0
Lion-5	22	94

No standard diamond sieve classification was done. The diamonds are nominally +1 mm, but some undersize stones were recovered.

The Lion dykes are currently being bulk sampled by the Stellar - Petra Diamonds joint venture by underground development as discussed in Sections 12 and 13 below.

10.2.2 The Tongo Dykes

The results of mini bulk sampling of the Tongo dykes are given in Table 10-5 and the results of six microdiamond samples in Table 10-6. The mini-bulk samples, of up to a maximum of one tonne, were collected in a similar manner to those from the Lion dykes.

The results are extremely encouraging, and show that all of the dykes have economic potential. The chemistry of indicator minerals taken from the mini-bulk samples is given in appendix 14, and is compatible with the excellent diamond results. MPH has viewed diamonds from the Tongo samples at WMRC's Monrovia laboratory and while MPH is not qualified to comment on possible diamond values, it is evident that some are of very high quality.

Table 10-5
Mini-bulk Sampling of the Tongo Dykes

Spl. No.	Dyke	Width cm	Weight kg	Diamonds >0.3 mm	Carats	Grade ct/100t
2446	Dyke 4	30	120	2	0.25	208
2446	Dyke 4	105	1200	5	0.32	27
2505	Dyke 4	35	430	15	1.655	385
2528	Dyke 4	16	90	12	0.12	133
2529	Dyke 4	7, 12	210	0	0	0
2530	Dyke 4	7, 14	360	14	0.82	228
2531	Dyke 4	26, 9	450	1	0.01	2
2532	Dyke 4	3, 7, 43	840	5	0.02	2
2526	Dyke 3	5	60	0	0	0
2527	Dyke 3	?	400	2	0.15	38
2448	Dyke 2	5	320	1	0.03	9
2504	Dyke 2	35	250	4	0.005	2
2536	Dyke 2	26	600	16	1.24?	207
2506	Dyke 1	?	250	9	0.21	84
2525	Dyke 1	40	1000	15	0.85	85
2449	Dyke 1	?	20	1	?	
2447	Dyke 1	6, 6	500	3	0.03	6
2506	Dyke 1	?	250	9	0.05	20
2533	Dyke 1	12	430	10	0.44	102
2534	Dyke 1	11	500	5	0.02	4
2535	Dyke 1	7	160	4	0.15	94
2537	Dyke 1	70, 33, 2	1000	15	1.08	108
2538	Dyke 1	9	90	1	0.02	22

(Bottom screen size = 0.3 mm).

The microdiamond (MiDA) samples, each of 200 kg, were processed by caustic fusion at the Johannesburg facility of SGS-Lakefield and diamonds recovered and described by MSA Geoservices. The results are again very positive, reflecting the mini-bulk sample and mineral chemistry results. Significant numbers of macrodiamonds (+0.85 mm) were found in the MiDA samples which is very encouraging.

The Tongo microdiamond results were interpreted statistically by M M Oosterveld, an acknowledged expert in this field, whose report is given in full in appendix 15. The report analysed the combined results of the six samples to conclude that the microdiamond data point to the possibility that the Tongo dykes contain kimberlite with estimated commercial grades in excess of 500 ct/100 t, although with the caveat that this estimation is made on a small sample of 1,894 stones totaling 2.05 ct. The samples are too few to assign grades to the individual dykes.

It will be necessary to collect more mini-bulk samples, to produce a parcel of approximately 300 ct, to give better grade data and to obtain initial information on diamond quality and value. Plans are being prepared to excavate a 100 tonne sample from each of the dykes which will be treated at the Basama Diamonds plant in Kono.

Table 10-6
Microdiamond Results from the Tongo Dykes (all samples 200 kg)

Kimberlite dyke	Spl No.	No. of Diam.	Carats	4.75mm	3.35mm	2.36mm	1.7mm	1.18mm	0.85mm	600µm	425µm	300µm	212µm	150µm	105µm	75µm
Dyke-1	2447	267	0.2049	0	0	0	0	2	3	8	21	44	35	73	53	28
Dyke-1	2525	248	0.5335	0	0	1	0	5	2	9	11	26	41	55	62	36
Dyke-2	2448	345	0.3261	0	0	0	1	3	2	12	19	30	59	118	60	41
Dyke-3	2527	756	0.5605	0	0	0	1	5	7	22	58	82	119	190	204	68
Dyke-4	2446	81	0.1369	0	0	0	0	1	3	1	2	10	21	19	18	6
Dyke-4	2505	197	0.3004	0	0	0	2	1	10	3	16	19	36	40	52	18

11.0 SAMPLING METHODS

11.1. Stream Sediment Sampling

Stellar's methodology for the collection of stream sediment samples is as follows:

1. Suitable trap sites for heavy minerals are selected
2. From 20 to 50 litres (50 – 125kg) of sediment is collected, the sample size depending on the length of drainage being sampled.
3. This is wet sieved on site to retain the +0.3 - 0.71 mm and +0.71 -2 mm fractions. (During the 2000-2001 sampling programs, only the +0.3 -0.71 mm fraction was taken).
4. This fraction is hand jigged to concentrate heavy minerals, which are then collected and dispatched to a laboratory, currently the Mano owned WMRC laboratory in Monrovia.

11.2. Loam Sampling

The methodology for loam samples is similar, except that the sample consisted of 20 litres of material taken from a depth of about 30 cm below ground level. Over specific mineralogical or geophysical targets samples may be taken in lines (strips) with sample points as close as 4 m.

All sampling work is done by Stellar's own staff.

11.3. Kimberlite Sampling

Early sampling of kimberlite was limited to the treatment of small, not necessarily representative, surface samples. Samples of up to 1,000 kg were taken from the Lion-1, Lion-2, Lion-3 and Lion-5 dykes, Kono, and from the four Tongo dykes, Sierra Leone. These were collected from surface pits, the sampling sites being decided by access. The samples were wet sieved to +1 mm, hand jigged and diamonds picked by eye from the concentrates. The Tongo concentrates were re-concentrated using water columns at the WMRC laboratory, and picked under a microscope. This type of sampling is not considered quantitative, and serves only to indicate that, in the case of positive samples, the dyke is diamondiferous. A negative sample does not conclusively mean the intrusion is barren.

During shaft sinking at Kono, mini samples were collected from the surface of the dyke on which the shaft would be sunk. Similar samples are also collected from kimberlite exposed in exploration trenches. The samples were put through a home made scrubber, jigged, hand sieved, and diamonds picked by hand. In some cases, concentrates are shipped to Petra's facility at Helam Mine, South Africa, for diamond recovery. These samples provided empirical data on the potential grade of the dykes, but are too poorly controlled and documented to be used for resource estimation purposes, and are superseded by the underground bulk sample results.

Microdiamond samples taken from the Weasua kimberlites and Tongo dykes were from hand dug pits. No drill core was submitted for microdiamond recovery. No mini-bulk samples were taken at Weasua.

The kimberlite bulk sampling programs at Weasua and Kono are described in Sections 12 and 13 below.

12.0 DRILLING & BULK SAMPLING

12.1. Liberia - Kpo Range MDA

A program of diamond drilling to delineate the Weasua kimberlites started in April 2006, following upgrading of the road from Gbarma to Weasua, and was completed by September 2006. A total of 3,812.6 m was drilled in 37 holes, including four exploration holes sited on the Kpo West gravity and mineralogical anomaly.

The breakdown of drilling per kimberlite is given in Table 12-1. Drill logs are contained in appendix 16.

The methodology was mainly to drill angled holes outwards from the centres of the pipes to intersect the kimberlite – country rock contacts, and to drill a vertical hole to at least 150 m in the approximate centre of each pipe.

Drilling was done on kimberlites K001, K002, K003 and K007 (Figures 21 and 22). Access difficulties during the rainy season prevented drilling of K004, whilst previous microdiamond and mineralogical work on K006 had established that this small pipe is very unlikely to have any economic potential.

Although the scope of the drilling was limited, the work showed that each of the four pipes extends to more than 150 m below surface and improved estimations of the surface areas. The cores also provide information on the internal structures of the kimberlites, which was previously unknown, and on the degree of dilution of the kimberlite by country rock xenoliths. The drilling provided the level of kimberlite delineation necessary for the calculation of tonnages which could, if appropriate, be used in resource statements.

The drill cores were split for logging, but no core sample has been submitted for any analyses, as there is sufficient indicator mineral data from the earlier pit samples. In particular, no microdiamond work has been done. The core remains securely stored at the site of the Weasua exploration camp.

The program and results for each of the four kimberlites, and the Kpo West Anomaly, are briefly discussed.

12.1.1 K001

Five holes were drilled to completion in K001, with one hole being abandoned for technical reasons (Figure 23). Four angled holes were drilled from the centre of the pipe towards the margins, and a vertical hole was drilled in the centre to a depth of 150 m, where the hole was still in kimberlite. The pipe is mainly tuffisitic kimberlite breccia (TKB) with minor hypabyssal facies. In the southeast the kimberlite is very diluted with granite. A dolerite dyke crosses the pipe east-west.

Table 12-1
Delineation Drilling of the Weasua Kimberlites

Kimberlite	Hole	Azimuth	Incl.	Comments	EOH m
K001	DH1	300º	-65º	Good TKB intersection	119.5
	DH2	120º	-60º	Granite xenoliths	87.0
	DH3	210º	-60º	Granite breccia	100.3
	DH4	30º	-55º	Good TKB intersection	176.5
	DH5		vert.	Abandoned-rods stuck	45.1
	DH6		vert.	TKB+minor hypabyssal	152.8
K002					
east	DH1	190º	-50º	Very little kim	98.0
east	DH2	100º	-50º	Hypabyssal	98.2
east	DH3	010º	-50º	Diatreme and hypa	131.2
east	DH4	280º	-50º	Diatreme	95.1
central	DH5		vert.		150.0
central	DH6	280º	-50º	Lot of granite	89.3
central	DH7	190º	-55º	Diatreme	95.1
central	DH8	100º	-50º	Hypabyssal	170.6
central	DH9	100º	-50º	Hypabyssal and granite	125.4
west	DH10	100º	-50º	Hypabyssal	120.1
west	DH11	280º	-60º	No kimberlite	101.6
west	DH12	190º	-50º	Hypabyssal	120.0
west	DH13	190º	-60º	No kimberlite	83.5
K003	DH1	030º	-55º	Good TKB	95.4
	DH2	210º	-50º	Lot of granite	131.4
	DH3	300º	-50º	Good TKB	104.5
	DH4	030º	-50º	Drills through large xenolith	151.9
	DH5	210º	-50º	Granite breccia	99.2
	DH6	030º	-55º	Granite breccia	169.0
	DH7	135º	-50º	No kimberlite	67.5
	DH8	210º	-55º	No kimberlite	50.4
	DH9		Vert		150.2
	DH10	300º	-55º		50.5
K007	DH1	190º	-70º	Minor kimb intersected	98.7
	DH2	130º	-60º	Diatreme facies	120.0
	DH3	250º	-60º	Granite gneiss	100.7
	DH4		vert.		170.8

12.1.2 K002

The greatest number of boreholes was sunk in K002, which resolved into a trilobate body. Four angled holes were drilled to varying depths on each of the three lobes (eastern, central and western) plus a vertical hole was sited in the middle of the central lobe and ended at 150 m still in kimberlite (Figure 24). Each lobe was drilled from a single point on azimuths at 90º to each other. Three of the four holes in the eastern lobe intersected kimberlite whilst all four holes in the central lobe found varying intersections of kimberlite. The vertical borehole intersected both diatreme and hypabyssal facies kimberlite, but also had extensive intersections of granite and granite breccia boulders.

Only two of the four holes in the western lobe had meaningful kimberlite intersections. The eastern oriented borehole (azimuth 100º) had two intersections of kimberlite separated by a large block of brecciated granite.

K002 is dominantly hypabyssal facies, but with diatreme facies in the central and eastern lobes. More drilling will be required to fully delineate these intrusions.

12.1.3 K003

Kimberlite K003 was drilled with ten holes, from two sites (Figure 25). As usual, angled holes were drilled to intercept the contact between kimberlite and country rock, and a vertical hole was drilled to 150 m, ending in kimberlite. There is a large xenolith of granite gneiss in the centre of the pipe, and the kimberlite is very diluted with granite in its western and eastern sides. The pipe is cut by a northwest – southeast dolerite dyke.

12.1.4 K007

Four boreholes were drilled into the small pipe K007, one being vertical and three being angled holes drilled from the same platform towards the margins of the pipe (Figure 22). The vertical hole, K7/DH4, ended at 171 m and intersected a variety of kimberlite facies. Weathered granite at surface was followed by 20 m of hypabyssal kimberlite. At 28 m the hole entered diatreme facies kimberlite and continued in this formation until approximately 100 m, where it encountered tuffisitic kimberlite breccia (TKB) to a depth of 164 m, after which it re-entered diatreme facies kimberlite until the end of hole. The continuation of the kimberlite to 171 m is encouraging, given the apparent small surface area of the pipe, and suggests the body has some tonnage potential. The bulk sample is taken from the hypabyssal facies in the east of the pipe.

12.1.5 Kpo West Anomaly

All four boreholes into this indicator mineral and gravity anomaly ended in basement granites and gneisses. The source of the anomalous kimberlitic spinels and ilmenites, obtained from surface soil and sub-surface pit samples, remains unresolved.

Drilling has shown that there is significant dilution of kimberlite by country rock in all of the Weasua kimberlites. It is likely that not all of the volume of the pipes will constitute ore, and more core drilling and large diameter drilling will be needed to establish an indicated resource.

12.1.6 Bulk Sampling of the Weasua Kimberlites

Excavation of kimberlites K001, K002, K003, K004 and K007 for bulk sampling purposes started in May 2007. The kimberlite, which is quite soft and weathered, was mined to depths of up to 5 m below surface using an excavator, and the ground piled on site. Three pits were dug in K002, the largest kimberlite, one on each of the west, central and east lobes. Mining and hauling of kimberlite to the plant stopped from late July until early October 2007 during the peak of the rains, but was completed shortly thereafter.

The extent of sample excavation is given in Table 12-2.

Table 12-2
Bulk Sampling of the Weasua Kimberlites

Kimberlite	Planned Weight (tonnes)	Material Extracted (tonnes)	Material hauled to plant stockpiles (tonnes)
K1	1,500	1,500	570
K2/1 (west)	1,000	1,194	1,040
K2/2 (central)	1,500	1,522	1,520
K2/3 (east)	1,000	1,202	1,080
K3/1	1,000	706	540
K3/2	1,000	600	565
K3/3	0	314	0
K4	1,500	244	352
K7	1,500	1,334	1,330
TOTAL	**10,000**	**8,616**	**6,997**

The tonnage mined is calculated by counting the number of 1 m^3 excavator buckets taken and using a tonnage factor of 2.0. The tonnage hauled to the stockpile is calculated similarly, counting the number of 2.5 m^3 loader buckets.

12.2. Liberia – Camp Alpha

A total of 602.5 m of core drilling was completed in 13 holes on the Camp Alpha kimberlites, discovered by stream sediment and loam sampling to the south of the village of Camp Alpha. The holes intersected kimberlite at Alpha-1 and Alpha-2, which were shown to be a dyke system. Camp Alpha drill logs are given in appendix 12.

12.3. Sierra Leone – the Kono Project

Petra Diamonds commenced trenching and shaft sinking on their 51% / 49% joint venture with Stellar during 2006. The shaft sites were selected after examination of artisanal workings and the digging of 30 trenches to expose the kimberlite dykes. The trenches are sited based on various sources of information including previous work by Mano, Quick Bird images and artisanal activity. They were dug by manual labour and constructed using benches to reach final depths of 6 – 13 m in the decomposed rock. The water table in the area is invariably at 6 – 7 m. The kimberlite samples obtained are very weathered and contaminated.

Five shafts have been sunk to the mini-stoping depth of 30 m, whilst deepening of Bardu and Pol-K Shafts is in progress. Underground development has been done on all of the shafts. As of the date of this report, development is in progress at Bardu and Pol-K Shafts. Total development and run of mine tonnes hoisted to date are given in Table 12-3 below.

Table 12-3
Shaft Sinking on the Lion Dykes

Dyke	Shaft Name	Depth	Development	Total tonnes hoisted	Status
Lion 2	Bakarr	31.7 m	started in pillar	499	on care and maintenance
Lion 3	Black Rock	30 m	38 m to NE	783	on care and maintenance
Lion 5	Lost Shaft	30 m	80 m	1,277	on care and maintenance
Lion 5	Bardu	45 m	12.8m to SW 18.2 m to NE	747	sinking in progress
Lion 7	Pol K	65 m	105.4 m to SW 74 m to NE SW - 3 x boxholes & 3 mini-stopes NE -3 x boxholes & 3 mini-stopes	2,046	ready for stoping

The shafts, which are 4 m x 2 m, are sunk on kimberlite, and a 5 m shaft pillar left in place before development is initiated in both directions along the dyke away from the shaft. The development then follows the dyke, by means of fissure drives, which have a width of 1.5 m and height of 2.5 m. All rock is brought to surface in (nominal) one tonne skips, whilst man access is by ladderways. At the shaft head, the larger blocks of waste are removed from the ore by hand. The dyke width is regularly measured on the face to provide an estimation of dilution.

The tonnage mined ("run of mine") is calculated by counting the number of tonne skips. This is reconciled with the cubic metres mined as measured underground, with a tonnage factor of 2.65 applied. The proportion of in situ kimberlite to waste is estimated by measuring the width of the dyke in the development end, and a correction applied to the run-of-mine tonnage to give tonnes of "in-situ fissure".

At Pol-K Shaft, a start has been made on box holes and mini-stopes in the hangingwall which will increase the ore delivered. Petra has designed the shafts to be continued to the 2nd and 3rd levels at 60 m and 90 m. Petra intends to initiate mining by underhand stoping, with panels which could extend up to 400 m from the shafts.

The Black Rock, Lost Shaft and Bakarr Shafts are on care and maintenance following development being stopped in favour of work on the other two shafts. At Black Rock the dyke had an associated well developed fracture cleavage, but narrows to 5 cm at 30 m, and is considered too narrow to be followed at present. At Lost Shaft, the 25 cm dyke at surface

pinches out at 30 m, but re-appears 2 m to the northwest where it was again exposed by development, with a width of 40 cm. It was followed 12 m to the northeast, where it again pinched out. To the southwest the dyke maintains its width, but does not have an associated fracture cleavage, which resulted in over-break and increased dilution of the kimberlite.

Mining is done by Petra's staff, whilst Stellar provides geological supervision.

12.4. Sierra Leone – the Tongo Dykes

A total of 20 cored boreholes have been drilled, mainly to test EM targets within the Tongo EXPL (Figure 26). The total meterage was 1,219.4 m and the work was completed between 23rd July and 12th November 2007 using two machines drilling NQ core. The contractor was Envirodrill from the UK. The machines were small and could be dismantled and man-packed to site. All of the holes were inclined, generally at 50-60º.

The first hole, JVTON001, was sited to intersect an anomaly close to the Tongo Dyke 1 and reached 145.6 m before being stopped due to technical problems. The remaining holes were between 40 m and 90 m deep. No new kimberlite bodies were found, but three holes intersected Dyke 1, two intersected Dyke 4, and one intersection was obtained on each of Dykes 2 and 3.

The Tongo drill logs are contained in appendix 14.

13.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

13.1. Stream and Loam Samples

Stream and loam samples are pre-concentrated in the field by hand jigging on screens in rivers close to the point of collection. Prior to 2005, these field concentrates were sent to Set Point Industrial Technologies Laboratory, Johannesburg, South Africa for preparation of heavy mineral separates using bromoform (SG 2.9 g/cm^3). Set Point Laboratories are ISO accredited. Kimberlite indicator minerals were then picked (in South Africa) by Mrs Sophia Napier, a De Beers trained independent expert in this work.

Since 2005, the hand jigged pre-concentrates have been sent to the Mano owned laboratory of Western Minerals Resource Corporation, in Monrovia, Liberia. This facility was established from scratch by Mano. The field concentrates are further concentrated using water columns before the picking of kimberlite indicator minerals by Liberian staff at the laboratory. The Monrovia laboratory is not ISO accredited.

Electron microprobe analysis of kimberlite indicator minerals are done at the Council for Geoscience, South Africa.

13.2. Kimberlite Samples - Microdiamonds

Kimberlite samples for microdiamond recovery have been processed using the caustic fusion technique at Lakefield Research Limited, 185 Concession Street, Lakefield, Ontario, Canada (now SGS Lakefield Research Limited). This laboratory is accredited by the Standards Council of Canada and the ISO/IEC Guide 25. In 2007, microdiamond samples from the Tongo dykes were submitted to MSA Geoservices Ltd., Johannesburg. The MSA laboratory is operated in joint venture with SGS Lakefield Research, and employs the same methodology, though is not yet ISO/IEC accredited.

13.3. Kimberlite Samples - Macrodiamonds

During earlier phases of exploration, samples from the Lion and Tongo dykes were hand scrubbed and jigged in the field and diamonds recovered by hand picking. This technique was useful is showing the potential of these dykes, but cannot be taken as sufficiently accurate for resource estimation purposes.

A 5,000 tonne bulk sample of the Weasua kimberlites has been treated, and bulk sampling of the Lion dykes is in progress.

13.4. Weasua Diamond Project

A bulk sample plant and logistical base camp was established on the east bank of the Lofa River immediately south of Weasua village. The plant processed 5,000 tonnes excavated from open pits in five of the Weasua kimberlites. It was commissioned on 8th June 2007, closed from end July until 10th October due to the rains, and completed the sample by February 2008.

The key specifications of the treatment plant were:

- Sample, which was stockpiled by the plant, was delivered onto a vibrating grizzly by front end loader. Oversize material was removed and stockpiled for treatment later.
- The sample was sent to a primary jaw crusher, set at 25 mm, and then to a secondary cone crusher. The crushing circuit had a capacity in excess of 10 tph (tonnes per hour). The product was classified to -25 mm + 1mm. Fines are discarded outside the security fence onto the river bank.
- The sample was sent to a DMS (dense media separation) concentrator which had a capacity of 5 tph.
- The concentrate from the DMS was fed directly into an X-ray recovery machine, where it was classified into three size fractions before recovery. Diamonds were recorded and weighed within a glove box and placed directly into a safe. The process from DMS to final recovery was "hands off" to ensure security. The final recording of the diamonds was done by a joint venture representative, government representative and a security officer.
- All the DMS concentrate tailings were bagged and stockpiled and later treated in Stellar's Monrovia laboratory.

A tonnage factor of 2.0 is used for the weathered kimberlite. The kimberlites have significant water contents of between 10 and 32.95% which were determined by the WMRC laboratory in Monrovia, who weighed in-situ and oven dried samples from each kimberlite. Tonnes quoted in the table below are thus corrected for water content by a factor specific to each pipe.

Table 13-1
The Weasua Diamond Project. Inferred Areas, Microdiamond (MiDA) Results and Final Bulk Sampling Results

Kimberlite	Inferred Area, ha	MiDA Sample wt, kg	MiDA results no. stones >100 µm	Bulk Sampling			
				Total (dry) tonnes treated	Total carats >1 mm recovered	Grade, ct/100 t	$/ct[1]
K001	2.5	122.33	18	500	8.85	1.77	71.06
K002 west lobe	Trilobate, 5 - 6			531	19.37	3.65	80.20
K002 central lobe		102.55	10	1,165	53.59	4.60	122.63
K002 east lobe				628	27.71	4.41	85.94
K003/1	3	185.72	16	400	7.37	1.84	77.70
K003/2				532	9.04	1.70	173.16
K003/3							
K004	dyke	74.82	57	297	11.24	3.78	55.97
K006	<0.5	179.84	0	not sampled			
K007	<1	not sampled	n/a	946	30.37[2]	3.21[2]	89.47

[1] valuations by the Liberian Government Valuator
[2] after re-treatment of 50 t of tailings

13.5. Kono Project

Prior to the Petra Joint Venture, Mano processed samples from the Lion dykes by hand jigging and visual selection of diamonds. This work showed the potential of the dykes. In June 2006, the joint venture commissioned a 75 tph bulk sampling plant built at the site of the old SLST power station in Yengema. The key features of the plant are as follows.

- Ore is hauled to pads where it is stockpiled by shaft, with each two meters of development being piled separately.
- The ore is passed through 300 mm grid into a feedbin, from which it is taken by conveyor to a 35 mm trommel screen. The oversize from this screen goes along a picking belt, where waste is removed by hand under geological supervision. This material then passes to the primary jaw crusher, which is set at 400 mm. The undersize is washed and passed over a 0.8 mm screen, with -0.8 mm going to slimes.
- The +0.8 mm -35 mm material goes to a 30 mm scalping screen, and the oversize sent to the secondary cone crusher.
- -30 mm material is fed into the DMS plant, which has an effective capacity of 22 – 24 tph.
- The DMS lights go to a tertiary Hazamag crusher set to 6 mm, with the -6 mm being sent to slimes, and the balance re-treated through the DMS.

Final recovery is by means of grease tables. The DMS concentrate is classified into +15 mm and -15 mm fractions, which are fed to separate grease tables. The grease table products are passed through a magnetic separator, before the diamonds are recovered by hand-picking. The grease table rejects, or "bantams", are passed over the grease a second time. Diamond recovery is done in the presence of two approved senior joint venture staff and the Government mines monitoring officer (MMO). Diamonds are placed in safes within a strong room within the final recovery unit. The strong room has two keys, one of which is held by an approved joint venture staff member, the other by the MMO. Results to date are given in Table 13-2.

Table 13-2
Bulk Sampling of the Lion Dykes as of March 2008

Dyke	Shaft	Depth	Development, meters	Total tonnes hoisted	In-situ kimberlite tonnes	total carats > 1 mm	ct/100t
Lion-2	Bakarr	31.7 m	started in pillar	499	208	67.96	32.7
Lion-3	Black Rock	30 m	38 m to NE	783	34	8.7	25.6
Lion-5	Lost Shaft	30 m	80 m	1,277	190	16.15	8.5
Lion-5	Bardu	30 m	shaft sinking	457	76.8	60.05	78.2
Lion-5	Bardu	45 m[1]	12.8m to SW 18.2 m to NE	290	100.3	67.62	67.4
Lion-7	Pol-K	65 m[1]	105.4 m to SW 74 m to NE stopes in prep	2,046	863.6	559.35	64.7

[1]Depths of shafts as of date of report, 28th April 2008

To date, three shipments, totaling 894.54 carats, have been exported to Petra's associate company Calibrated Diamonds (Pty) Ltd in South Africa. For the second and third shipments, which were in 2008 and totaled 854.54 carats, the Sierra Leone Government Gold and Diamond Office (GGDO) gave an average value of USD133.4/carat. As these relatively small parcels only contained one stone of >5 carats, it may reasonably be expected that larger parcels will return higher per carat valuations. Koidu Holdings Ltd, working the same dyke system, obtain average values of USD230/carat. The largest diamond found by the joint venture so far is a 10.53 ct octahedron from Pol-K Shaft, which was valued at $31,211 ($2,964 per carat).

MPH is of the opinion that all of the sample preparation, analytical and security procedures are adequate at this time.

14.0 DATA VERIFICATION

The WMRC laboratory in Monrovia has implemented a quality control procedure for the mineral pickers in which indicator minerals of all species recovered from previous samples are added to samples previously picked as barren, and presented to the pickers as new samples. MPH has reviewed WMRC's control sheets and the results appear to be quite satisfactory, with high percentages of the spiked grains being picked.

Reports on kimberlite microdiamond samples received from SGS Lakefield Research Limited and MSA Geoservices Limited have been examined by MPH.

At the Weasua diamond project, Stellar re-treated 50 t of tailings from K007 which increased the grade of the kimberlite from 3.19 to 3.21 ct/100 t, the tailings having a grade of 0.36 ct/100 t. The concentrates from the DMS unit were bagged after passing through the FlowSort and taken to Stellar's laboratory in Monrovia where re-treatment yielded an additional 5.35 ct.

MPH was not commissioned to carry out any audit work on the bulk sampling programs in progress at the Weasua Diamond Project and at the Kono Project. No independent verification of diamond recoveries from these projects has been done. Both would be required to move these evaluation projects into formal prefeasibility or feasibility studies.

15.0 ADJACENT PROPERTIES

15.1. Liberia

In Liberia, areas adjacent to Stellar's Kpo Range MDA and former MCA retained areas are held by TSX-listed Diamond Fields International Ltd. in joint venture with local company Ducor Minerals Inc. Exploration is in progress but MPH is not aware of the announcement of any results.

Areas between the Bea Mountains MDA and the Mano River are under license to Hope National Investment Corporation. Again, MPH is not aware of the announcement of any results.

15.2. Sierra Leone

Stellar's Kono EXPLs are immediately west of the mining licence held by Koidu Holdings SA (KH) over Koidu pipes 1 and 2 and the dyke between them ("dyke zone A"). KH completed delineation drilling and bulk sampling during 2004, and the mine was fully commissioned in December 2005. In March 2005, a NI43-101 report by Venmyn Rand (Pty) Ltd quoted an indicated resource of 1,431,000 t at 47 ct/100t plus an inferred resource of 3,545,000 t at 35 ct/100t. During 2006 the mine produced 112,902 ct of gem quality diamonds which sold for an average of USD233/ct (Energem Resources Inc. 2007). Koidu Holding's mine is the only current mechanized kimberlite mining operation on established reserves with supporting large resources bases within the Mano River countries.

Stellar's EXPL 03/05 is bordered to the east by AIM-listed West African Diamonds plc's EPL 8/02 which includes the small Koidu 3 kimberlite pipe on which evaluation work is in progress. The grade of this pipe is recently reported to be 19 ct/100t, although the diamonds are of high quality.

The Kono EXPLs are flanked to the west by EPLs held by African Minerals Limited (formerly Sierra Leone Diamond Company). They hold a portion of the Lion dykes on their EPL016/96, and have announced mini-bulk sampling results from three samples of three different dykes, with positive results. Specifically their kimberlite fissures SLDC 1, 2 and 3 returned grades of 177 ct/100t, 61 ct/100t and 15 ct/100t from the processing of 0.58, 2.395 and 2.723 tonnes respectively. These are believed to represent sampling along the western extension of Stellar's Lion 1 dyke respectively, with the first two results highly encouraging for Stellar. No map has been provided on the website of SLDC to show their sample locations.

Koidu Holdings has rights to the Tongo dykes to the west of Stellar's Tongo property, and are currently reported to be open pit mining dykes and hauling ore to their plant in Koidu. Recently reported grades of 196 cpht, 288 cpht and 246 cpht were established through processing of 1,000 tonnes of kimberlite. River Diamonds plc also hold concessions over the westerly extension of the Tongo dyke swarm at Panguma.

African Minerals Ltd also holds exploration blocks covering much of the northern half of Sierra Leone and has announced the discovery of one kimberlite dyke at its Lake Popie project area, in the west of the country.

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

16.1. Liberia

A 10+ tph bulk sampling plant, with 5 tph DMS concentrator, was assembled at Weasua for the bulk sampling of the Weasua kimberlites, which is now complete. The plant provided information on the metallurgical properties of the Weasua kimberlites.

16.2. Sierra Leone

The Kono Project has assembled a 75 tph plant with 20+ tph DMS concentrator at Yengema for the testing of the Kono Dykes. This plant was commissioned in June 2006. No specific metallurgical test work has been done, but operation of the plant is providing experience in the processing of the dykes.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

17.1. Kono Project

In the opinion of MPH, sufficient underground development and sampling has been completed to allow the statement of an inferred resource in accordance with the CIM definition standards, and a speculative exploration target, on the Lion-5 and Lion-7 dykes, as given in Table 17-1 below.

The limits of the inferred resource have been taken 60 m beyond the last sampling points in both lateral directions and downwards. A speculative exploration target, which is conceptual at present, assumes a total strike length on the dykes of 5 km and downwards continuity to 300 m. The continuity of the dykes along strike is based on remote sensing and locations of artisanal workings. It is emphasized that there has been insufficient exploration to define a mineral resource within the speculative target, and it is uncertain whether ongoing exploration will be successful in delineating any resource.

17.2. Weasua Diamond Project

Sufficient drilling and pitting work has been done to delineate the kimberlite intrusions at Weasua and, with the processing of 5,000 t of ground, to establish an estimate of grade. However, in the opinion of MPH, the results show that the occurrence has no reasonable prospect for economic extraction under present market conditions, and thus cannot be termed a mineral resource.

Table 17-1
Kono Project. Summary of Inferred Resource and Speculative Exploration Target, Exploration 03/05 and 04/05

SUMMARY OF INFERRED RESOURCE[1]

	Gross						Net attributable			
Target	dyke strike length, m	depth, m	in-situ kimberlite width, m	tonnes @ SG of 2.65	grade, ct/t (>1 mm)[2]	contained carats	tonnes	grade, ct/t (>1 mm)	contained carats	Operator
Lion 7 (Pol-K Shaft)	320	95	0.6	48,336	0.65	31,418	23,685	0.65	15,395	Petra
Lion 5 (Bardu Shaft)	150	95	0.9	33,986	0.67	22,771	16,653	0.67	11,158	Petra
Total				82,322		54,189	40,338		26,553	

[1] as defined by the CIM definition standards on mineral resources and mineral reserves, 2004. The strike lengths given are based on limited underground development, projected by 60 m beyond the present workings.
[2] grades are based on the results from underground development.

SPECULATIVE EXPLORATION TARGETS[3]

	Gross						Net attributable			
Target	Assumed dyke strike length, m	assumed depth, m	assumed in-situ kimberlite width, m	tonnes @ SG of 2.65	assumed grade, ct/t (>1 mm)	contained carats	tonnes	grade, ct/t (>1 mm)	contained carats	comment
Lion 7 (Pol-K Shaft)	1,000	200	0.6	269,664	0.65	175,282	132,135	0.65	85,888	conservative
	2,500	**300**	**0.6**	**1,144,164**	**0.65**	**743,707**	**560,640**	**0.65**	**364,416**	**preferred**
	5,000	300	0.6	2,336,664	0.65	1,518,832	1,144,965	0.65	744,227	optimistic
Lion 5 (Bardu Shaft)	1,000	200	0.9	443,014	0.67	296,819	217,077	0.67	145,441	conservative
	2,500	**300**	**0.9**	**1,754,764**	**0.67**	**1,175,692**	**859,834**	**0.67**	**576,089**	**preferred**
	5,000	300	0.9	3,543,514	0.67	2,374,154	1,736,322	0.67	1,163,336	optimistic

[3] the potential tonnage and grade is conceptual in nature, as there has been insufficient exploration to define a mineral resource. It is uncertain whether further exploration will result in the target being delineated as a mineral resource. The speculative exploration target is based on locations of artisan workings and remote sensing interpretation.

18.0 OTHER RELEVANT DATA AND INFORMATION

18.1. Liberia – lifting of United Nations sanctions

In May 2001 the United Nations imposed sanctions prohibiting the sale of diamonds from Liberia. This was in recognition of the role played by sales of diamonds smuggled from Sierra Leone, in funding the Revolutionary United Front which was staging an insurrection against the government of that country. Sanctions remained in force until 30th July 2007, when Liberia was judged to be compliant with Kimberley Process protocols for the certification of diamonds. The first post-sanctions export of diamonds from Liberia was on 5th September 2007 and consisted of 2,253.31 ct which were sold for USD225,597.75 (Ministry of Lands, Mines and Energy, Monrovia).

18.2. Liberia – moratorium on issue of mineral agreements

Following the election of the current Liberian government in early 2006 a moratorium was placed on the issue of mineral agreements whilst the procedures and their transparency were reviewed. This review process has been completed, and issuing of agreements has resumed.

19.0 INTERPRETATION AND CONCLUSIONS

MPH is of the opinion that property portfolio of Stellar Diamonds Ltd in Liberia and Sierra Leone is of very high caliber, with excellent prospects for the establishment of several mining operations.

Stellar's exploration properties may be divided into:

1. Advanced properties where kimberlite has successfully been found or was known, shown to be diamondiferous, and evaluations leading to resource estimates are in progress.

2. Early stage exploration programs where no kimberlites are yet known, but where exploration results have been positive and there are strong indications that kimberlite will be found.

In the first category are:

1. The Kono Project in Sierra Leone, where bulk sampling by shaft sinking and underground development, plus a DMS plant, is evaluating the Lion dykes.
2. The Tongo Project in Sierra Leone, which is not as advanced as Kono, but where diamondiferous dykes await evaluation, and very encouraging microdiamond and mini bulk sample results have been obtained.
3. The Kpo Range MDA in Liberia, where five kimberlites discovered near Weasua have been bulk sampled.

The Camp Alpha area of the former MCA, Liberia, and the Gorahun area, Sierra Leone, could also be considered in this category, although the kimberlites discovered have not been fully delineated, and may be quite small dyke systems.

In the second category are:

1. The Bea Mountains MDA, Liberia.
2. The African Aura Joint Venture, Liberia.
3. The retained areas of the MCA, Liberia (Camp Alpha excluded).
4. The Gola Forest and Zimmi areas, eastern Sierra Leone.

19.1. The Weasua Diamond Project

It is deemed very likely, by MPH, that more kimberlites remain to be discovered near Weasua based on a review of Stellar's exploration results. There are strong indictor mineral anomalies in streams that do not drain the known pipes, especially to the north of Weasua and west of K004. The occurrence of ilmenite in loams to the west of the ilmenite free K004 reinforces the probability of further kimberlite sources, as does the ilmenite in loams to the NE and SW of K004. Stellar has an ongoing program of loam sampling, which, together with geophysical surveys, will locate targets for drilling or pitting.

Mano collected sufficient data to show that most of the Weasua kimberlites merited bulk sampling, the exception being K006. Of the known pipes, K002 and K003 had the best tonnage potential. The results of the bulk sampling program were however disappointing, and MPH is in

agreement that none of the known pipes can be considered as potentially economic under present market conditions. However given the grade prognostications from mineral chemistry and microdiamonds, and the current artisanal mining, continued exploration of the Weasua area for further kimberlite intrusions is fully warranted. The bulk sampling results to date do not negate the possibility of other pipes in the area being considerably higher grade.

19.2. The Kono Project

Results from the first year of the Kono bulk sampling program have been very encouraging, although tonnages processed so far are relatively low, and mini-stoping of the dykes has only just begun.

The Lion dykes have appropriate mineral chemistry and good mini-bulk sampling results, tie-on to the viable Koidu kimberlite Pipes 1 and 2 system, and have been extensively worked by artisans. Results of evaluations, both in the past and very recently, at Koidu, have resulted in a probable reserve for exploitation on the pipes, and an indicated resource on the intervening Dyke Zone A. The resource for Dyke Zone A is 455,000 t grading 54 ct/100 t with stones valued at USD160/carat, giving an in-situ kimberlite value of USD80-85/t. This likely represents the minimum viability hurdle point for Stellar's Lion dykes. Koidu forecasts overall costs of ~USD40/t for their small tonnage Vertical Pit mine on Koidu Pipe 1 (Venmyn Rand, 2005). Dyke Zone A has been sampled to 90 m vertical, with the above resource extending to 120 m along a strike length of ~1.5 km.

Early indications are that this threshold is entirely attainable, and the on-going bulk sampling program with Petra Diamonds, who are accomplished kimberlite dyke miners, will determine the economic potential of the Lion dykes.

19.3. The Tongo Dykes

MPH's review of the Stellar data, as well as activity on adjacent licences, suggests that the Tongo dykes may combine very high grades with high quality diamonds, resulting in extremely attractive deposits warranting advanced evaluation. Microdiamond and mini-bulk sampling results have been very encouraging, with statistical interpretation of albeit limited microdiamond samples suggesting grades in excess of 500 ct/100 t. The extraction of 100 t bulk samples, as proposed by Stellar, is quite justified and a logical step in the evaluation of these deposits.

19.4. The Camp Alpha Kimberlites

It is early days for the evaluation of the kimberlite discoveries south of Camp Alpha. Mineral chemistry is favorable, however, and the regional work is suggesting that more kimberlite discoveries are likely. Alpha-1 has been shown to be diamondiferous, but the tonnage potential of the dyke system has yet to be demonstrated.

19.5. Bea Mountains MDA

There is clear potential for the discovery of more kimberlites in the Bea Mountains area, especially in the Mabong Valley away from the uneconomic Mano Godua kimberlite. Much more sampling is required to complete the reconnaissance stage of the exploration program and is, in MPH's opinion, justified.

19.6. African Aura Joint Venture (North Bea MEA)

Stellar's loam sampling and electro-magnetic surveys in the historical diamond producing Camp Israel area have identified kimberlite dyke and pipe targets which call for pitting or drilling. In the opinion of MPH, the results fully justify Stellar's on-going expenditure on the joint venture, which offers a good probability of a kimberlite discovery in the near future.

19.7. Gola Forest, Gorahun, Zimmi

More sampling is required to complete the reconnaissance stage. The results at Gola Forest and Zimmi are encouraging though, given Stellar's track record of discovery with similar early-stage results. Although the mineral chemistry of the Gorahun dyke is only of moderate interest, more loam sampling is required to the east of the present grid, and the electro-magnetic survey has identified at least one persuasive pipe target. Stellar is seeking a JV partner or partners for Gorahun and Zimmi, and is proposing no budget of its own at this stage. As with Tongo, the discovery of a pipe rather than dykes would be very encouraging.

20.0 RECOMMENDATIONS

Our recommendations are given for each property, together with Stellar's proposed work program and budget. Except where specifically qualified, we endorse the exploration programs proposed, and consider the budgets appropriate.

20.1. Kpo Range MDA, The Weasua Diamond Project

The very successful exploration program started by Mano in 2000 should be seen through to completion. There are high interest indicator mineral anomalies in the property which point to further kimberlite pipes. Stellar's exploration approach and methodology have proved efficient and effective and should be maintained, and there is a high probability that more kimberlite bodies will be discovered.

The Stellar / Trans Hex Joint Venture has completed an approximately 3,700 m core drilling delineation program and treated 5,000 t from kimberlites K001, K002, K003, K004 and K007. The results show that no further work on these pipes is warranted.

20.2. Camp Alpha

To be held under a new MEA, delineation of the Camp Alpha dyke system should continue, but Stellar's tactic of engaging a joint venture partner to share the risk is prudent. The dyke system has been shown to be diamondiferous, but at present tonnage potential is small. Numerous aeromagnetic targets and unresolved indicator mineral results should also be followed up. These may lead to a larger pipe discovery.

20.3. Former MCA retained areas

The continuing reconnaissance program in the north of the concession is producing interesting results. However joint venturing the property to share risk is considered appropriate.

20.4. The African Aura Resources JV (North Bea MEA)

The work near Camp Israel has produced very high interest kimberlite targets, and pitting is in progress. There are excellent prospects for a new kimberlite discovery.

20.5. Bea Mountains MDA

The work program started in 2000 – 2001 should be completed. There are promising indicator mineral anomalies which require explanation, particularly in the Mabong Valley. However Stellar's decision to take advantage of Mano's gold expenditure, which meets the requirements of the MDA, and to defer further work on Bea whilst other high priority areas are pursued, is considered reasonable.

20.6. The Kono Project

This is Stellar's most advanced project in Liberia and Sierra Leone. Although the bulk sampling of the Lion dykes by means of vertical shafts is a good approach, cognizance should be taken that extensive drilling along strike and to depth will be required before an indicated mineral resource can be established for the project. The variations in thicknesses and pinch-outs of the

dykes which have been seen in the development so far underline the need for this. However the present approach holds out hope for immediate expansion from bulk sampling to mining.

The standard requirements for efficient processing, security and independent verification, clearly apply, specifically:

1. Samples should continue to be treated on a batch basis, and the plant regarded as a laboratory rather than a production facility. Tonnages being sent to the plant must be carefully determined.

2. DMS tailings should be resubmitted to the plant.

3. The concentrates should be presented to the recovery unit a second time.

4. The tailings should be audited by a third party.

5. A FlowSort X-ray unit should be installed before the grease tables, although the latter should be retained to catch non-fluorescent diamonds.

6. Proper security and quality control protocols must be in place throughout the operation to validate the results, and to eliminate diamond theft.

7. The plant should be monitored by an independent inspector who could sign off on the results.

8. Shipping of parcels for valuations and modeling must adhere to Kimberley Process protocols.

DMS floats must be reprocessed and tailings audits carried out. Stellar/Petra proposes to install an X-ray recovery unit in 2008. The grease tables should be retained, and the rejects from the X-ray unit passed over them.

Exploration of the Kono EXPLs is difficult due to the dykes shedding abundant indicators into the drainages, and to the long history of alluvial workings. The area is quite mature from an exploration viewpoint. Given the excellent exploration potential on Stellar's other properties, and the long strike length of kimberlite dyke already available for testing, exploration of the Kono area should not be given priority. However the airborne magnetic and electro-magnetic survey in progress is warranted and may yield valuable results. There is as yet little indication of kimberlite on EXPL 8/07, to the west, which is really a gold area, and this concession should not have a high priority.

20.7. Tongo

The Tongo Dykes are an exciting prospect, combining very high grade with high value diamonds, and Stellar should explore this area aggressively. Microdiamond and mini-bulk sampling results are very encouraging, The collection of 100 t bulk samples to obtain at least 300 ct for initial valuation is endorsed.

20.8. Gola Forest

This project is at pre-discovery stage and should be explored using Stellar's well established approach and methodologies.

20.9. Gorahun

Stellar's exploration approach has once more been successful here. Although the upside for this EXPL is the pipe targets located from geophysics, the tonnage potential of the property may be quite limited.

20.10. Zimmi

Again a pre-discovery project well suited to Stellar's methods.

20.11. Summary of Past Exploration Expenditure

Table 20-1 below summarizes Stellar's past expenditure,and budgeted expenditure in the 24 month period from January 2008 to December 2009. .

MPH is in accord with this overall strategy and budgets for the Stellar Diamonds Limited property portfolio.

Table 20-1
Summary of Stellar's Past and Budgeted Expenditure

Property	Stellar expenditure as at 31 December 2007. USD	Joint Venture Partner:	Spent by Joint Venture Partner as of 31 December 2007, USD	Stellar's present interest, April 2008	To Be Spent by Joint Venture Partner over 24 mths from Jan'08- Dec '09 USD	To Be Spent by Stellar over 24 mths from Jan'08 – Dec '09 USD	Stellar's Interest Potential Interest Will Be:
Kpo Range MDA, Liberia	2,223,124	Trans Hex Group Ltd	2,223,124	50%	342,000	342,000	50%
Bea Mountains MDA, Liberia	500,000	n/a	0	100%	0	0	100%
MCA Reconnaissance Licence, Liberia. Retained areas – nine MEAs (including Camp Alpha)	3,665,227	Government of Liberia[1] Additional JV partner sought	0	70%	to be determined	0	to be determined
North Bea, Liberia	388,741	African Aura Resources Ltd	0	0%	0	73,000	0
Kono, Sierra Leone	5,232,308	Petra Diamonds Ltd	5,445,871	49%	847,552	814,314	49%
Tongo, Sierra Leone	323,640	n/a	Former partner BHP-B spent approx >3.M	100%	n/a	194,930	100%
Gola Forest, Sierra Leone	31,743	n/a		100%	n/a	30,000	100%
Gorahun and Zimmi, Sierra Leone	99,906	JV partner sought		100%	to be determined	0	to be determined
TOTALS							

. [1] Participation of Liberian Government under review
In Liberia, Government would have a 10% free carried interest in any future mining venture..

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22.0 DATE AND SIGNATURE PAGE

The undersigned, Ian McGeorge, contributed to all sections of this technical report, titled NATIONAL INSTRUMENT 43-101 TECHNICAL REPORT on DIAMOND EXPLORATION PROPERTIES in LIBERIA and SIERRA LEONE for STELLAR DIAMONDS LTD, PANMURE GORDON (UK) LTD and GMP SECURITIES LIMITED with an effective date of April 28, 2008, in support of the public disclosure of technical aspects of the Stellar's diamond properties in Liberia and Sierra Leone. The format and content of the report are intended to conform to Form 43-101F1 of National Instrument 43-101 of the Canadian Securities Administrators, and with guidelines issued by the London Stock Exchange.

Signed,

(signed)

Ian McGeorge April 28, 2008

The undersigned, Paul Sobie, contributed to all Sections of this technical report, titled NATIONAL INSTRUMENT 43-101 TECHNICAL REPORT on DIAMOND EXPLORATION PROPERTIES in LIBERIA and SIERRA LEONE for STELLAR DIAMONDS LTD, PANMURE GORDON (UK) LTD and GMP SECURITIES LIMITED with an effective date of April 28, 2008**,** in support of the public disclosure of technical aspects of the Stellar's diamond properties in Liberia and Sierra Leone. The format and content of the report are intended to conform to Form 43-101F1 of National Instrument 43-101 of the Canadian Securities Administrators, and with guidelines issued by the London Stock Exchange.

Signed,

(signed)

Paul Sobie April 28, 2008

23.0 QUALIFIED PERSON'S CERTIFICATE

Ian McGeorge

I, Ian B McGeorge, do hereby certify that:

1. I am a consulting geologist with MPH and have an office at Unit 7, Plot 101, Gaborone International Commerce Park, Gaborone, Botswana.

2. I am a graduate of the University of Glasgow with a B.Sc. Honors degree in geology (1975) and of Rhodes University, Grahamstown, South Africa, with a M.Sc. degree in mineral exploration (1982).

3. I am validated as a Chartered Geologist by the Geological Society, London. (Fellow number 1003981).

4. I have worked as a geologist for 30 years since my graduation. My relevant experience for the purposes of this Technical Report is:

    - Four years (1982-1986) as project geologist in Botswana for African Selection Trust, engaged in exploration for kimberlite and diamonds.
    - Five years (1987-1992) as project geologist for Molopo Australia NL exploring for kimberlite and diamonds in Botswana.
    - Ten years (1995–2005) as consultant for MPH Consulting Limited working in diamond exploration and deposit evaluation in Botswana, South Africa and Lesotho.

5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI43-101.

6. I am responsible for writing all sections of this Technical Report.

7. I visited the sites discussed between 10th and 17th September 2007.

8. I have previously prepared Technical Reports on the properties which are the subject of this Report on behalf of Mano River Resources Inc.

9. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

10. I am independent of Stellar Diamonds Limited applying the tests set out in section 1.4 of National Instrument 43-101.

11. I have read National Instrument 43-101F1, and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.

12. I consent to the filing of this Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of this Technical Report.

Dated this……28th…..day of……April……2008.

(signed)

…….
Ian B McGeorge MSc CGeol FGS

24.0 CO-AUTHOR'S CERTIFICATE

Paul A Sobie

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I, Paul A. Sobie, B.Sc., am a Professional Geologist, residing at 179 Guelph Street, Rockwood, Ontario, and hereby certify:

1. I am a member in good standing of the Association of Professional Geoscientists of Ontario, Membership # 0374;

2. I am a graduate of Laurentian University, Sudbury, Ontario with a B.Sc. Honours degree in geology in 1987;

3. I have been employed continuously from 1987 as a geologist with MPH Consulting Limited, and since 1993, as managing director of MPH Consulting Botswana (Pty) Limited, a subsidiary company, located in Gaborone, Botswana, MPH Consulting Lesotho (Pty.) Limited, in Maseru, Kingdom of Lesotho, and of MPH Consulting South Africa (Pty) Limited, in Johannesburg, Republic of South Africa;

4. I am an officer and director of MPH Consulting Limited ("MPH") of Toronto, the parent company, spending the majority of my time in Canada;

5. I have a total of twenty-one years of direct experience with diamond projects in Canada, Russia, West and Southern Africa, including managerial responsibilities for all manner of projects ranging from conceptual grassroots exploration through to resource estimation and feasibility studies on advanced projects. Additional experience has included independent valuations, production audits on producing mines, as well as verification/audit work for parties completing due-diligence, and/or participating in joint ventures;

6. As a result of my education, professional experience and professional qualifications, I am a qualified person as defined in National Instrument 43-101, and all international mining codes and jurisdictions.

7. I contributed to writing all sections of this Technical Report.

8. I have previously prepared Technical Reports on the properties which are the subject of the Report on behalf of Mano River Resources Inc.

9. The sources of information and data not based on personal examinations were obtained from the references cited in the report in connection with such information, which to the best of my knowledge and experience is correct;

10. I am not aware of any material fact or material change with respect to the subject matter of this technical report which is not reflected in this report, the omission to disclose which would make this report misleading;

11. I am independent of Stellar Diamonds Limited applying the tests set out in section 1.4 of National Instrument 43-101.

12. I am Chief Executive Officer and Managing Director of Siberian Diamond Limited, a private company exploring for diamonds in the Russian Federation. Siberian Diamonds Limited shares a director with Stellar Diamonds Limited, Mr Guido Pas, who is a Non-Executive Director of Siberian, and Non-Executive Chairman of Stellar.

13. I have read National Instrument 43-101F1, and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.

14. I consent to the filing of this Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of this Technical Report.

Dated this……28th….of……April….. 2008.

(signed)

(Signed) *Paul Sobie*
Paul A. Sobie, B.Sc., P.Geo.

25.0 GLOSSARY OF TECHNICAL TERMS

aeromagnetic survey	Surveys flown by helicopter or fixed wing aircraft to measure the magnetic susceptibility of rocks at or near the earth's surface. Kimberlite may be detected by these surveys.
alluvial	Transported and deposited in a river system, e.g. diamonds eroded from kimberlites and deposited in river gravel.
Archaean	The oldest rocks of the Precambrian era, older than about 2 500 Ma.
artisanal	Adjective to describe mining by workers operating without substantial capital, technical skills or training.
basement	The igneous and metamorphic crust of the earth, underlying sedimentary deposits.
brecciated	Condition applied to an intensely fractured body of rock.
bulk sample	a large sample, at least several hundred tonnes, usually excavated mechanically
carat	Standard unit of diamond weight, 1 carat = 0.2 grams
carbonate	A rock, usually of sedimentary origin, composed primarily of calcium, magnesium or iron and CO_3. Essential component of limestones and marbles.
caustic fusion	A laboratory method of recovering microdiamonds (and other resistant minerals) from kimberlite by means of fusing the rock with sodium hydroxide, which destroys the silicate phases and leaves a small residue of resistate, in which will be found any diamonds present.
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
core drilling	Method of obtaining cylindrical core of rock by drilling with a diamond set or diamond impregnated bit. For drilling of diamond deposits bits with synthetic rather than natural diamonds are used, to avoid possible contamination.
chrome diopside	A calcium, magnesium silicate, $Ca(Mg,Fe,Cr)(Si,Al)_2O_6$, with a high proportion of chromium substitution in the lattice, which is a common indicator mineral for diamond.
chromite	An oxide of chromium, $(Mg,Fe)Cr_2O_4$, some varieties of which can occur in kimberlite.

conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
craton	Large, and usually ancient, stable mass of the earth's crust comprised of various crustal blocks amalgamated by tectonic processes. A cratonic nucleus is an older, core region embedded within a larger craton.
Cretaceous	Applied to the third and final period of the Mesozoic era, 141 Ma to 65 Ma ago.
ct/100 t	Carats per hundred tonnes. A common way of expressing the grade of diamonds in a deposit.
diatreme	A volcanic vent created by gaseous magma sourced from the mantle. A common mode of occurrence of kimberlite and often referred to as pipes, because of their near vertical attitude and frequently approximately circular or oval shapes.
DMS	Dense media separation. A technique to produce a diamond bearing concentrate.
dyke	A vertical or near vertical sheet of igneous rock, the widths of which may range from centimeters to hundreds of meters. One of the typical modes of occurrence of kimberlite, in the case of which widths are usually narrow, less than 2 m.
EPL	Exclusive Prospecting Licences (with reference to Sierra Leone)
EXPL	Exploration Licence (with reference to Sierra Leone)
facies	The sum of the lithological (and palaeontological) characters of a particular rock. In the case of kimberlite there are usually four facies recognized – hypabyssal, diatreme, crater and transitional
fault	A fracture or fracture zone, along which displacement of opposing sides has occurred.
G9	A type of pyrope garnet often found in both diamond bearing and non diamond bearing kimberlite. Red to purple in colour.

G10	A type of pyrope garnet often associated with diamond bearing kimberlite. Lilac in colour.
Ga	Giga years (1 Ga = 1,000 million years)
garnet	A silicate mineral with many varieties. Specific compositions can be related to depths and pressures of formation, eg pyrope garnets are chrome rich and are common in kimberlite, and are a kimberlite indicator mineral.
gneiss	A coarse grained, banded, high grade metamorphic rock.
gravity survey	A geophysical survey technique which detects variations in the earth's gravity field due to variations in the specific gravity of the underlying rock. Can used to detect kimberlite, which may have higher or lower specific gravity than surrounding rocks.
grease table	A device for recovering diamonds in a treatment plant using grease, to which the diamonds preferentially adhere due to their hydrophobic properties.
ha	Hectare = 10,000 m^2. A common unit for expressing the surface area of a kimberlite pipe.
hypabyssal	An adjective for an igneous rock, *e.g*. kimberlite, which has crystallized from a melt within the earth's crust, but at relatively shallow depth.
ilmenite	An iron, magnesium and titanium oxide ($(Fe,Mg)TiO_3$). The magnesium-rich ilmenite in kimberlite is called picro-ilmenite.
indicated resource	That part of a mineral resource for which tonnage, grade, shape etc. can be estimated to a reasonable level of confidence. Confidence level is higher than for an inferred resource, but less than for a measured resource.
indicator minerals	A suite of resistant minerals with an origin and mode of occurrence similar to diamond, that can be indicative of the presence of primary diamond deposits.
isotope dating	A method of dating rocks by quantifying the relative ratio of isotopes.

joints	Regular planar fractures or fracture sets in massive rocks, usually created by unloading, along which no relative displacement has occurred.
Jurassic	Second period of the Mesozoic Era, 190 to 141 Ma ago
kelyphyte	An alteration rim on the surface of (pyrope) garnets in kimberlite resulting from reaction with kimberlite magma at depth or phase transformation reactions in peridotite-derived pyrope garnets.
kimberlite	An alkaline ultramafic igneous rock that is generated at great depths in the earth and emplaced at the surface in pipes (diatremes), dykes or sills. The principal source of primary diamonds.
KIM	Kimberlite Indicator Mineral: pyrope garnet, eclogitic garnet, picro-ilmenite, chromite and chrome diopside. These are distinctive resistive minerals which occur in kimberlite in much higher concentrations than diamond, and which can be found in streams and soils and traced back to their kimberlite source, thus acting as pathfinders for diamond. The chemical compositions of garnet, ilmenite and chromite are related to the diamond potential of their source kimberlites, thus their mineral chemistry can provide an initial, non quantitative, grade prognosis.
limestone	A sedimentary rock containing at least 50% calcium or calcium-magnesium carbonates.
lineament	A significant linear feature of the earth's crust.
lithosphere	Mass of the mantle attached to the base of the crust that has a geological history related to that of the overlying crust, and that is cold and rigid relative to the deeper parts of the mantle.
loam sampling	Sampling the soil profile to recover resistant minerals. In the case of diamond exploration, loam sampling is intended to recover kimberlite indicator minerals.
Ma	Million years.

mafic	Descriptive of rocks composed dominantly of magnesium and iron rock-forming silicates.
magnetic survey	A geophysical survey which measures variations in the earth's magnetic field caused by differences in the magnetic susceptibilities of underlying rock. Kimberlite may be detected by this method, as its susceptibility may be higher or lower than surrounding rock types.
mantle	The layer of the earth between the crust and the core. The upper mantle, which lies between depths of 50 and 650km beneath continents, is the principal region where diamonds are created and stored in the earth.
MCA	Minerals Cooperation Agreement (with reference to Liberia)
MDA	Minerals Development Agreement (with reference to Liberia)
MEA	Minerals Exploration Agreement (with reference to Liberia)
metamorphism	Alteration of rock and changes in mineral composition, most generally due to increase in pressure and/or temperature.
macrodiamond	Definitions vary, but a diamond which would be recovered in a full scale mine plant. Now generally taken as >0.85 mm in size.
microdiamond	A diamond <0.85 mm in size, although definitions vary. Usually considered to be of no commercial value and too small to be recovered in a full scale mining operation.
MiDA	Abbreviation for "microdiamond analysis"
mobile belt	An elongate belt in the earth's crust, usually occurring at the collision zone between two crustal blocks, within which major deformation, igneous activity and metamorphism has occurred.
orogeny	A deformation and/or magmatic event in the earth's crust, usually caused by collision between tectonic plates.

Palaeozoic	An era of geologic time between the Late Precambrian and the Mesozoic era, 545 Ma to 251 Ma ago.
Precambrian	Pertaining to all rocks formed before Cambrian time (older than 545 Ma).
petrography	The description and classification of rocks.
Proterozoic	An era of geological time spanning the period from 2 500 Ma to 545 Ma before present.
pyrope garnet	A ruby-coloured garnet, $Mg_3Al_2(SiO_4)_3$, common in deep-seated ultramafic intrusive rocks and common as a xenocryst in kimberlite.
pipe	When referring to kimberlite, a synonym of diatreme.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of constituent minerals.
SG	Specific gravity. For practical purposes equivalent to density; sometimes called "tonnage factor."
spinel	A group of oxide minerals of various compositions, $(Mg,Fe,Mn)(Al,Fe,Cr)_2O_4$, commonly occurring as an accessory in basic igneous rocks.
stream sediment sampling	The collection of samples of stream sediment with, in diamond exploration, the intention of looking for kimberlite indicator minerals or diamonds.
strike	Horizontal direction or trend of a geological structure.
tonne	A metric tonne, 1,000 kg
tph	Tonnes per hour
tectonic	Pertaining to the forces involved in, or the resulting structures of, movement in the earth's crust.
ultramafic	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
xenocryst	Applies to mineral crystals in igneous rocks that are foreign to the body of rock in which they occur. Very common in kimberlite, with diamond being an example.
xenolith	A piece of another pre-existing rock within an igneous intrusion. Very common in kimberites.

26.0 FIGURES

Figure 1 Property Location Map

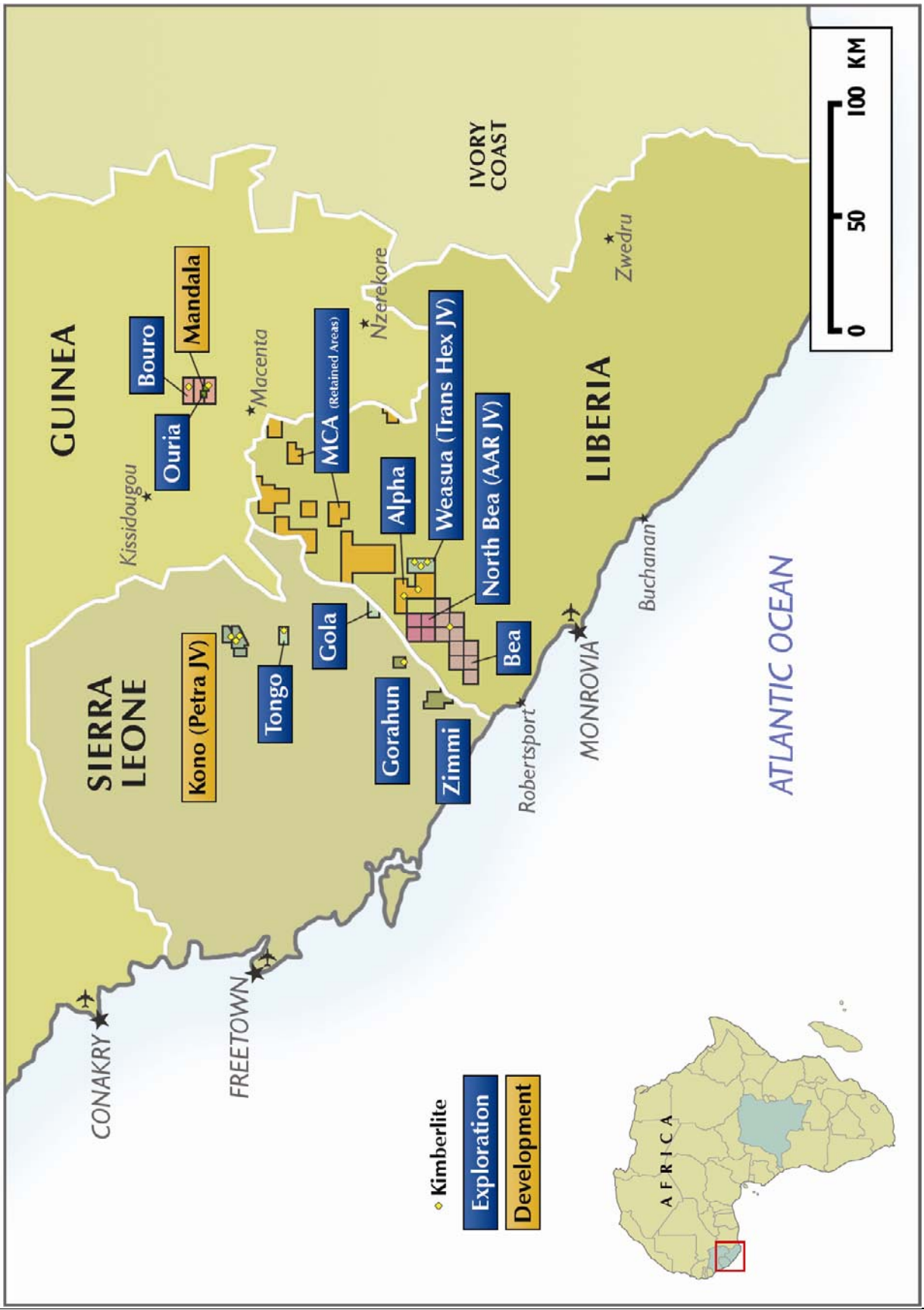


Figure 2 Geology Map of the Mano River Countries with Property Locations

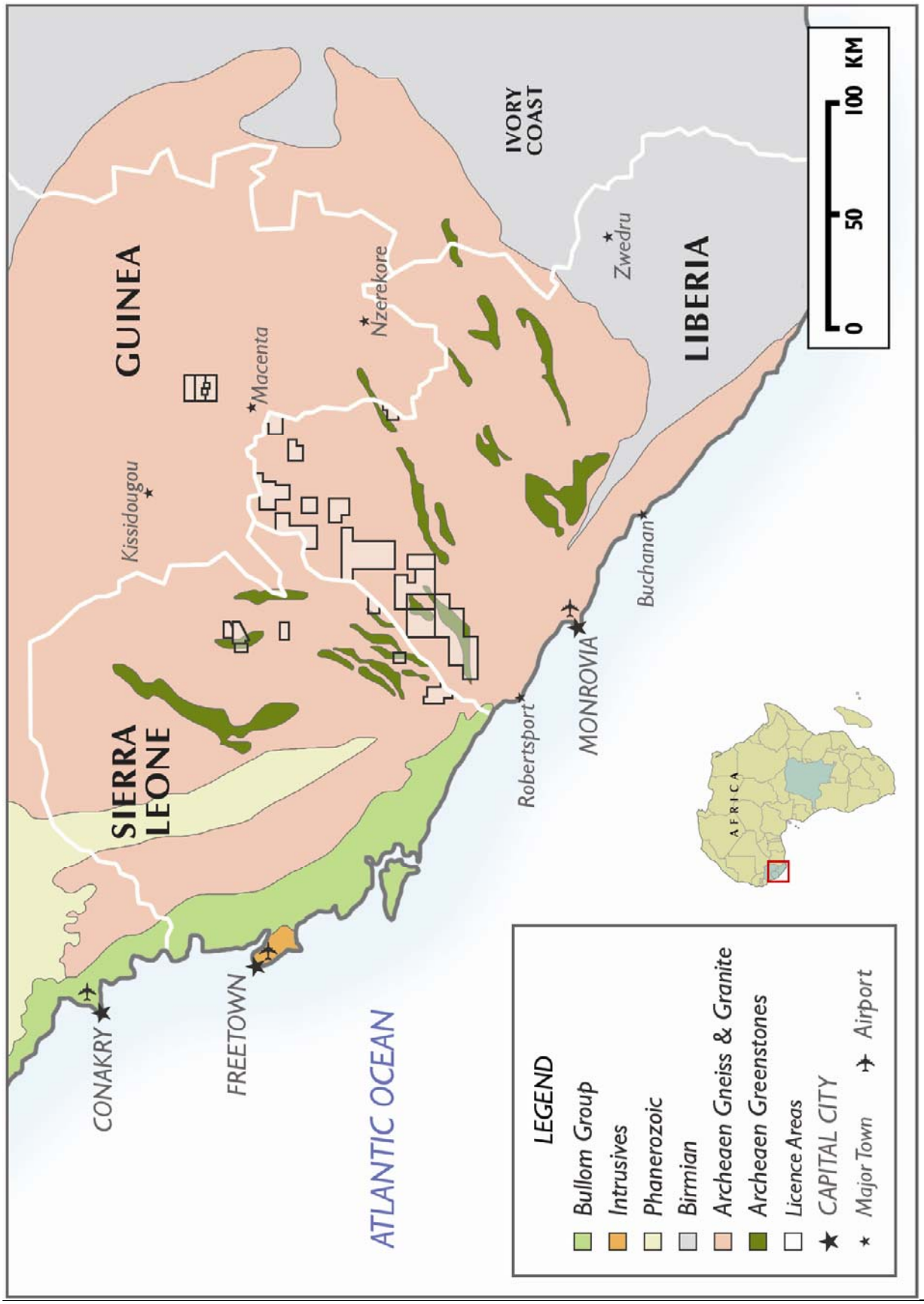


Figure 3 Kpo MDA Stream Sampling Results

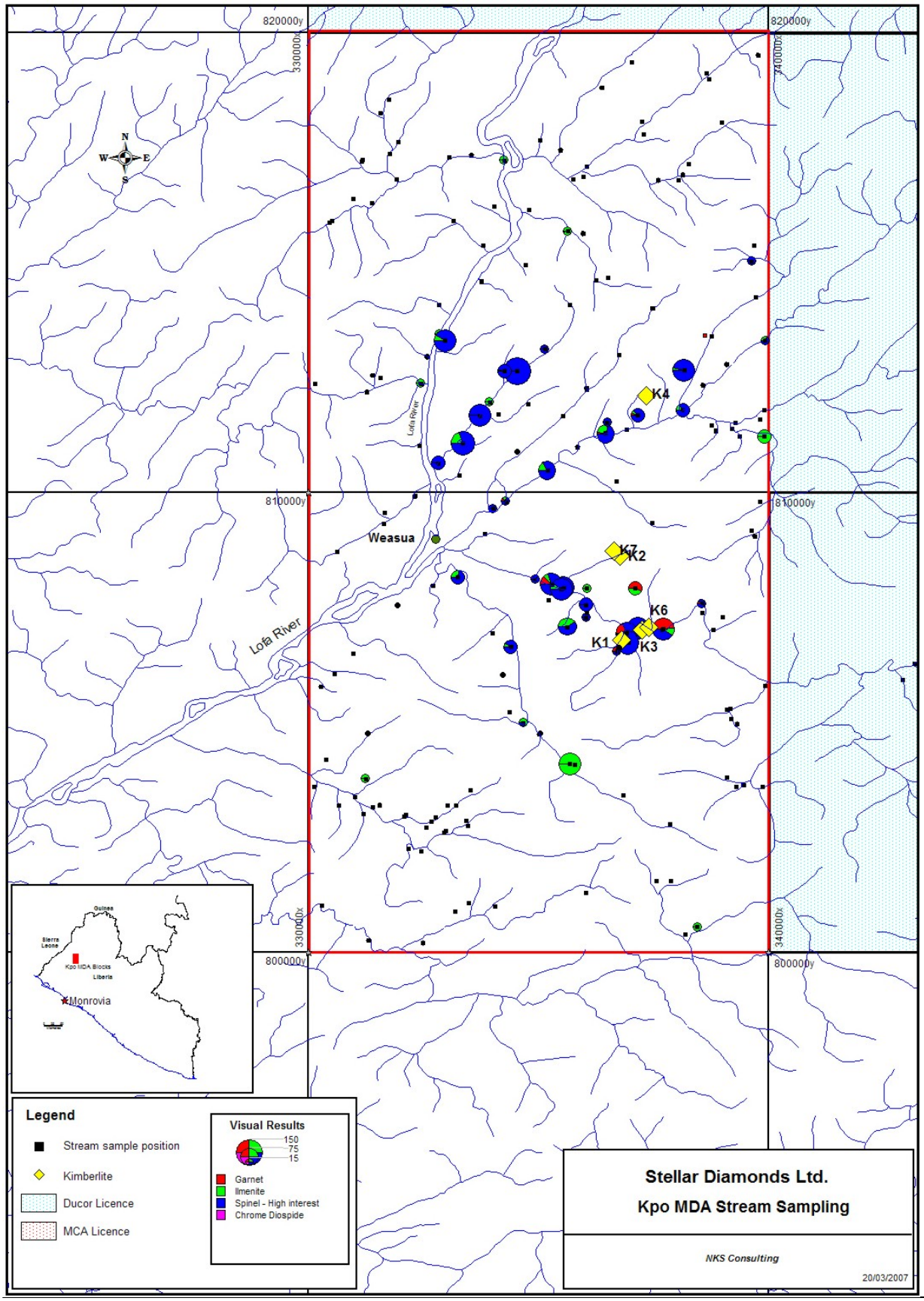


Figure 4 Kpo Range MiDA Loam Sampling Results, April 2008

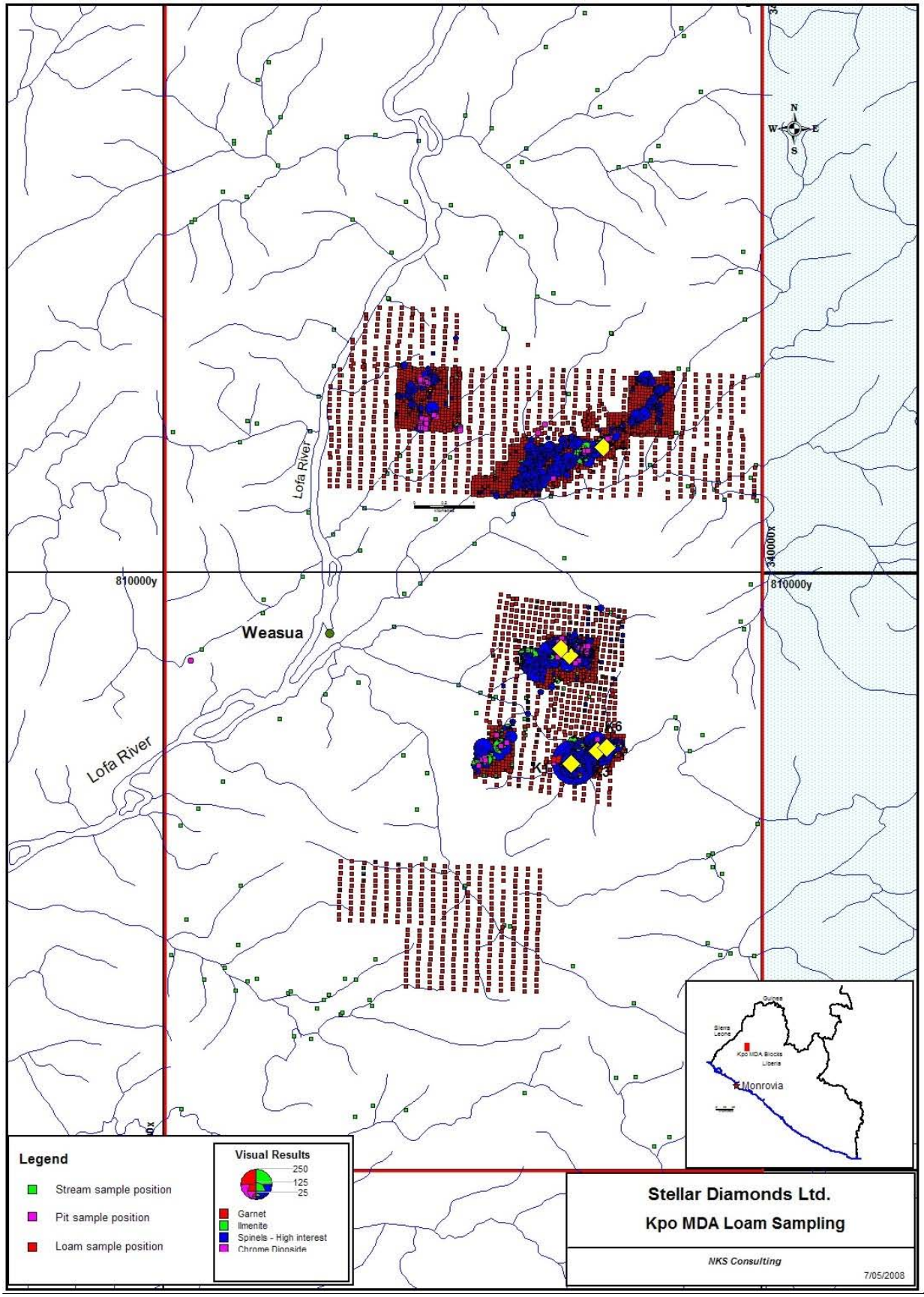


Figure 5 Former MCA Stream Sampling Results

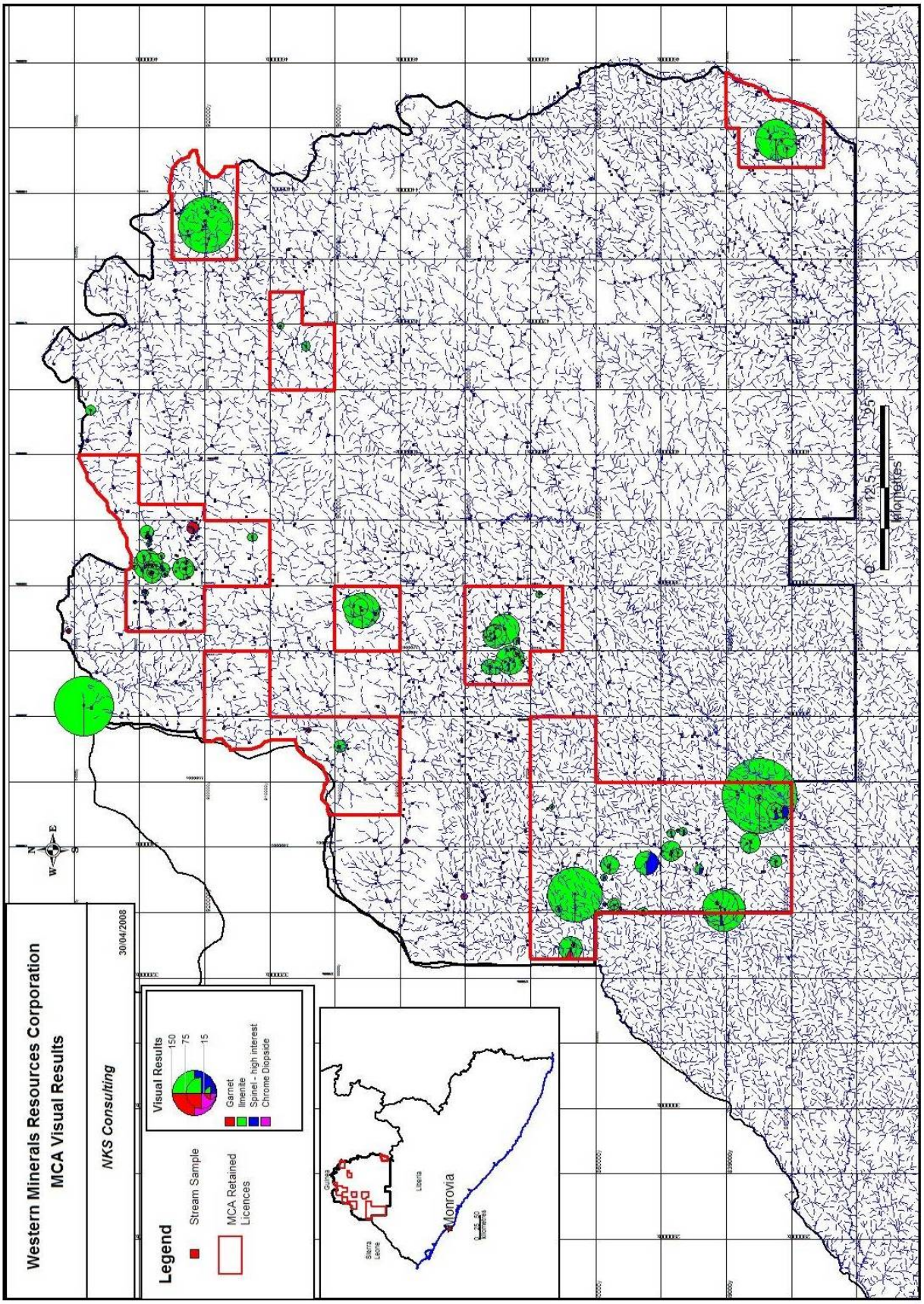


Figure 6 MCA Camp Alpha Reconnaissances Sampling Progress

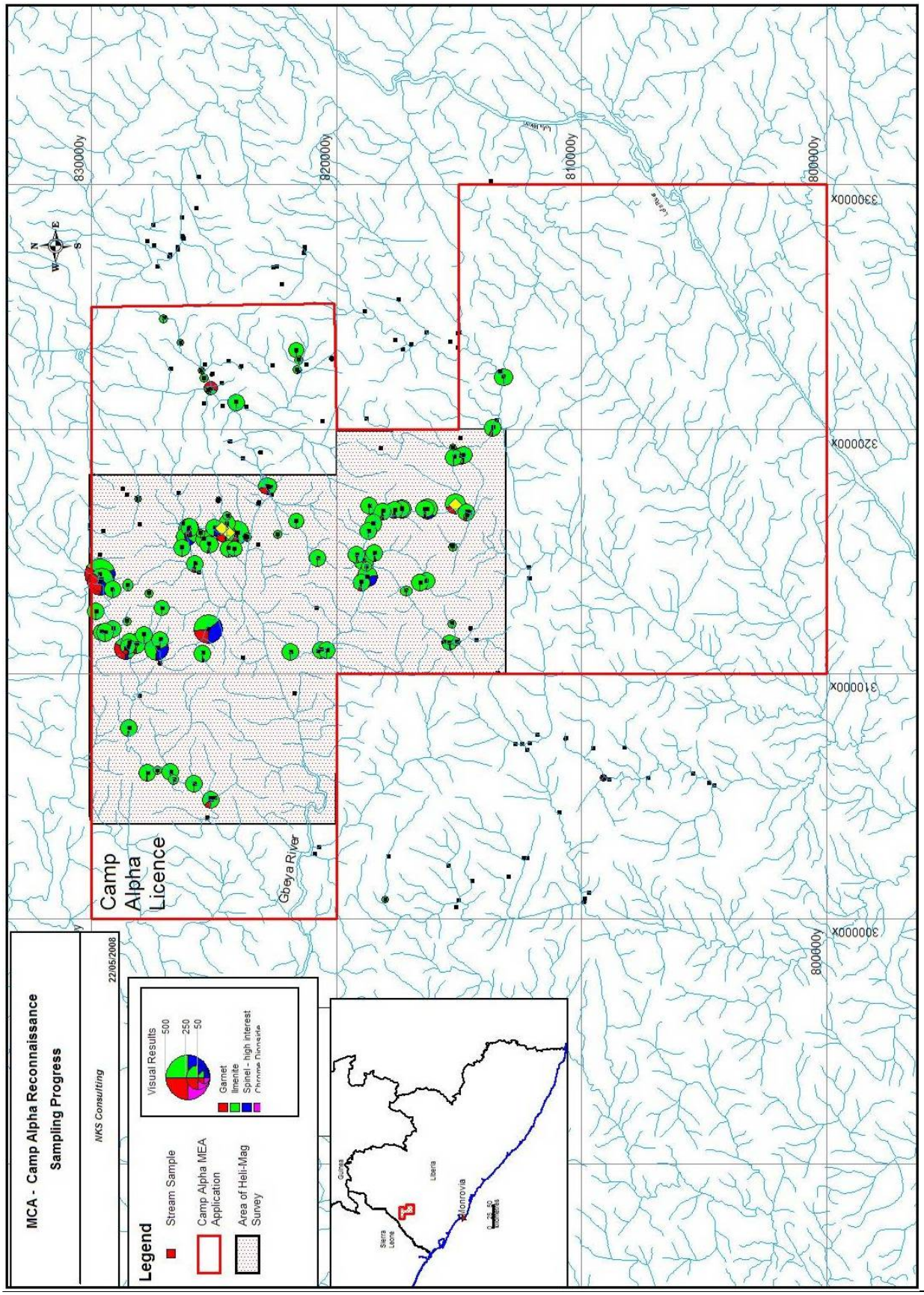


Figure 7 AAR JV Retained Area and Reconnaissance Sampling Results

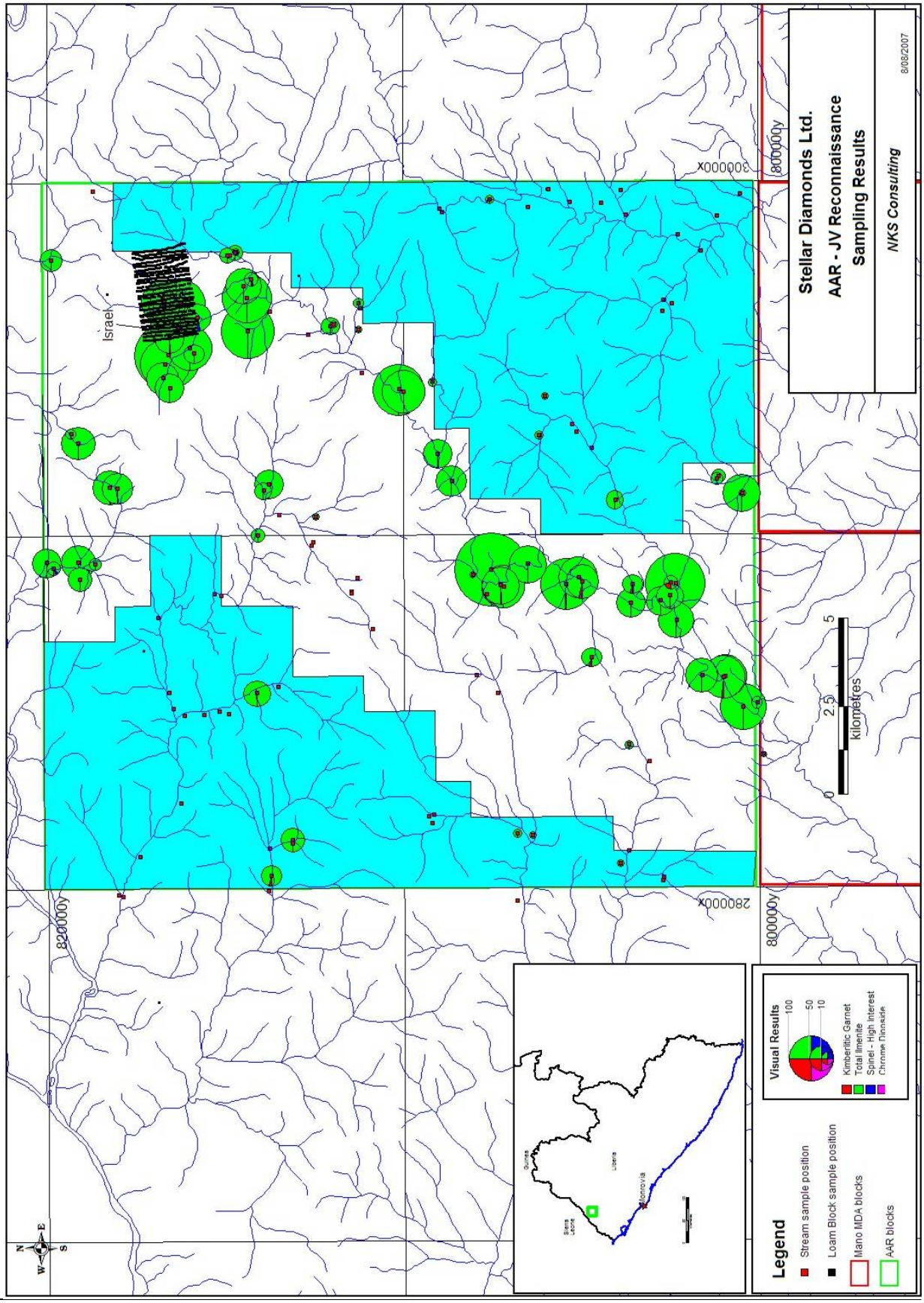


Figure 8 AAR JV Camp Israel Loam Results

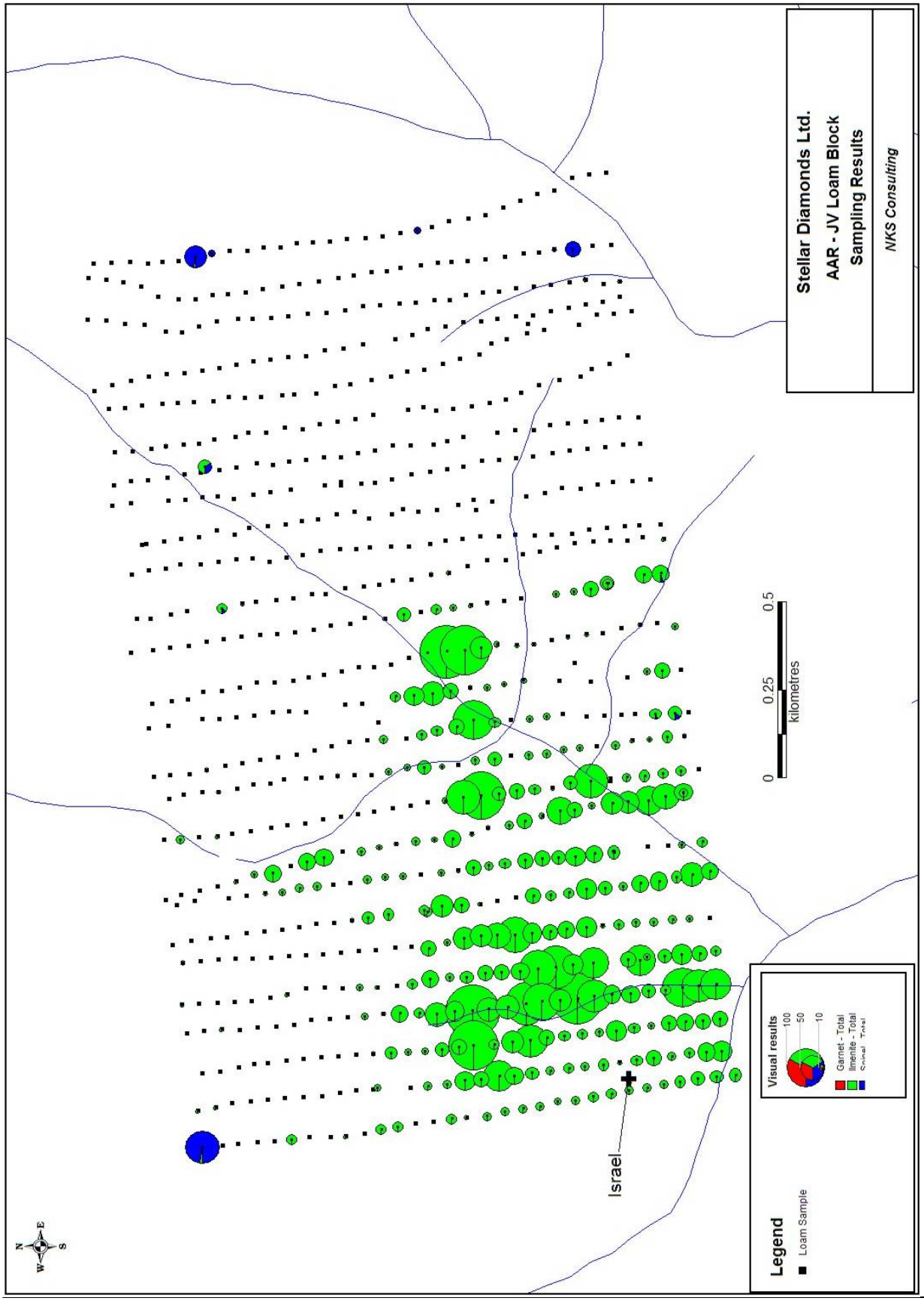


Figure 9 AAR JV Camp Israel EM Results

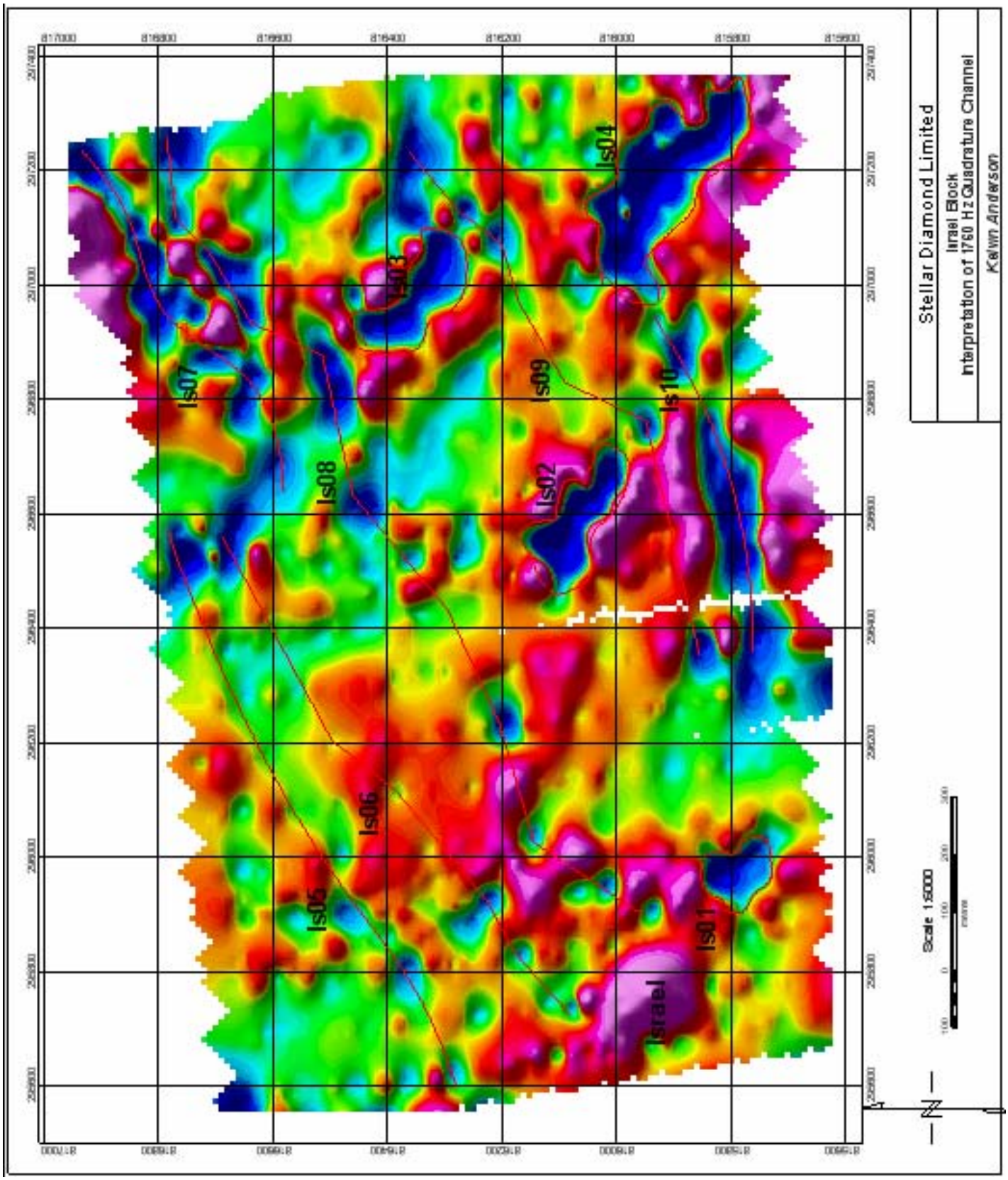


Figure 10 Kono Project Area

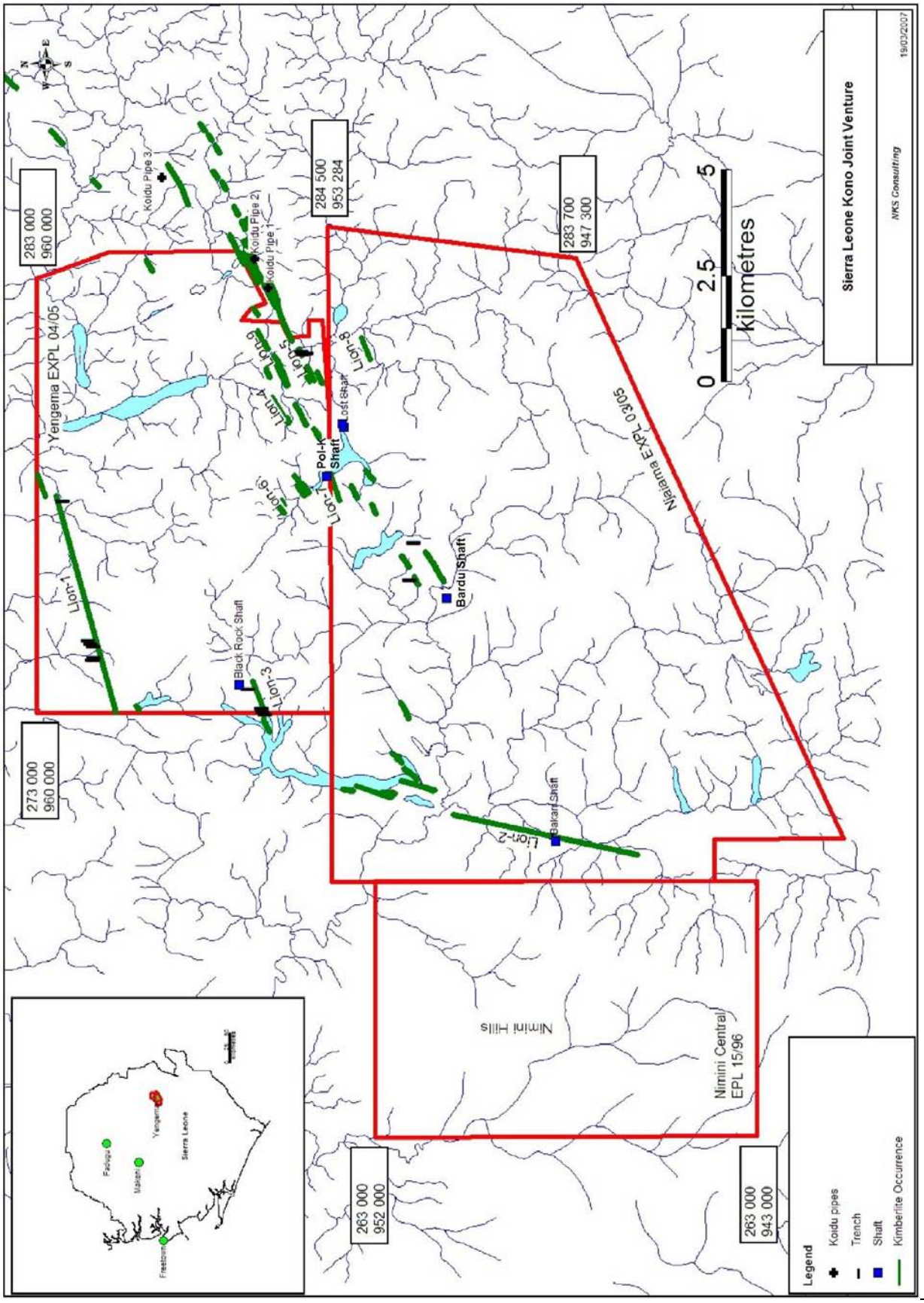


Figure 11 Gola Forest Exploration Stream Sediment Sampling Results

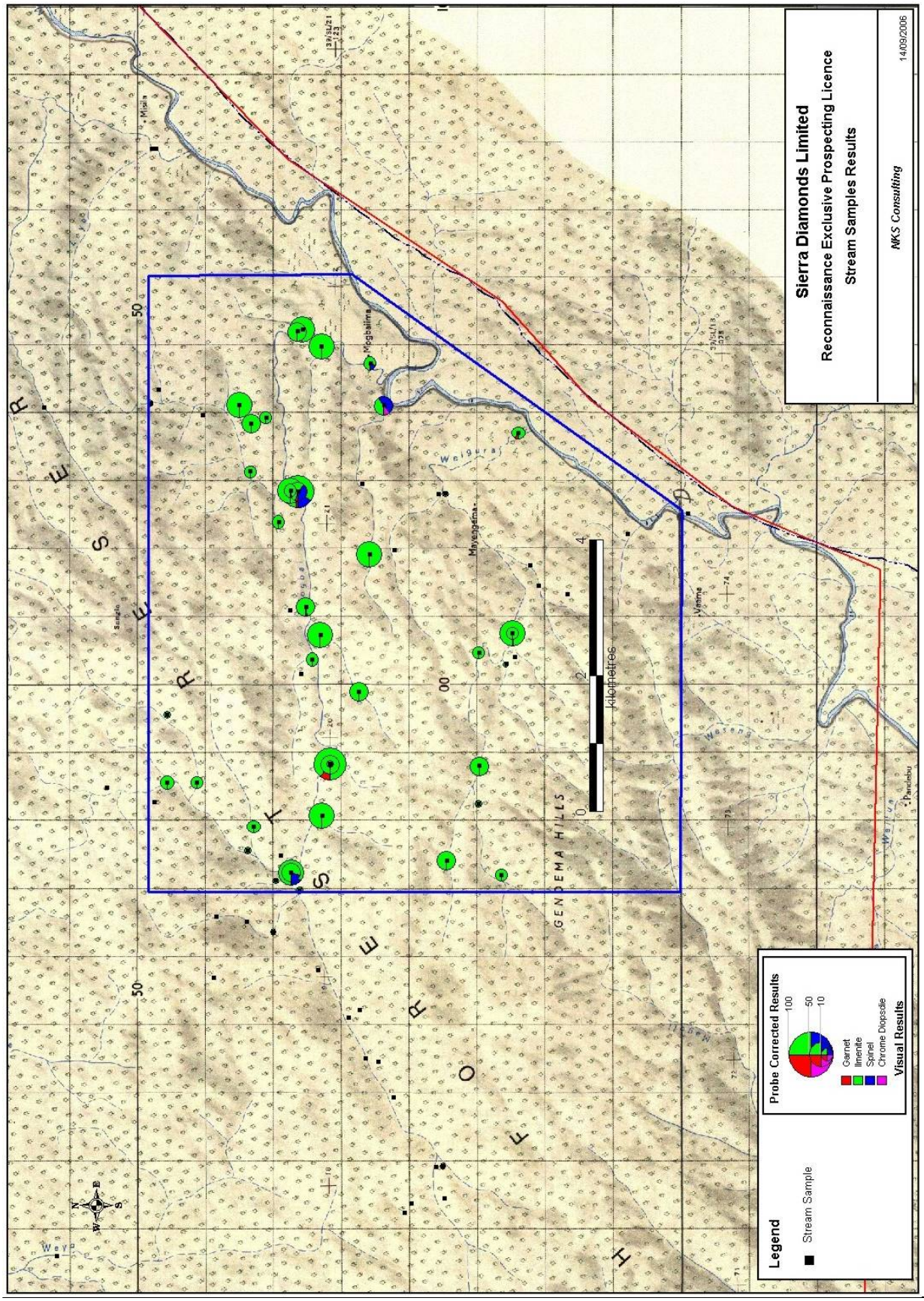


Figure 12 Tongo Exploration Mini-bulk Sampling Results

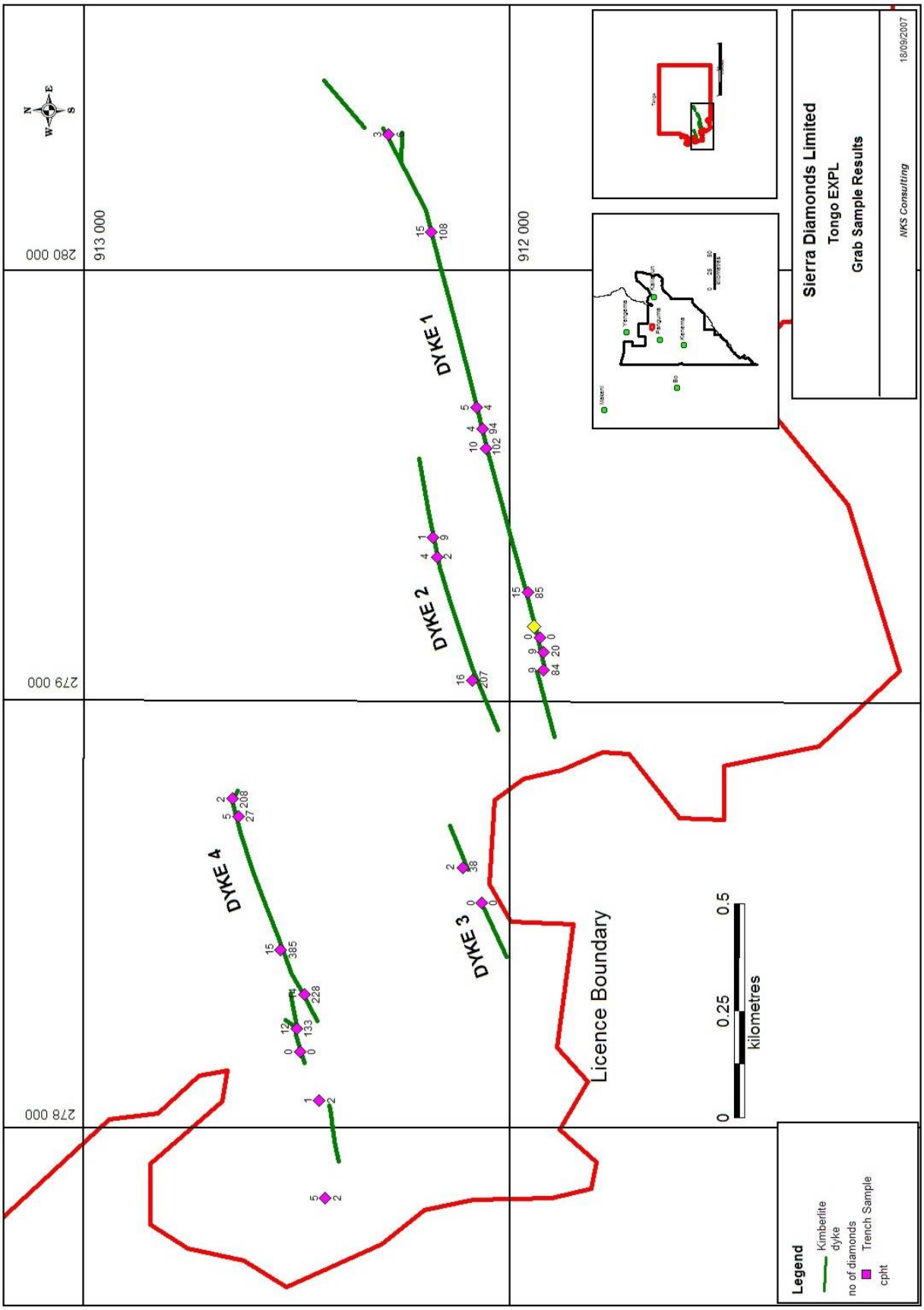


Figure 13 Tongo Exploration MiDA Sampling Results

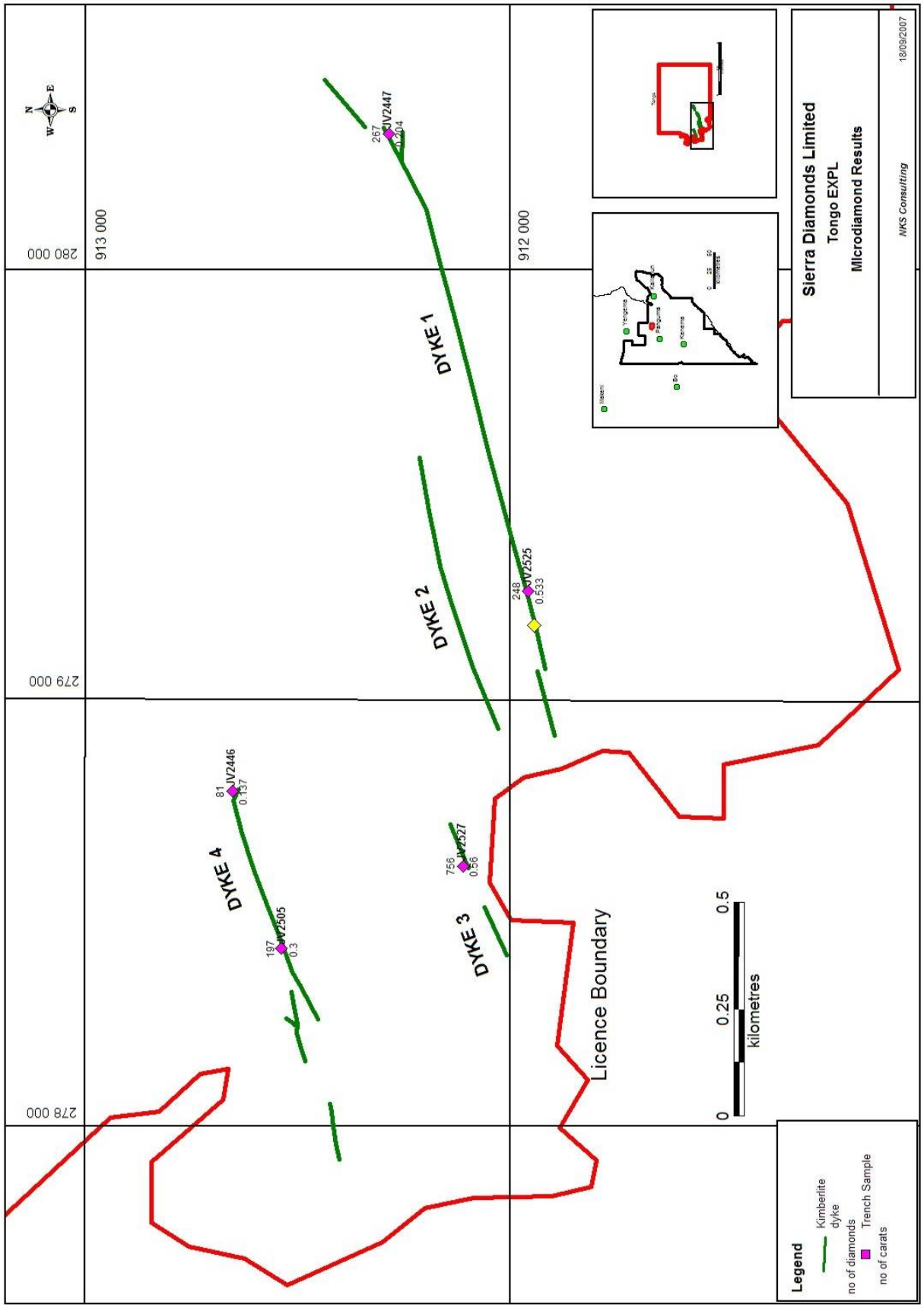


Figure 14 Tongo Dykes, Garnet Plot

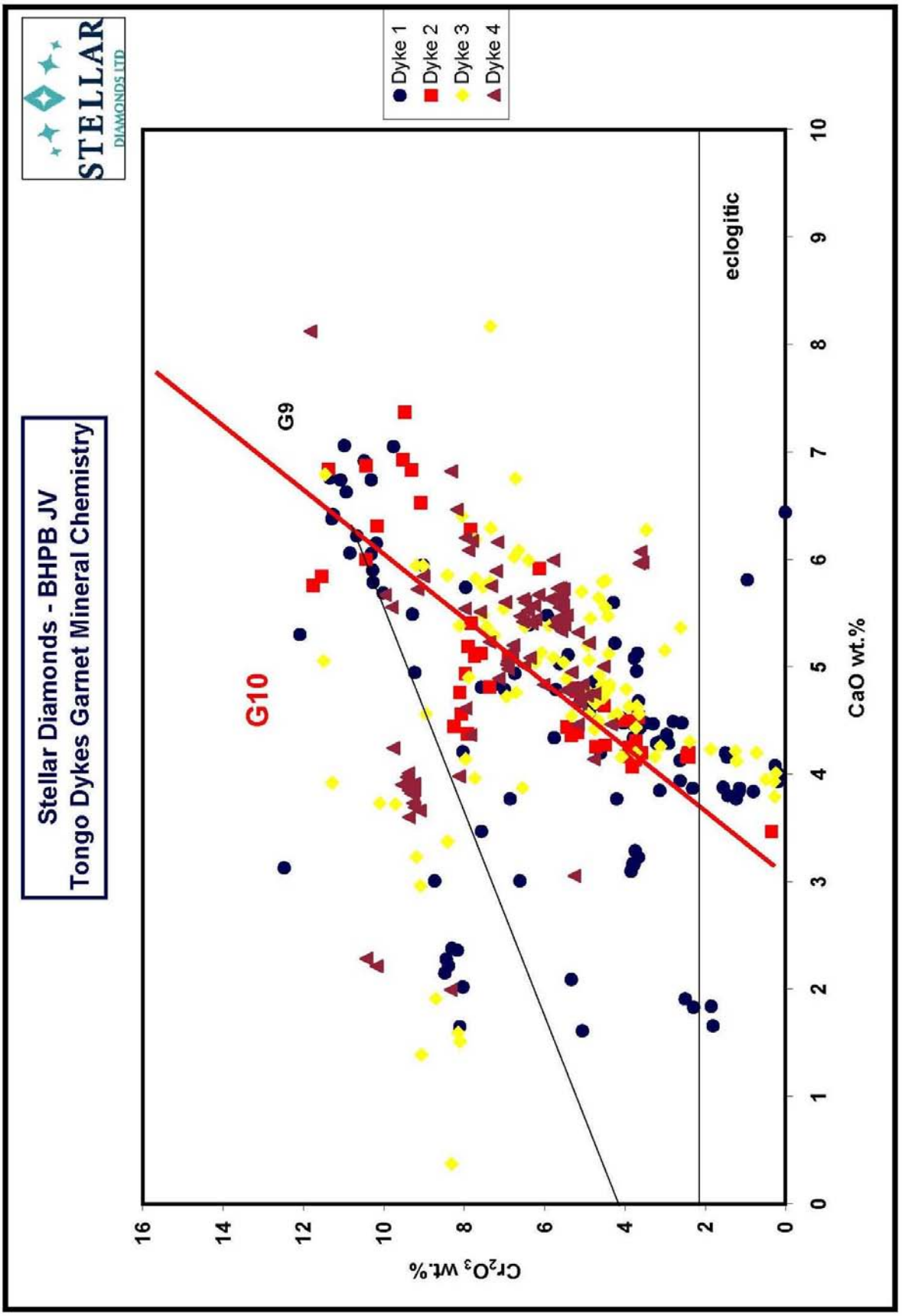


Figure 15 Tongo Exploration EM Interpretation

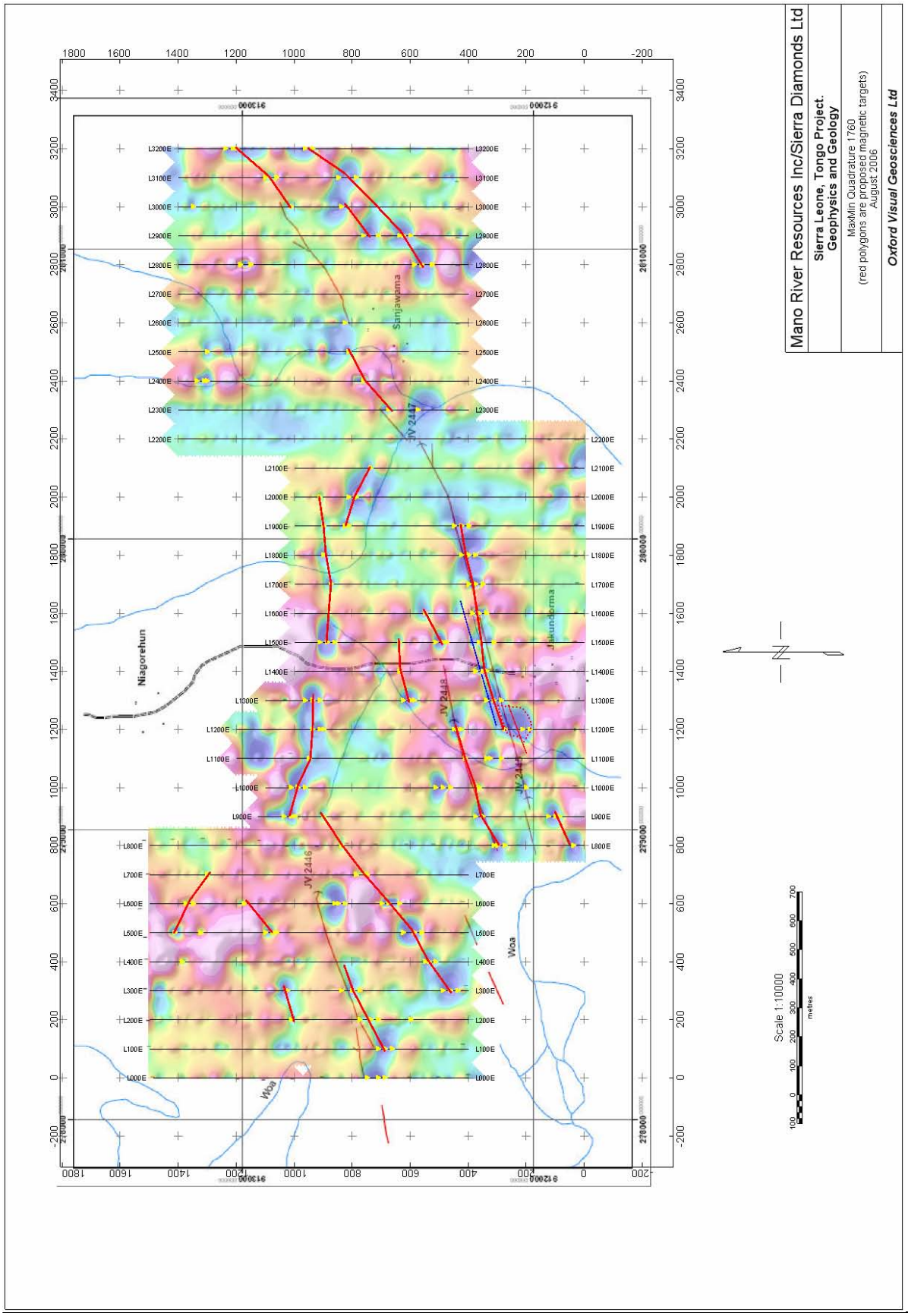


Figure 16 Gorahun Exploration Stream and Loam Sample Results

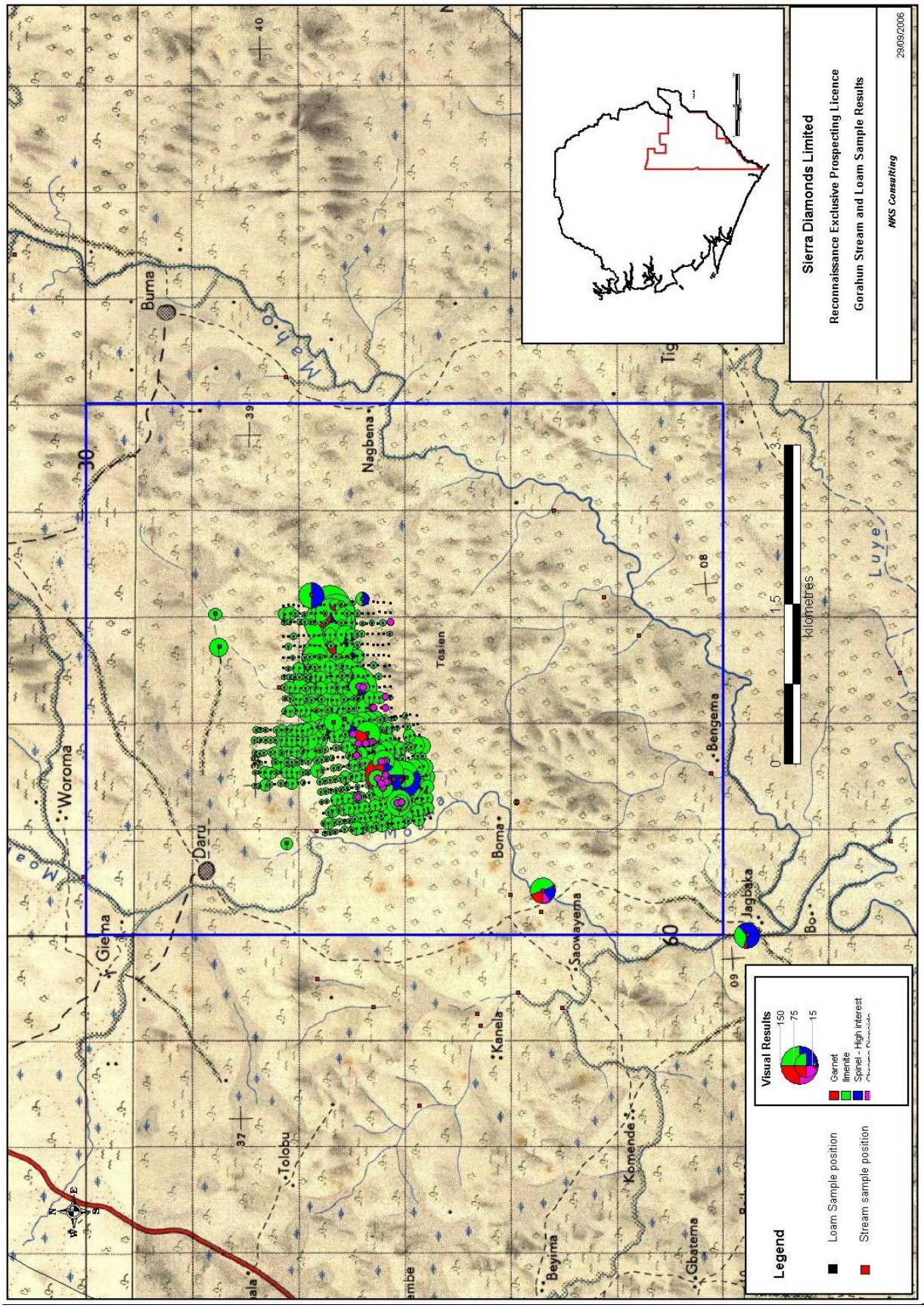


Figure 17 Gorahun Exploration Loam Results and Kimberlite Location

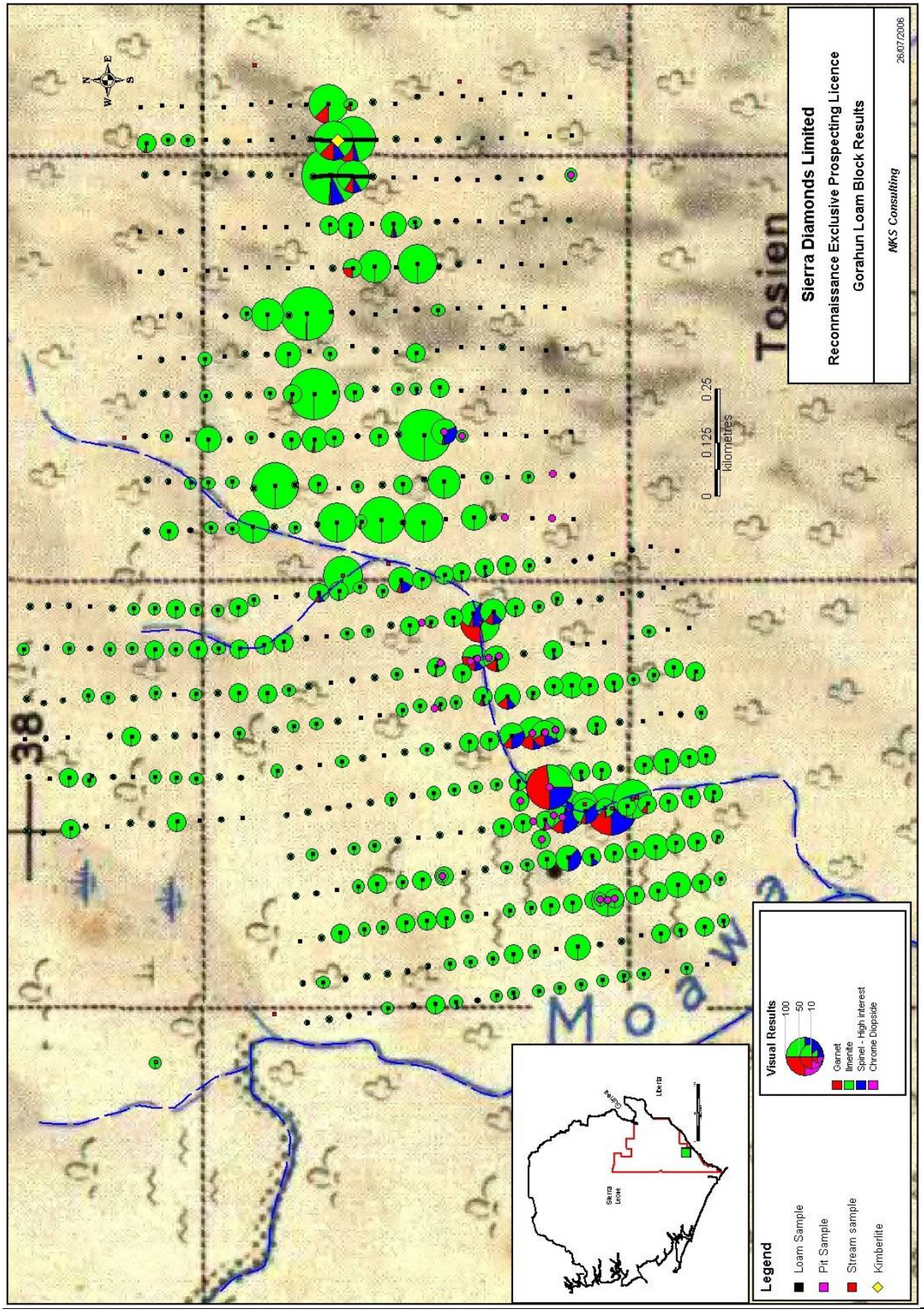


Figure 18 Gorahun Exploration Kimberliet Garnet Plot

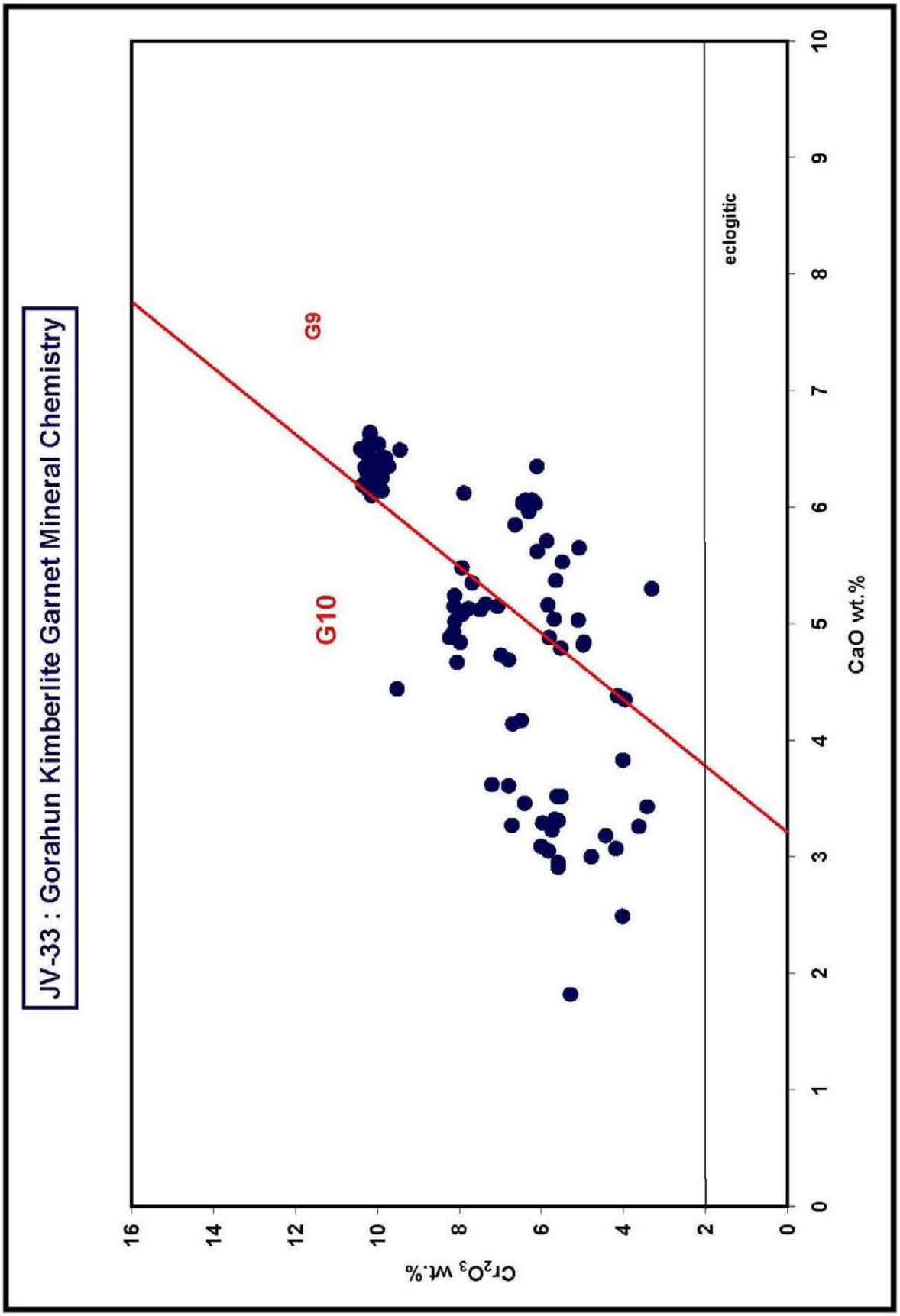


Figure 19 Gorahun Exploration EM Interpretation

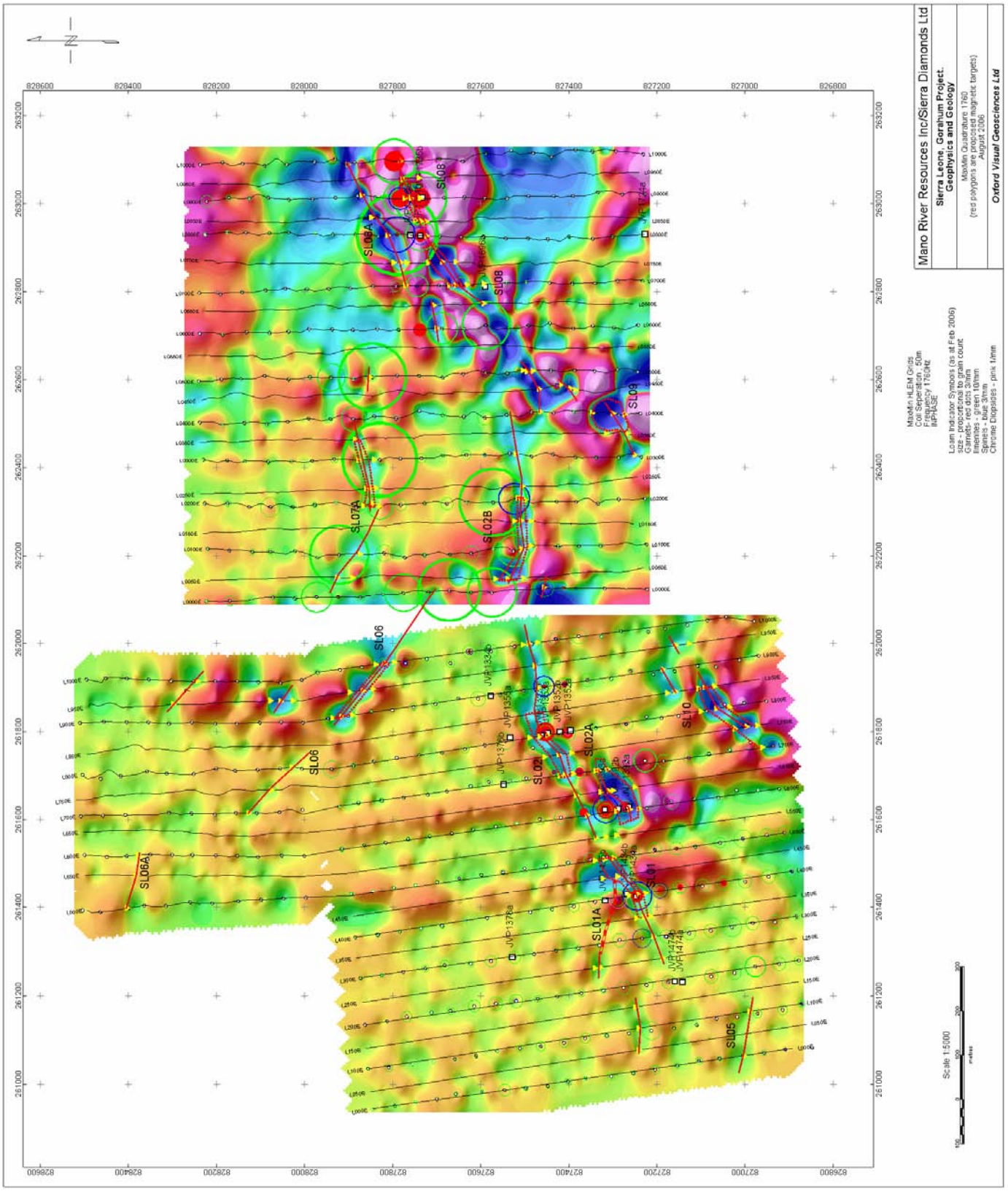


Figure 20 Zimmi Exploration Visual Stream Sampling Results, October 2006

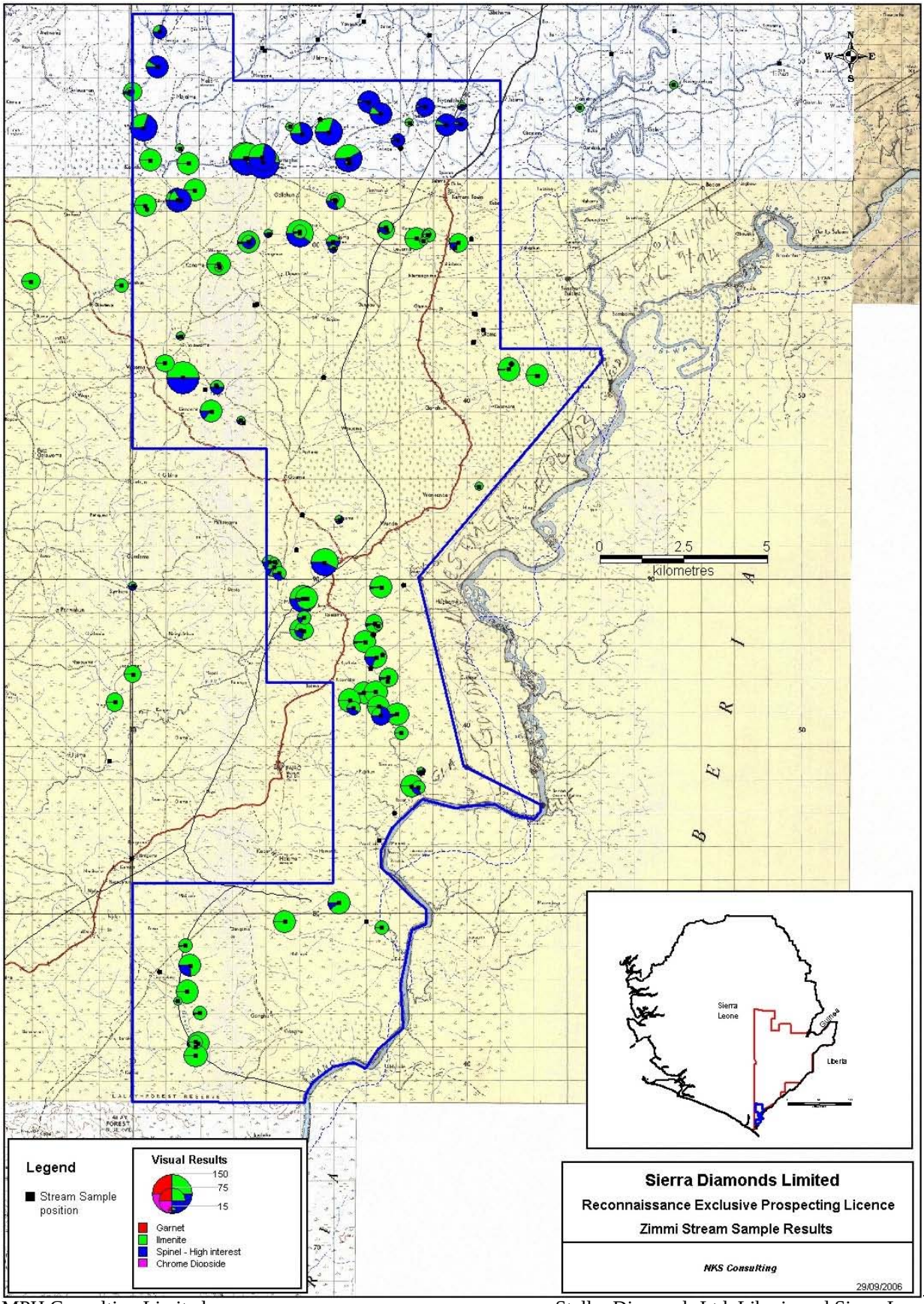


Figure 21 Kpo Range MDA Kimberlites K001, K003 and K006

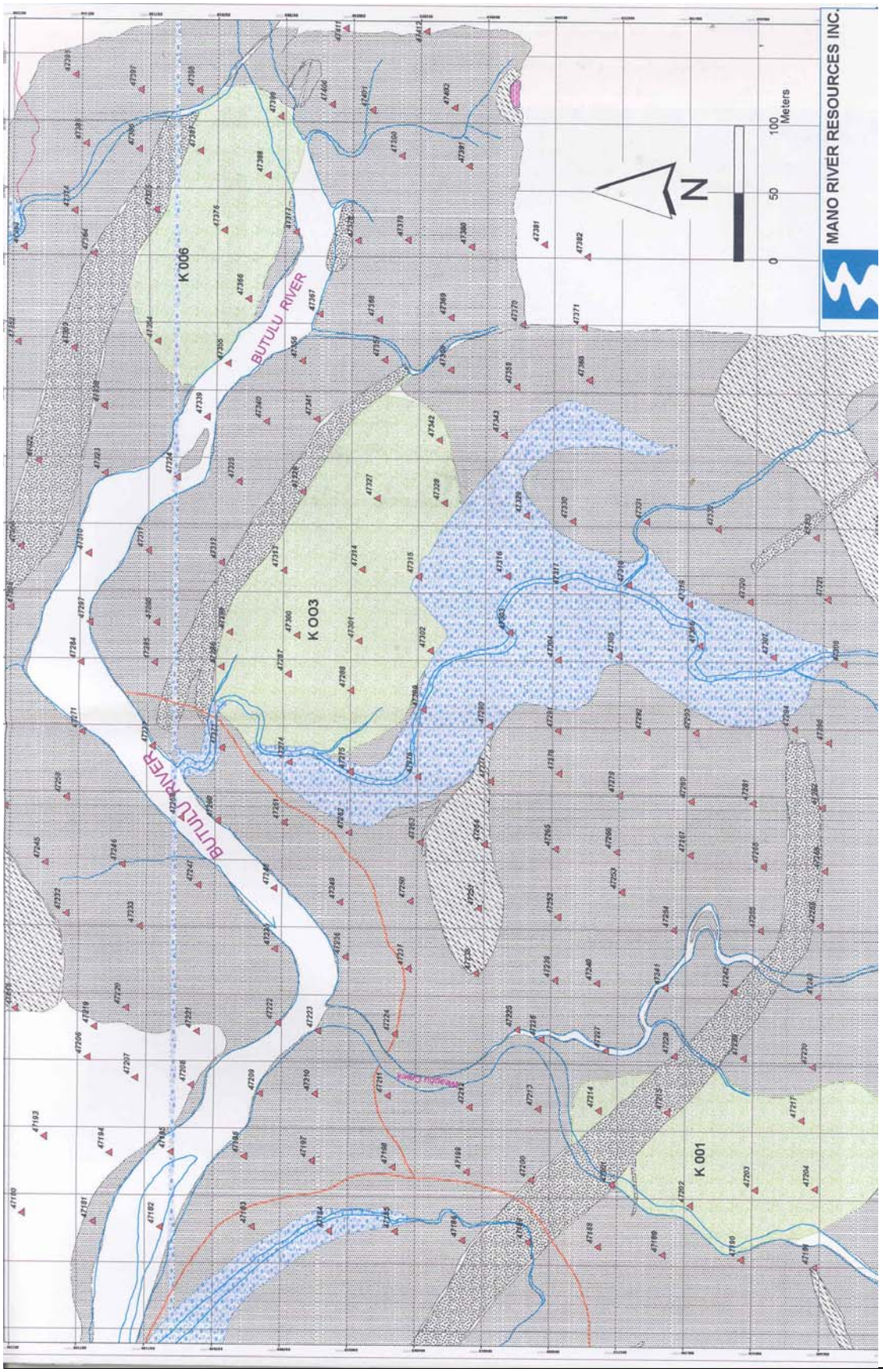


Figure 22 Kpo Range MDA Kimberlites K002 and K007

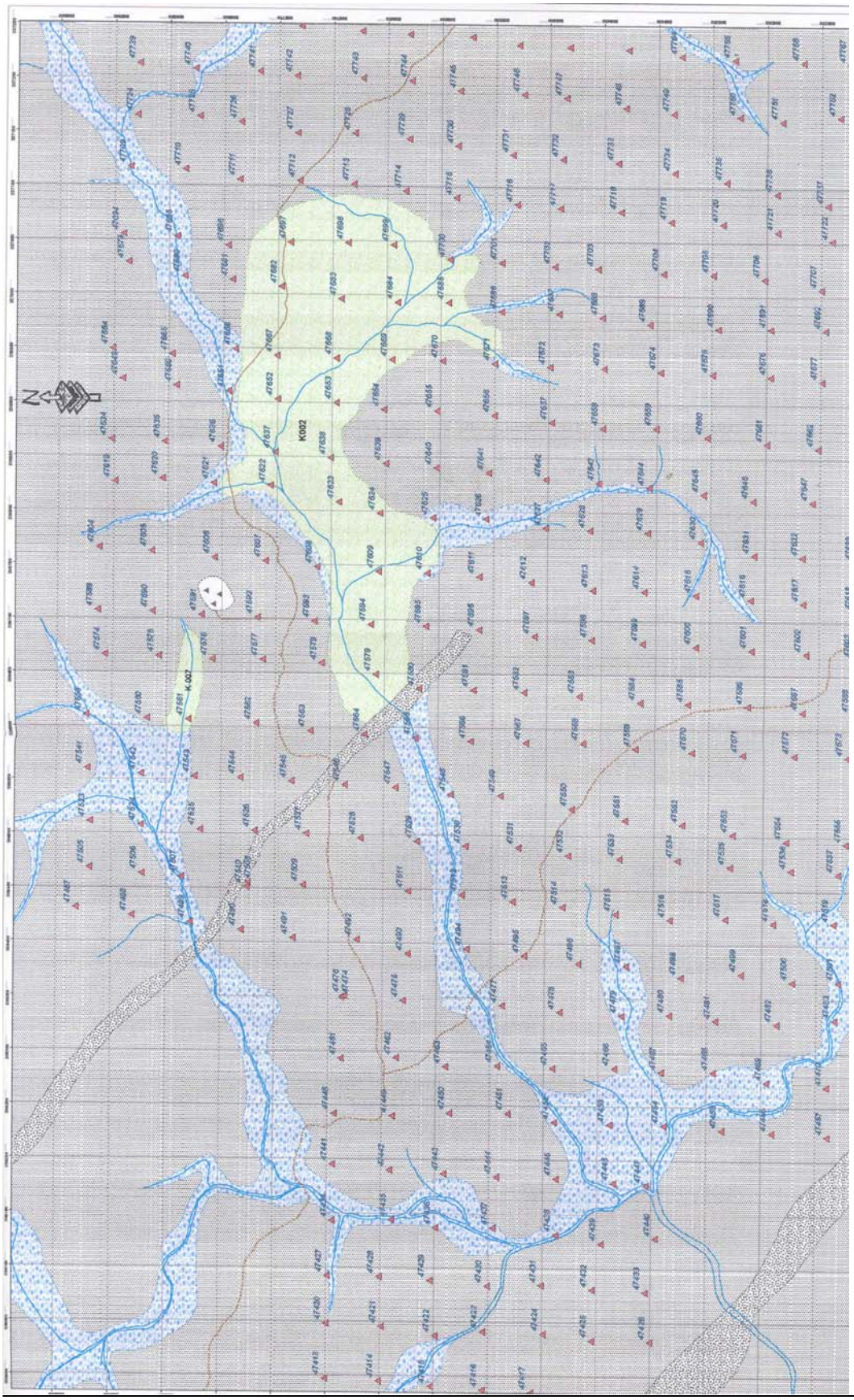


Figure 23 Kpo Range MDA Kimberlite K001 Drill Holes and Bulk Sample Pit

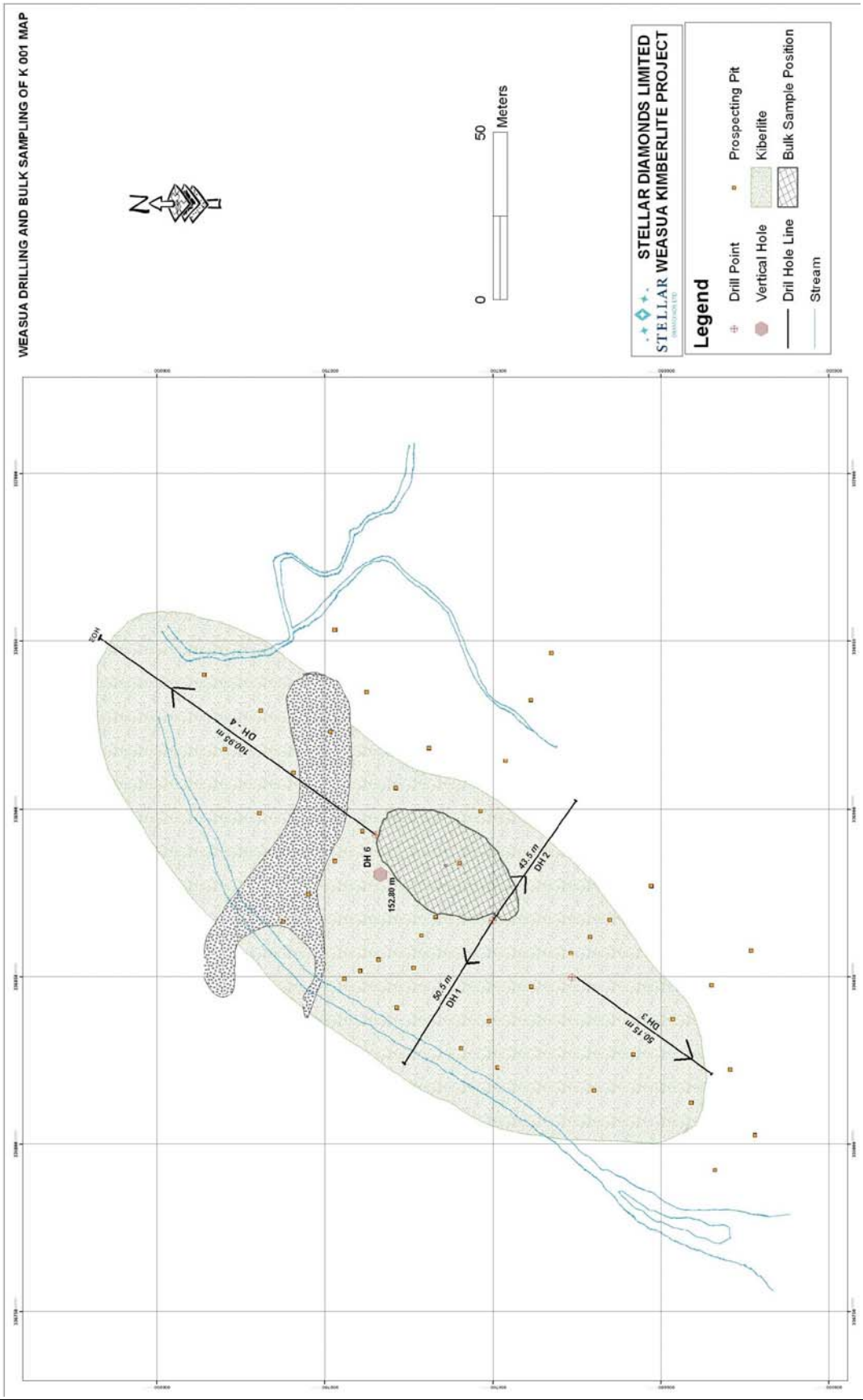


Figure 24 Kpo Range MDA Kimberlite K002 and K007 Drill and Bulk Sample Pits

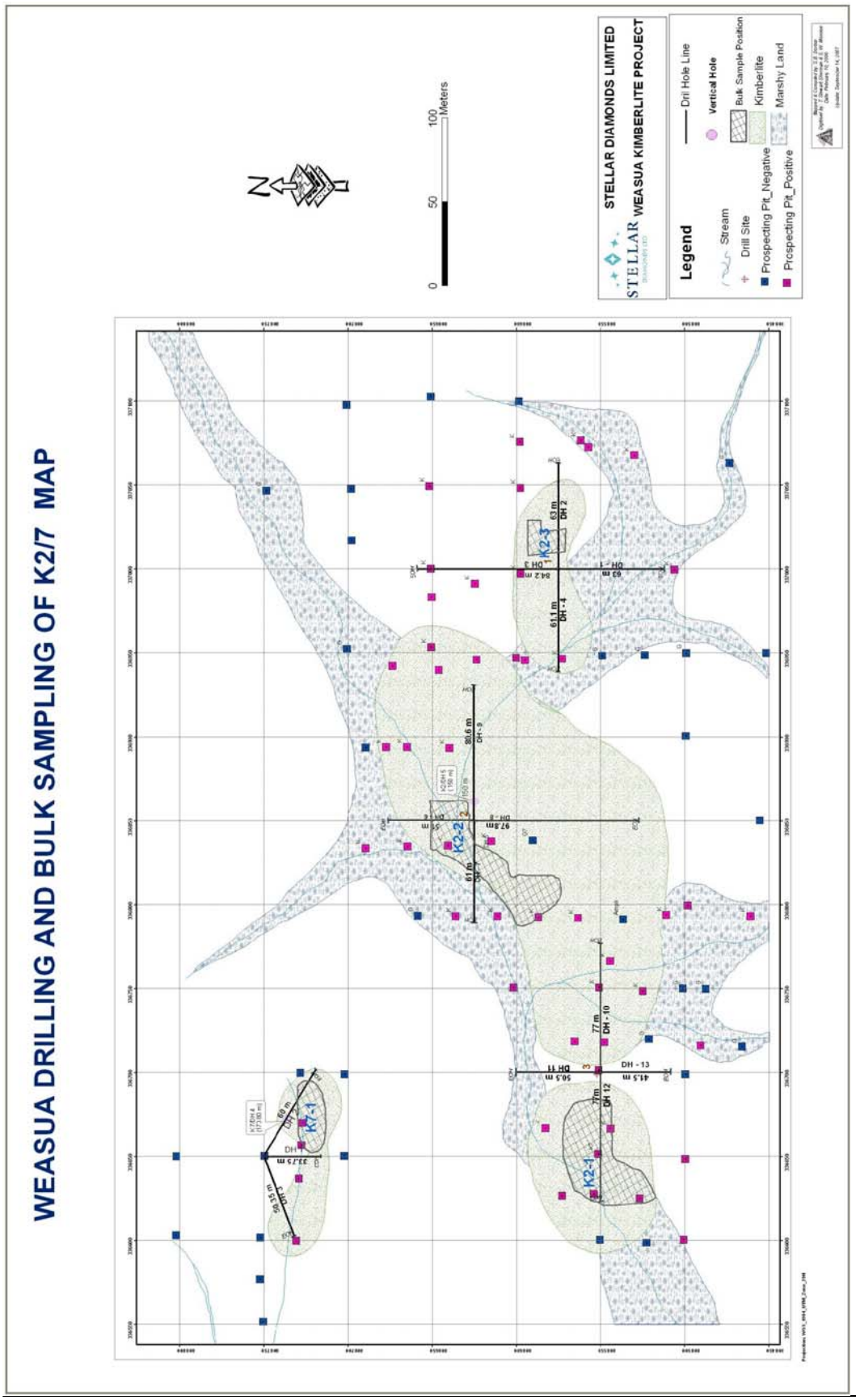


Figure 25 Kpo Range MDA Kimberlite K003 Drilling and Bulk Sample Pits

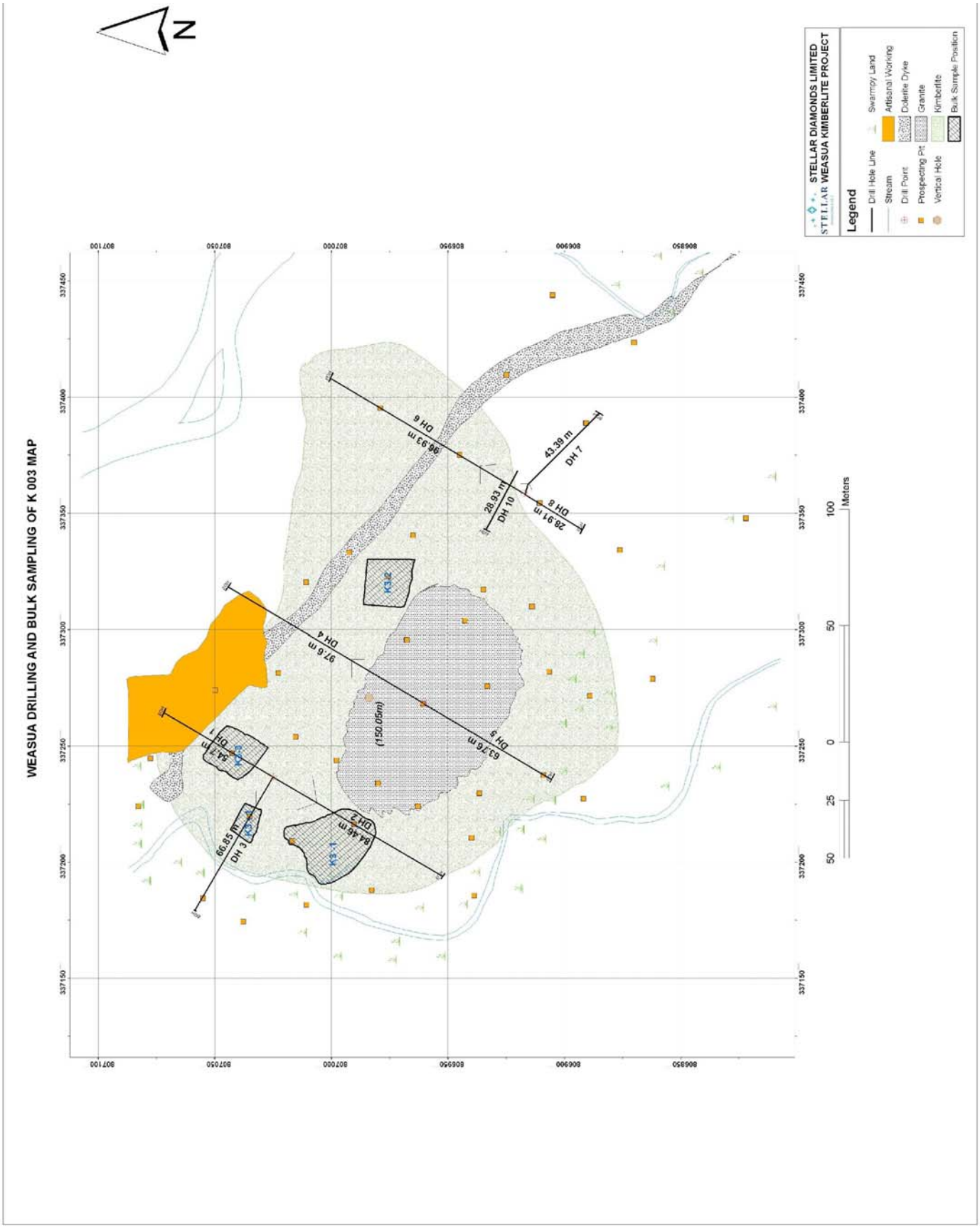
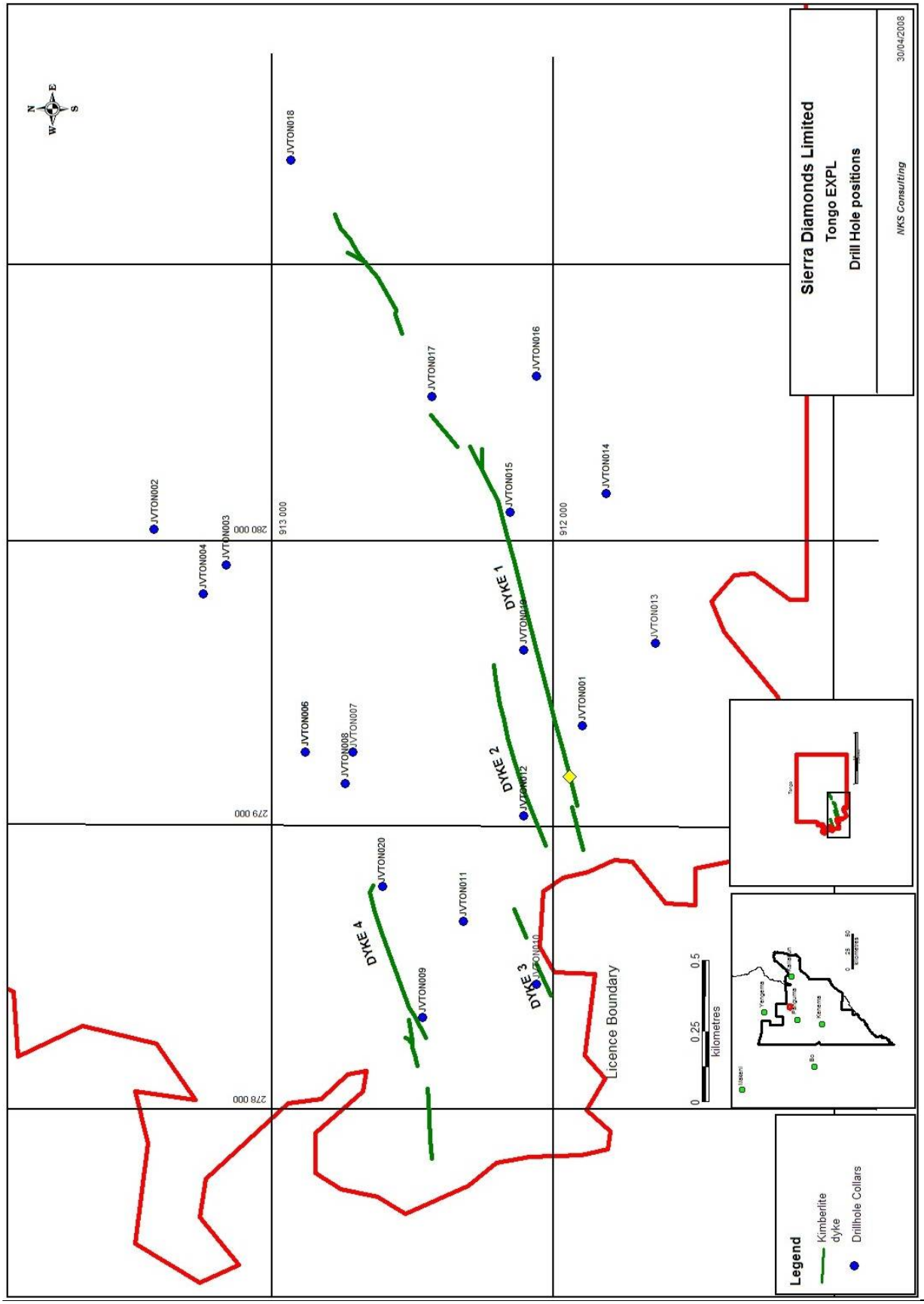


Figure 26 Tongo Dyke, Borehole Locations



27.0 PHOTOGRAPHS

Photo 1 Outcrop of K001, Weasua. Diatreme Facies Kimberlite Cut By Dolerite Dyke

Photo 2 Artisanal Miners Working Kimberlite K002, Weasua

Photo 3 Weasua Bulk Sampling Pit, K002 Eastern Lobe

Photo 4 Kimberlite Stockpile, Weasua Plant

Photo 5 Weasua Plant, X-ray Recovery Unit Showing Direct Feed From DMS

Photo 6 Drill Site, Tongo Exploration Licence, Sierra Leone

Photo 7 Artisanal Workings on Tongo 1 Dyke

Photo 8 Kimberlite Intersection, Tongo, Probably Vein Parallel to Tongo 1 Dyke

Photo 9 Pol-K Shaft, Lion-7 Dyke, Kono

Photo 10 Lion-5 Dyke Exposed in Bardu Shaft, Kono

Photo 11 Kimberlite Vein, Bakar Shaft, Kono

Photo 12 Bardu Shaft, Kono

Photo 13 Kimberlite from Pol-K Shaft Stockpiled at Kono Plant

Photo 14 Final Recovery Unit, Kono Plant

Photo 15 Diamonds from Lion-5 Dyke, Bardu Shaft, Kono

Photo 16 Diamonds from Lion-7 Dyke, Pol-K Shaft, Kono

Photo 17 10.53 Carat Diamond Recovered From Pol-K Shaft

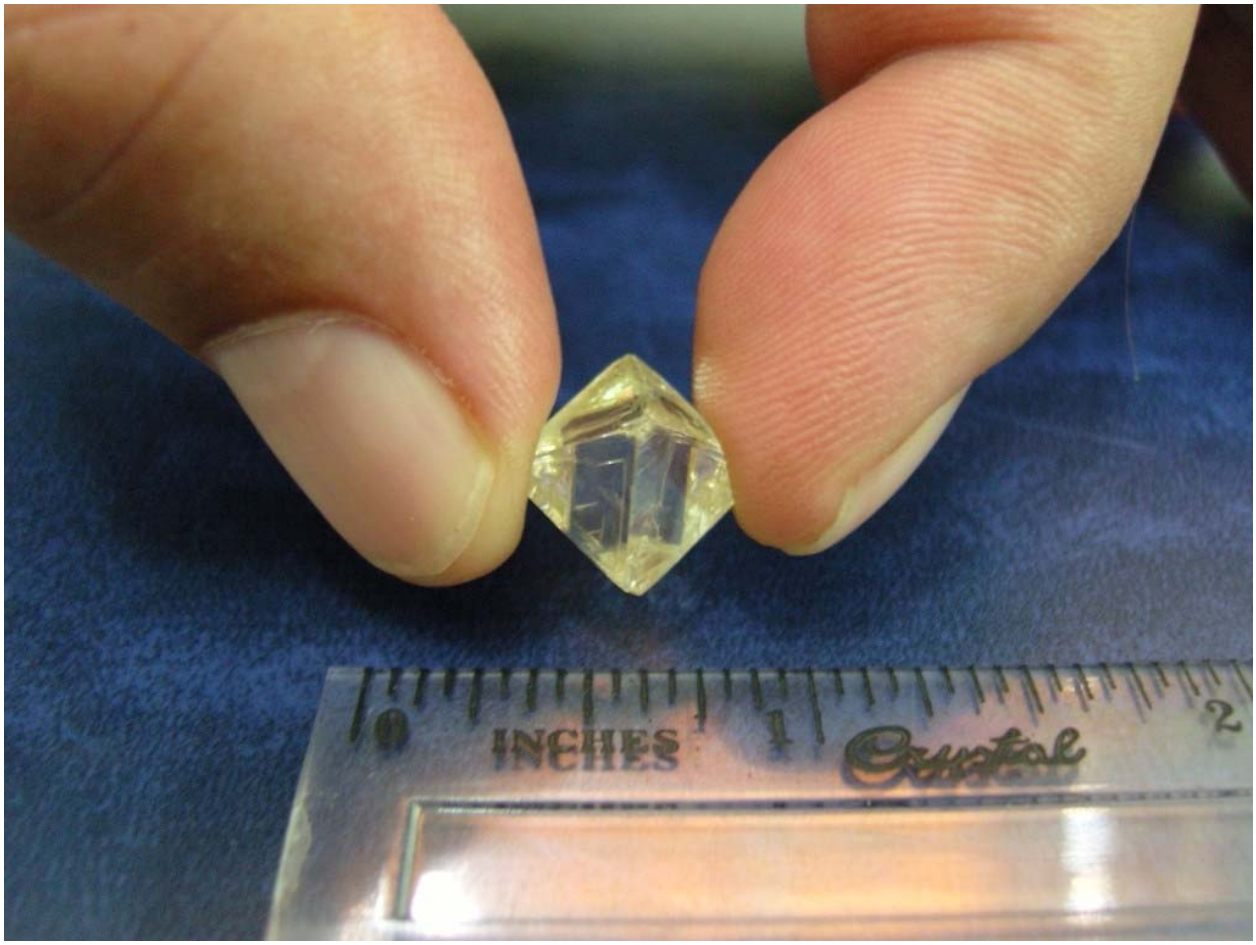


Photo 18 Water Columns for Concentration of Heavy Minerals, WMRC Laboratory, Monrovia

Photo 19 Mineral Pickers, WMRC Laboratory, Monrovia