

ASX ANNOUNCEMENT

5 MAY 2003

NEW RESULTS LIFT GRADE TO 28.84 CPHT AT NAMAKWA DIAMOND PROJECT

A TOTAL OF 24,832 DIAMONDS RECOVERED TO DATE

HIGHLIGHTS

- ◆ Latest sampling results increase cumulative diamond grade by 34% to 28.84 carats per hundred tonnes (cpht) from lower mineralised unit in trench KKT5R.
 - ◆ 8,960 diamonds recovered to date in latest bulking sampling trench KKT5R, including a largest stone of 5.92 carats.
 - ◆ Outstanding grades of up to 35.42 cpht from individual samples.
 - ◆ Stone size distributions from older unit gravels contain >10% of fraction greater than 1 carat per stone.
 - ◆ Total of 24,832 diamonds weighing 2,561.41 carats recovered in sampling operations to date.
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BULK SAMPLING PROJECT – NAMAKWA DIAMOND PROJECT – FURTHER UPDATE

Namakwa Diamond Company NL (**ASX: NDC**) is pleased to announce the latest results from its current sampling program at the Namakwa Diamond Project on South Africa's West Coast, which have indicated a significant 34% increase in the cumulative grade of one of the key mineralised horizons being tested.

The results are from trench KKT5R, located at Liebenberg Bay (Figure 1) on Namakwa's Klipvley Karoo Kop tenement. Sampling in this area, which is located 5 kilometres south of trench GDT07, commenced in January 2003.

A further 7,049 diamonds weighing 832.89 carats have been recovered from sampling operations since the last announcement on 23 April 2003. This has increased the cumulative total from this trench to 8,960 diamonds weighing 1,057.94 carats. The largest stone recovered to date was 5.92 carats

As with earlier trenching, the target horizons are the Recent Emergent Terrace (RET) and the Older Boulder Facies (OBF). These two gravel horizons are known to be mineralised and have been tested in Namakwa's earlier sampling program.

Trench KKT5R is located within the Liebenberg Bay resource block, which is included in an initial resource estimate of 2.49 million tonnes at an average grade of 15.82 carats per hundred tonnes (cpht) announced in February this year. Upon completion of this trench a revision of the resource contained within this block will occur.

The latest sampling results have increased the total number of diamonds recovered from sampling operations at the Namakwa Diamond Project to 24,832 diamonds weighing 2,561.41 carats. A sale of 1,561.48 carats in the last quarter realised an average value of US\$96.63 a carat.

TABLE 1
TOTAL SAMPLE RECOVERIES TO DATE

ORIGIN	STONES	CARATS
GDT07	11,473	1,179.62
KKR17	586	56.24
GDT04	191	13.44
KKT5R*	8,960	1,057.94
OTHER**	3,622	254.17
TOTAL	24,832	2,561.41

* Current Trench

** Recovered in sampling operations from audit samples, sort house clean up, commissioning samples and gravel scavenged from bulk sampling pits

To date, encouraging results have been recovered from the Older Boulder Facies (OBF) with a cumulative in situ grade of 28.84 cpht in this trench. This is a 34% increase on the previous cumulative grade (21.05 cpht) reported in the March quarter.

Two new samples, OU 2 and OU 4, which sampled the older facies' basal gravel, returned outstanding grades of 26.87 cpht and 35.42 cpht respectively. This is the Older Boulder Facies (OBF) as reported in previous announcements.

As was the case with diamonds recovered from the OBF sampled in trench GDT07, the older unit in this trench contains a significant proportion (>10%) of diamonds with stone sizes greater than 1 carat per stone.

Cumulative grades for all sample units are given in Table 2 below. The RET grade is lower than expected at this stage, however sample processing is incomplete. Individual sample results are presented in Table 3 below.

TABLE 2
CUMULATIVE GRADES FOR ALL GRAVEL HORIZONS.
THE RET AND OBF ARE THE TARGET HORIZONS OF THIS TRENCH.

PROGRESSIVE & CUMULATIVE GEOLOGICAL GRADE IN KKT5R						
Geology	Geological Tonnes	Total Carats	Geological Grade (cpht)**	Largest Stone (cts)	Overburden Thickness (m)	Mineralised Thickness (m)
Recent Emergent Terrace (RET)	729	9.50	1.30	0.69	7.70	0.50
Reworked Gravel	1,472	51.57	3.50	5.60	8.50	0.50
30m Package (30m)	690	4.07	0.59	0.35	12.00	0.30
Older Sandy Facies (OSF)	1,348	16.58	1.23	0.42	12.00	2.00
Older Boulder Facies (OBF)	3,385	976.22	28.84	5.92	14.00	1.30

Note: Reworked Gravel, 30m Package and Older Sandy Facies do not form part of the targeted gravels.

**Recalculated to in-situ by Survey.

TABLE 3
INDIVIDUAL SAMPLE RECOVERIES TO DATE

SAMPLE RECOVERY DATA FROM TRENCH KKT5R									
Geology	Sample No.	Sample Size (t)	Scrubber Feed (t)	No. of Stones	Recovery (ct)	Average Size (ct)	Largest Stone (ct)	Geological Grade (cpht)*	Plant Grade (cpht)**
RET	RET Bulk 1	473	362.3	75	5.50	0.07	0.27	1.16	1.52
RET***	RET Bulk 2	256	195.8	75	4.00	0.08	0.69	1.56	2.04
30m Basal	30m Bulk	690	676.8	56	4.07	0.07	0.35	0.59	0.60
Reworked Gravel	RET Bulk 3	784	740.7	288	44.21	0.15	5.87	5.64	5.97
Reworked Gravel***	RET Bulk 4	608	554.8	56	5.10	0.09	0.47	0.84	0.92
Reworked Gravel***	30 W S	80	72.2	17	2.26	0.13	1.18	2.83	3.13
Older Sandy Facies	OUS 1T	372	338.1	48	3.41	0.07	0.42	0.92	1.01
Older Sandy Facies	OUS 2T	122	119.1	5	0.27	0.05	0.05	0.22	0.23
Older Sandy Facies	OUS 3T	196	184.2	5	0.41	0.08	0.13	0.21	0.22
Older Sandy Facies	OUS 1B	294	237.7	151	9.64	0.06	0.23	3.28	4.06
Older Sandy Facies	OUS 2B	188	160.5	23	1.72	0.07	0.14	0.91	1.07
Older Sandy Facies	OUS 3B	176	159.9	15	1.13	0.08	0.25	0.64	0.71
Older Boulder Facies	OU 1	764	619.3	1,205	150.69	0.13	5.92	19.72	24.33
Older Boulder Facies***	OU 2	1,204	1,240.0	2,778	323.56	0.12	5.12	26.87	26.09
Older Boulder Facies***	OU 4	1,417	1,439.1	4,189	501.97	0.12	4.41	35.42	34.88
TOTAL		7,624	7,100.5	8,960	1,057.94	0.12	5.92		

*Calculated to in-situ by Survey

**Calculated from Scrubber Feed

***Results not reported before

Sampling work will continue and results will be released to the market as they become available.

Namakwa's Directors are encouraged by the latest sampling results, which demonstrate consistency of grades and sample recoveries across the Liebenberg Bay area.

The Company plans to move to feasibility and development of a Stage 1 mining operation based on resources in this area in the near future after recently accepting a proposal from specialised merchant bank RMB Resources Limited to arrange finance, subject to due diligence, for the Stage 1 development.

FIGURE 1
LOCATION OF NAMAKWA'S WEST COAST TENEMENTS

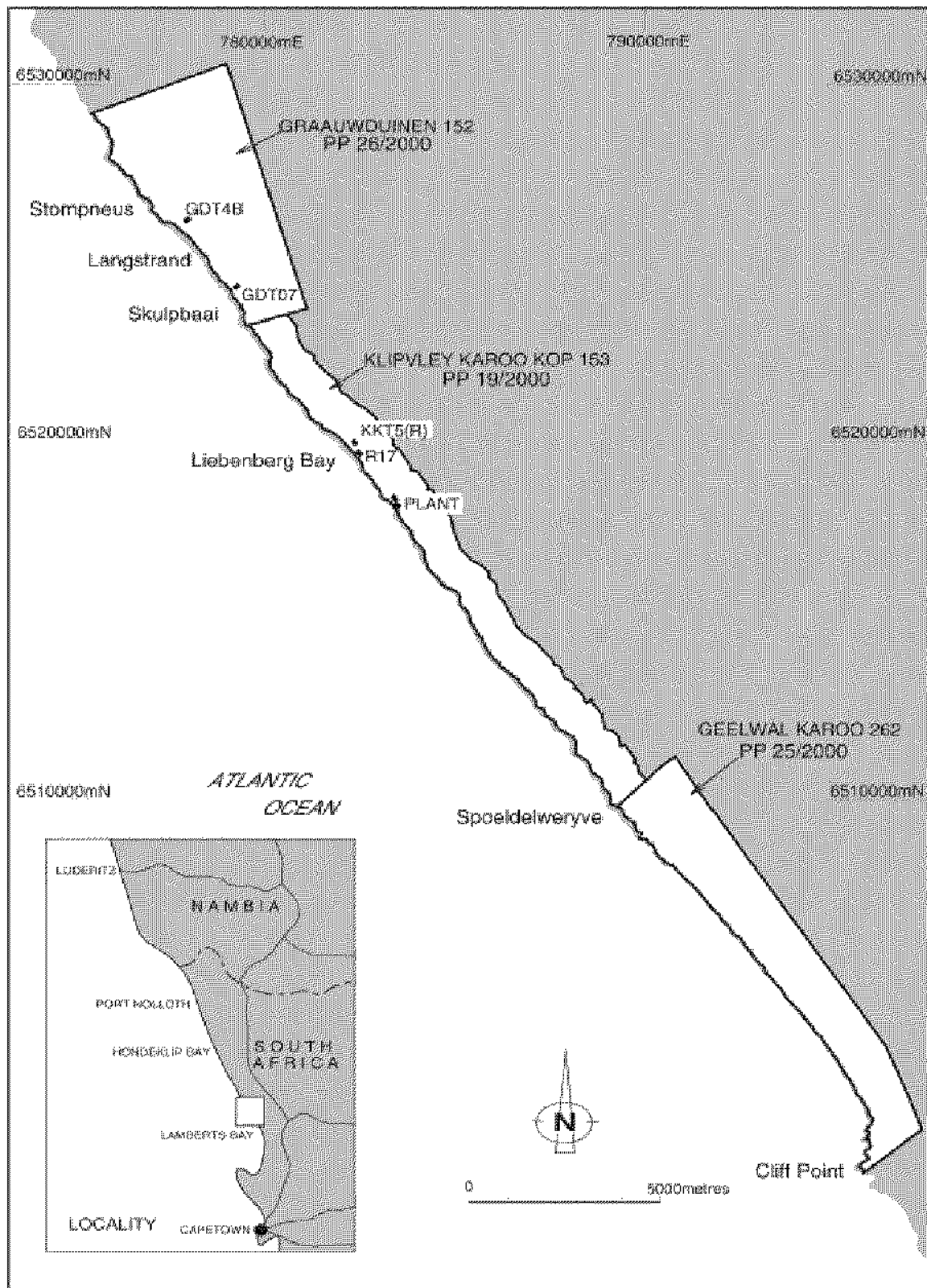


FIGURE 2
GEOLOGY AND RELATIONSHIPS BETWEEN GRAVEL HORIZONS EXPOSED
IN TRENCH KKT5R. THE TARGETED HORIZONS ARE THE OLDER BOULDER FACIES (OBF)
AND THE RECENT EMERGENT TERRACE (RET)

TRENCH KKT5R NORTHERN WALL – CROSS SECTION

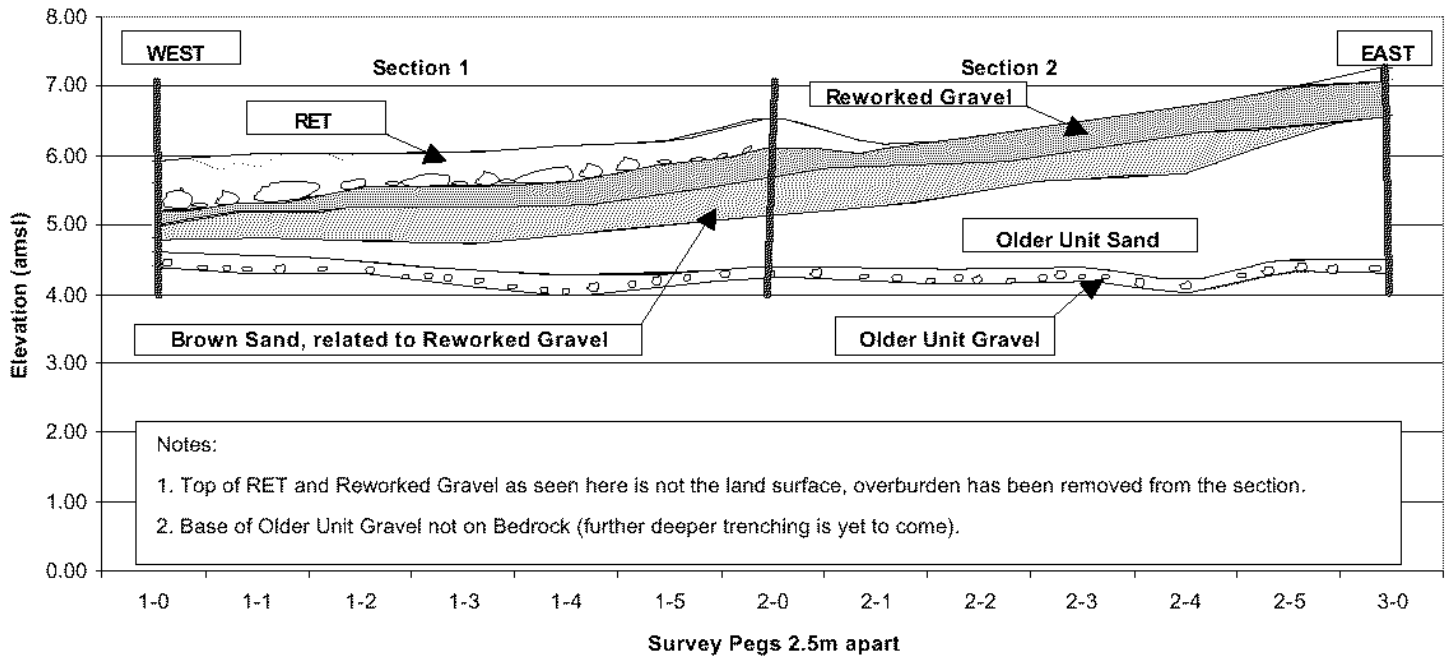
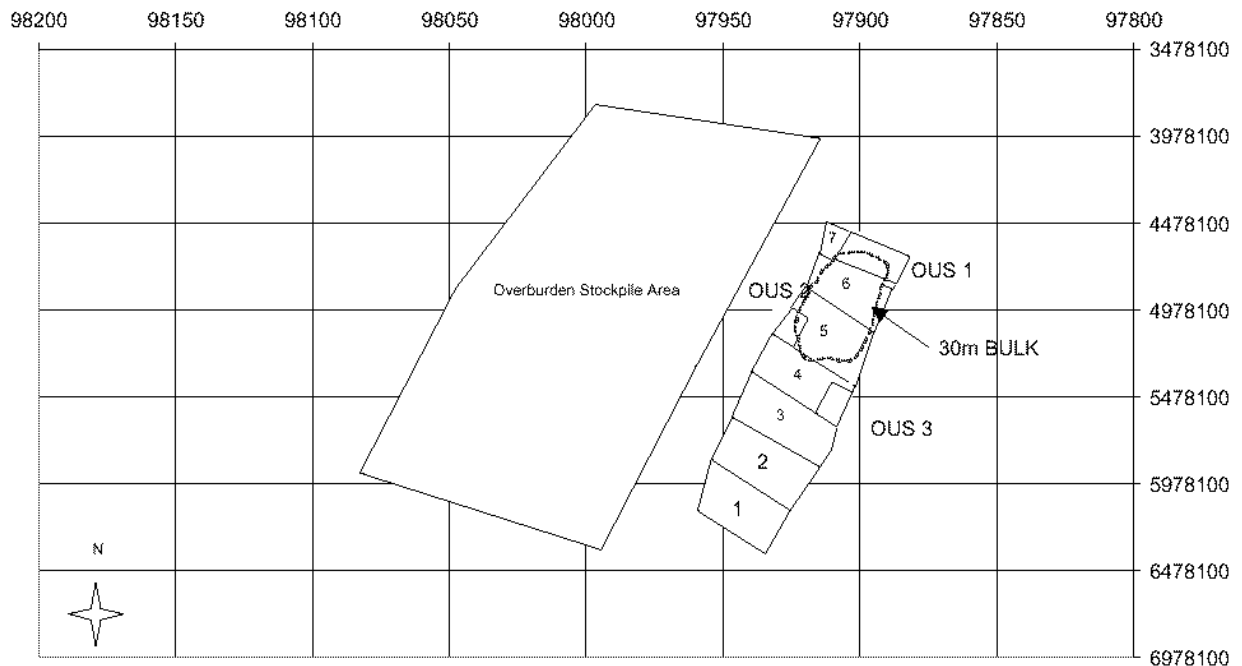


FIGURE 3
PLAN OF TRENCH LAYOUT AND SAMPLE LOCATION, KKT5R, LIEBENBERG BAY



Background Information

Namakwa is exploring and developing the Namakwa Diamond Project, comprising 49 square kilometres of highly prospective ground in three adjacent Concessions on South Africa's West Coast, 350 kilometres north of Cape Town.

The Project is located in the heart of one of the world's most prolific diamond-producing regions - with major historic and current diamond mines located to the north and south.

The diamonds within the rich onshore gravels being exploited by these operations are thought to have been transported to the coast by the major drainage systems of the interior - the Olifants, Buffels and Orange Rivers. Namakwa's Concessions are located just north of the mouth of the Olifants River.

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

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

- ENDS -

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