



## NAMAKWA INCREASES DIAMOND GRADE TO OUTSTANDING 30.82 CPHT IN KEY ORE HORIZON

43% INCREASE IN CUMULATIVE REPORTED GRADE SINCE 23 APRIL

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### HIGHLIGHTS

- ◆ Cumulative diamond grade of key lower mineralised unit increased to 30.82 carats per hundred tonnes (cpht) in trench KKT5R.
- ◆ 43% increase in reported diamond grades since 23 April 2003.
- ◆ 13,317 diamonds recovered to date from bulk sampling trench KKT5R.
- ◆ Total of 29,189 diamonds weighing 3,075.85 carats recovered to date.

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### NAMAKWA DIAMOND PROJECT – SIGNIFICANT GRADE INCREASE

Namakwa Diamond Company NL (**ASX: NDC**) is pleased to announce a further significant increase in the cumulative diamond grade of the key lower mineralised horizon at its Namakwa Diamond Project on South Africa's West Coast to **30.82 carats per hundred tonnes (cpht)**. The increase reflects the latest outstanding results from the Company's ongoing bulk sampling program.

Since the first substantive sampling results from the current trench, KKT5R, were announced on 23 April 2003, the reported cumulative diamond grade of this mineralised unit, the Older Boulder Facies (OBF), has increased by 43%. The OBF is emerging as the major ore horizon at the Namakwa Project.

The cumulative grade for the OBF for trench KKT5R compares very favourably with the average grade of the initial resource estimate announced by Namakwa in February 2003 of **2.49 million tonnes** grading **15.82 cpht (393,967 contained carats)**. It also compares favourably with the average reported grade for diamond production along South Africa's West Coast between 1994 and 2000 of 14 cpht.

Namakwa's Chairman, Karl Simich, said the excellent results highlighted the economic potential of the Project and its capacity to host very high diamond grades in certain areas. "We are delighted with these outstanding grades, which follow a very successful bulk sampling campaign," he said.

Since the last announcement on 5 May, Namakwa's sampling operations have recovered a further 4,357 diamonds weighing 514.44 carats from trench KKT5R, increasing total recoveries to date to **13,317 diamonds weighing 1,572.38 carats**. KKT5R is located at Liebenberg Bay on Namakwa's central Klipvley Karoo Kop tenement. The largest stone recovered to date from this trench is 5.92 carats.

The latest sampling results have increased the total number of diamonds recovered from sampling operations to **29,189 diamonds weighing 3,075.85 carats**.

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**A detailed discussion of the results, including tables, follows.**

**SAMPLING RESULTS – DETAILED DISCUSSION**

Sampling at trench KKT5R, which is located at Liebenberg Bay on Namakwa’s central Klipvley Karoo Kop tenement, commenced in January 2003.

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. 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.

**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*	13,317	1,572.38
OTHER**	3,622	254.17
<b>TOTAL</b>	<b>29,189</b>	<b>3,075.85</b>

\* 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 30.82 cpht in this trench. Cumulative grades for all samples treated are given in Table 2.

The RET grade is lower than expected at this stage, however sample processing is incomplete. In addition, this trench was placed at the eastern extremity of the RET resource block at Liebenberg Bay and encountered limited outcrop to sample.

Individual samples results are presented in Table 3.

**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)	4,837	1,490.66	30.82	5.92	14.00	1.55
<b>ALL SAMPLES</b>	<b>9,076</b>	<b>1,572.38</b>		<b>5.92</b>		

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	49	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 3	1,452	1,484.5	4,357	514.44	0.12	5.50	35.43	35.43
Older Boulder Facies	OU 4	1,417	1,439.1	4,189	501.97	0.12	4.41	35.42	34.88
<b>TOTAL</b>		<b>9,076</b>	<b>8,585.0</b>	<b>13,317</b>	<b>1,572.38</b>	<b>0.12</b>	<b>5.92</b>		

\*Calculated from Sample Size

\*\*Calculated from Scrubber Feed

\*\*\*Results Not Previously Reported

Sampling work will continue and results will be released to the market as they become available. Maps and diagrams of the sampling location, geology and relationships between samples can be found in our ASX Announcement dated 5 May 2003 at [www.namakwa.com.au](http://www.namakwa.com.au).

## **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 cph. 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.

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