

# DIAMONEX LIMITED

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## ASX ANNOUNCEMENTS AUSTRALIAN STOCK EXCHANGE

27 July 2007

Attached are slides accompanying a presentation given by Mr Dan O'Neill at the Botswana Resource Sector Conference yesterday.

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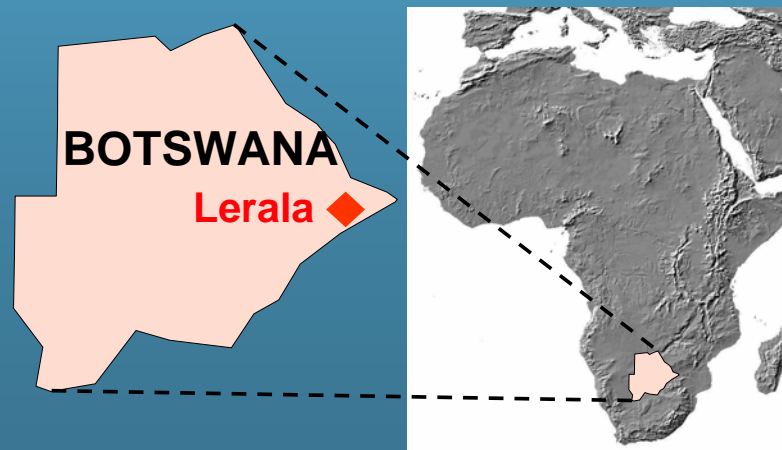
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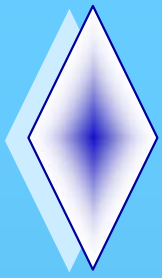
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# DiamonEx Limited

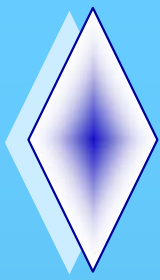
A Pre Production Kimberlite Diamond  
Company





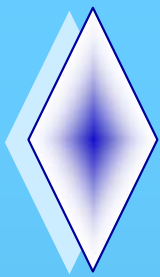
# Important Notice

Statements, particularly those regarding the possible or assumed future performance, production levels, prices, resources, reserves, growth or other trend projects are or may be forward looking statements. Actual results, actions and developments may differ materially from those expressed or implied by these forward looking statements depending upon a variety of factors including known and unknown risks and uncertainties. Some of the statements are the opinions of the Directors.



# Overview

- **Pre production diamond company with five kimberlite pipes**
  - construction underway, diamond production to commence Q1'08
- **ASX listed (DON) March 2004 – currently A\$ 40m market cap.**
  - BSE (Botswana) listing (DIAMONEX) July 2004
  - committed to an AIM Admission by end Q3 - Broker and Nomad appointed
- **100% ownership of Lerala kimberlite diamond project in Botswana**
  - 3.7Mct @ 27cpht JORC diamond indicated resource; 10 yr mine life
  - 330,000ct pa, low capital cost, low operating costs
- **High operating cashflow, rapid payback**
  - US\$100m operating cashflow on US\$230m revenue over 10 years
- **Experienced Board and local operational management**
- **Significant resource and exploration upside provides growth opportunities**



# Market Information

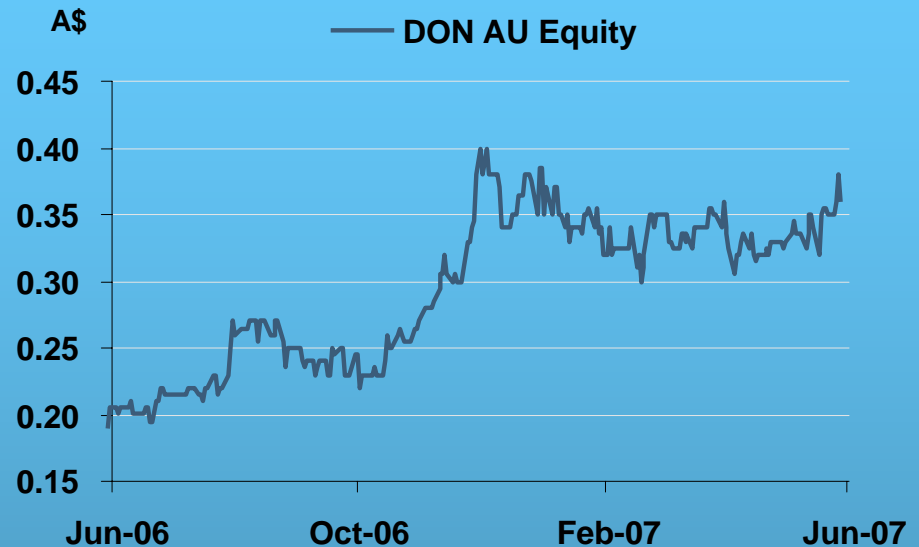
## Share Data

|                       |      |
|-----------------------|------|
| Shares in issue       | 135M |
| Share price (A\$)     | 0.37 |
| Market cap. (A\$)     | 50M  |
| Mgt. options on issue | 2M   |

## Major Shareholders

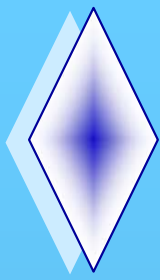
|                   |       |
|-------------------|-------|
| Babcock & Brown   | 9.6%  |
| Investec          | 8.0%  |
| Fleming Asset Mgt | 5.0%  |
| Zashvin           | 4.5%  |
| Management        | 20.0% |

\* Botswana investors account for 28% of shares on issue.



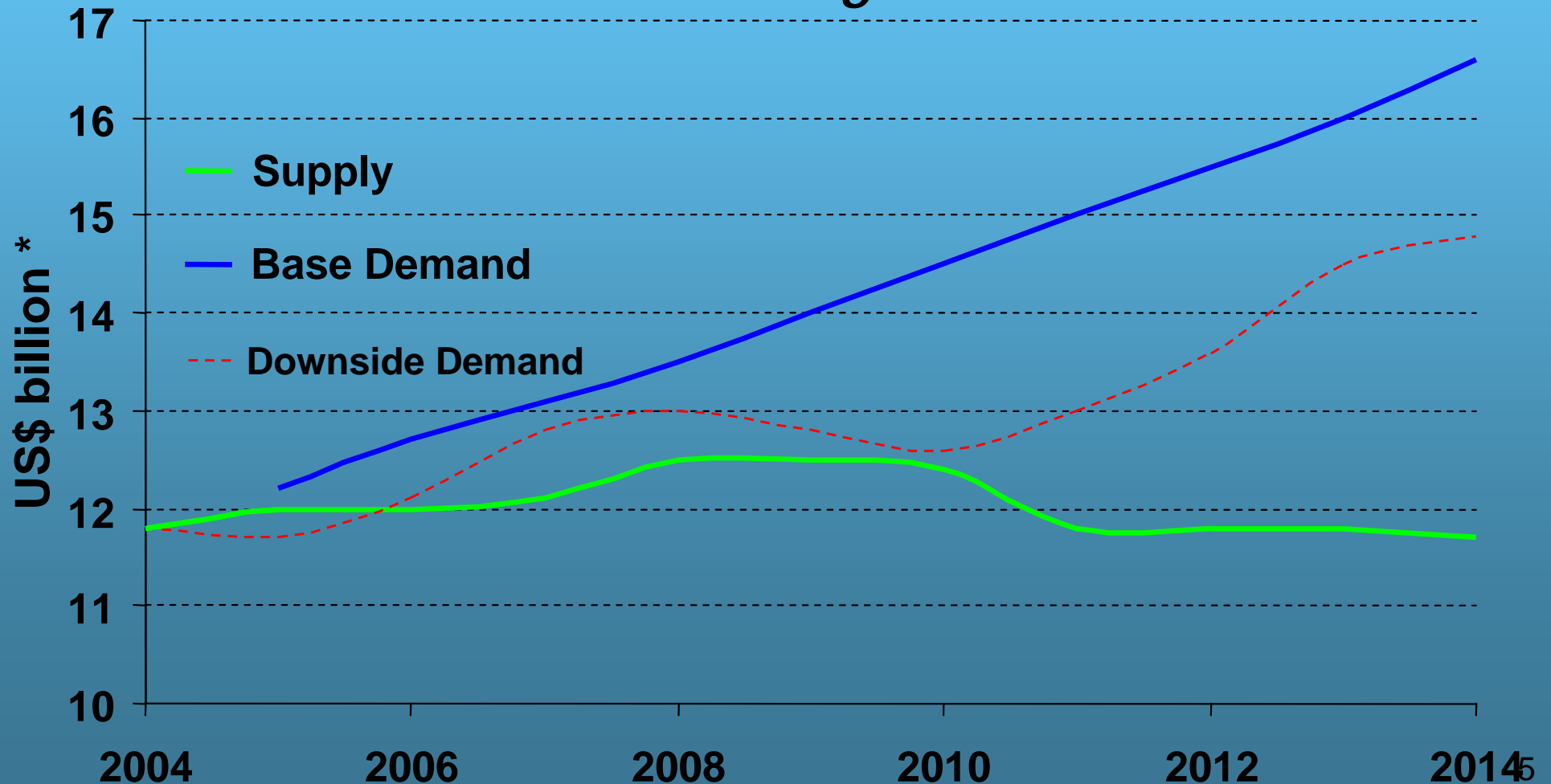
## Capital Raisings

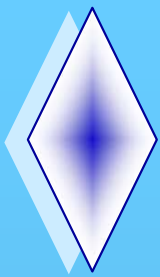
|             |         |               |
|-------------|---------|---------------|
| A\$ 4.0m @  | A\$0.20 | Mar '04       |
| A\$ 2.0m @  | A\$0.30 | Feb '05       |
| A\$ 2.5m @  | A\$0.24 | Dec '06       |
| A\$ 5.0m* @ | A\$0.31 | Apr / May '07 |
| A\$ 8.0m @  | A\$0.31 | July '07      |



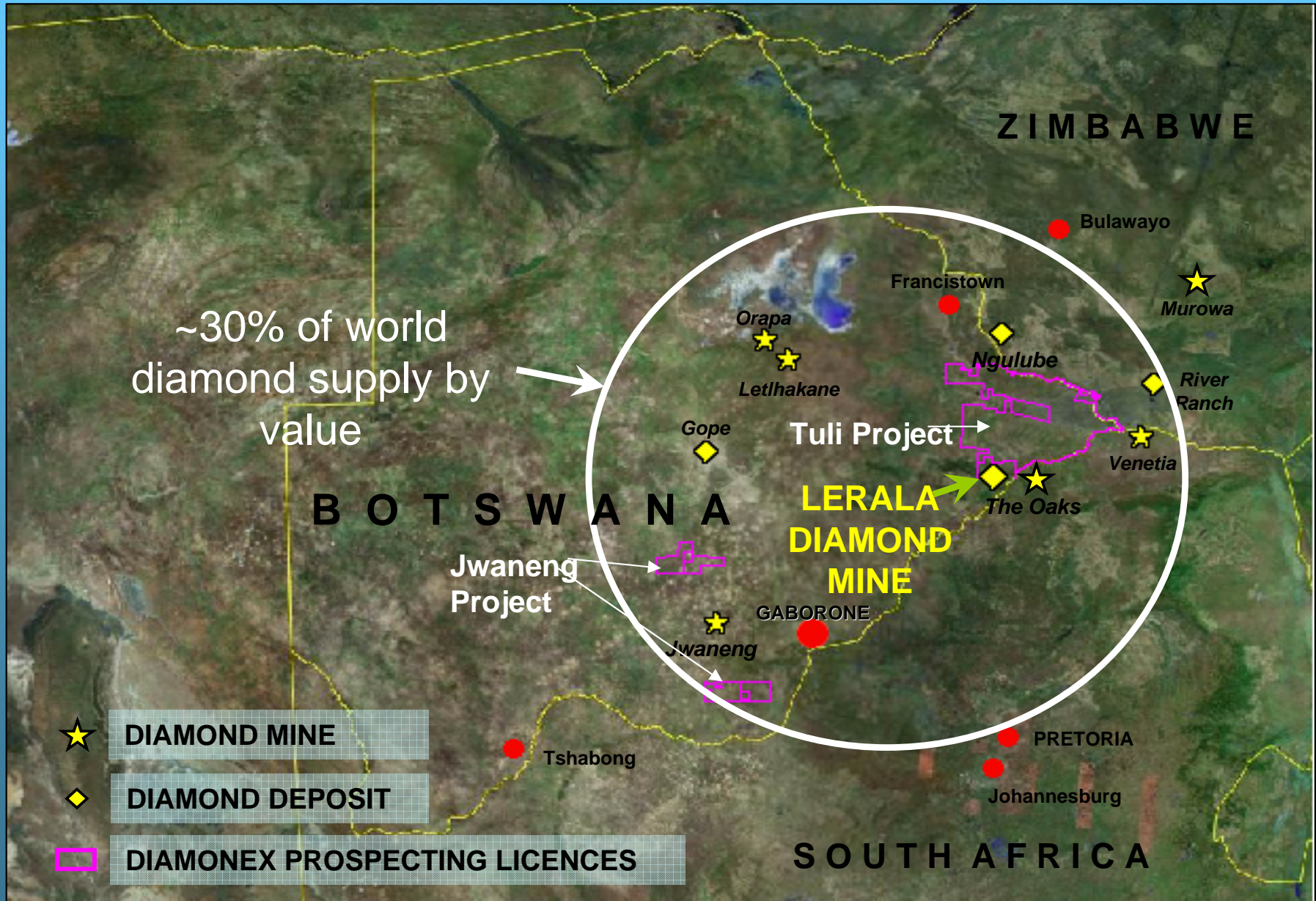
# Strong Diamond Market Outlook

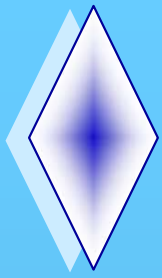
*Increasing Demand + Shortfall in Supply  
= Increasing Prices*



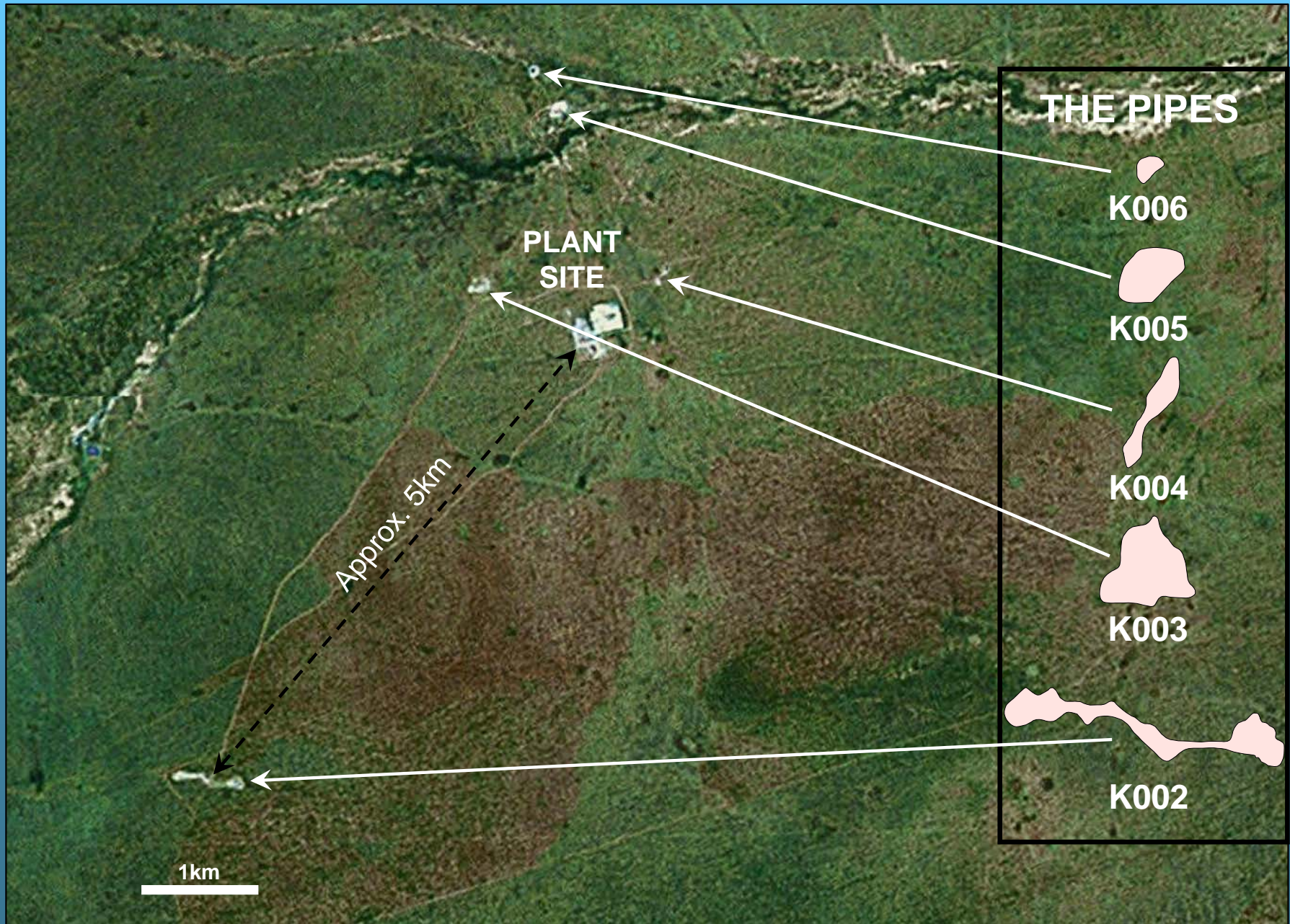


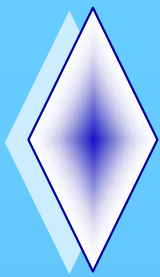
# Lerala - Strategically Located in Botswana





# Lerala - 5 Kimberlite Pipes (6.33 ha)

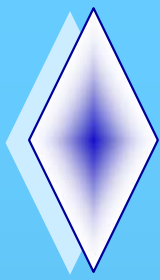




# Lerala Project – Resource Under Development

- JORC compliant indicated resource under development
  - Project supported by: Feasibility Study, Diamond valuation, Plant Study, CPR, EIA

|              | <b>Hectares (ha)</b> | <b>Indicated (Mt)</b> | <b>cpht</b>      | <b>Carats (cts)</b> |
|--------------|----------------------|-----------------------|------------------|---------------------|
| K002         | 2.18                 | 3.4                   | 24.00            | 0.8Mcts             |
| K003         | 2.34                 | 6.7                   | 29.86            | 2.0Mcts             |
| K004         | 0.73                 | 1.5                   | 28.40            | 0.4Mcts             |
| K005         | 0.92                 | 1.9                   | 24.14            | 0.5Mcts             |
| K006         | 0.16                 | -                     | -                | -                   |
| <b>Total</b> | <b>6.33ha</b>        | <b>13.5Mt</b>         | <b>27.41cpht</b> | <b>3.7Mcts</b>      |



# Lerala - Project Development

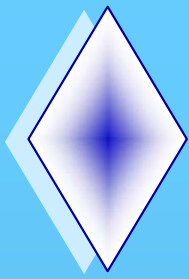


**Lerala drill hole samples**



**Lerala project site**

- Lerala discovered by De Beers in 1980s
- Awarded to DiamonEx in 2002
- 3.7Mct @27cpht JORC resource
- Construction commenced end 2006
- Mining ore Q4 2007
- Diamond Production expected January 2008
- 330,000 carats/yr output
- High operating cashflow
- Significant resource and exploration upside



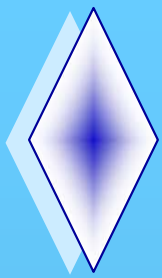
# Lerala – Production and Costs

| PLANT CAPACITY | TONNES PER ANNUM | CARATS PER ANNUM | OPERATING COSTS US\$/t |
|----------------|------------------|------------------|------------------------|
| 200 tph        | 1.32 million     | 330,000          | \$9.71                 |

| BUSINESS AREA | US\$ PER TONNE |
|---------------|----------------|
| Mining        | 2.33           |
| Processing    | 4.75           |
| Other**       | 2.63           |

\*\* Management, Operations and Security





# Lerala - Low Cost, High Cashflow

- Mine under development and on schedule for January 2008 diamond production
- Simple open cut mining operation, central processing plant
  - EPCM awarded and 75% of capital items at fixed price
  - will utilize contract mining – **STRATA MINING**
- US\$100m operating cashflow on US\$230m revenue over 10 years
  - Modelled using US\$53/ct
- Adopting HPGR (High Pressure Grinding Roller Crusher)
  - improves liberation leading to increased diamond recovery



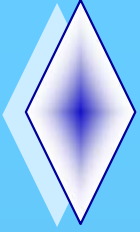
Resource drilling



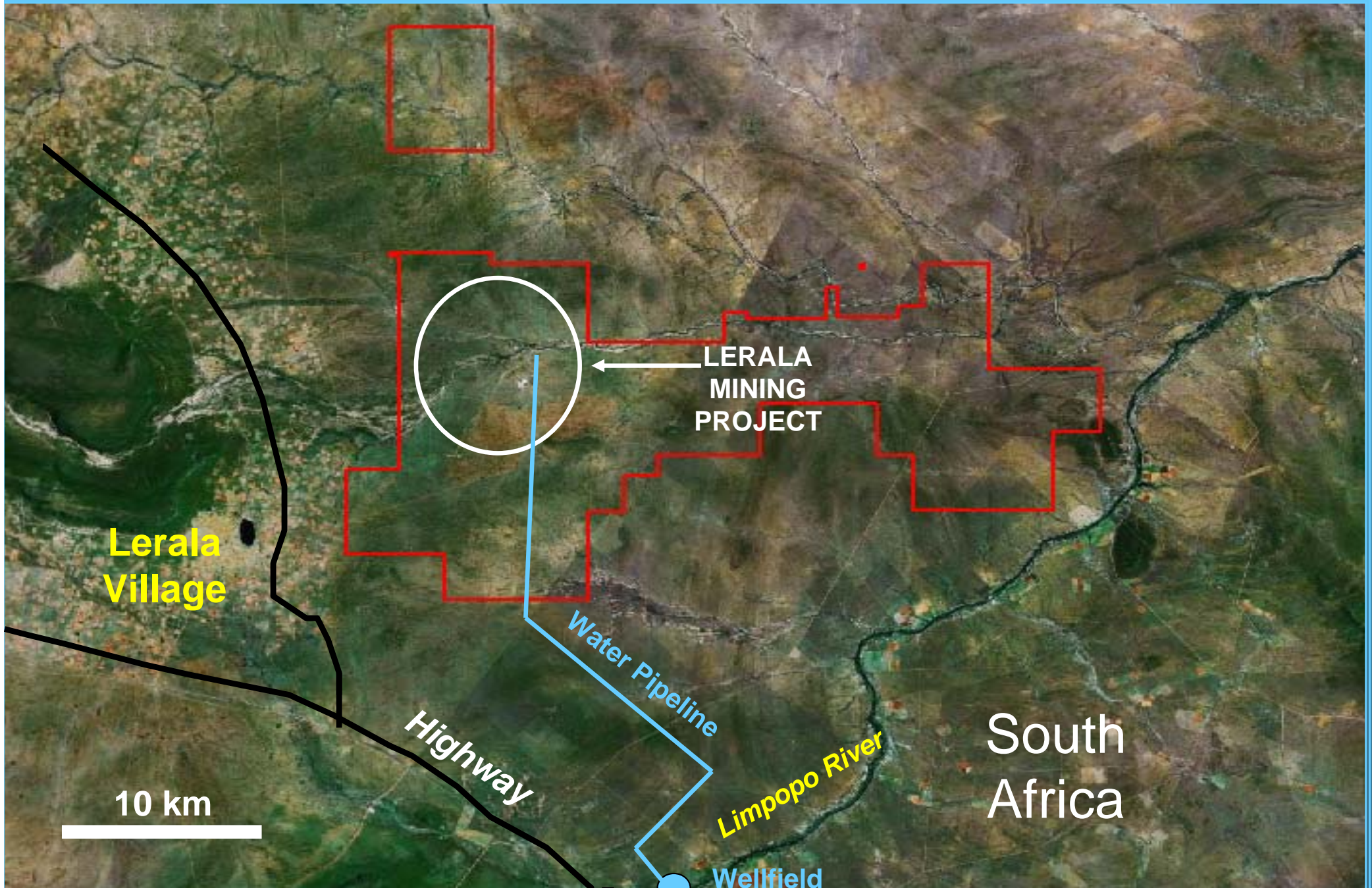
Processing drill samples

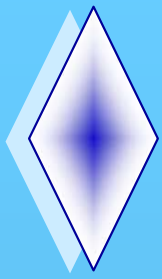


Lerala trial plant



# Infrastructure



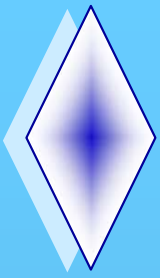


# Lerala – Funding



- Fleming Group: Pula 50 million underwritten listed convertible bond – 4 year
- EIB: Euro 5 million – 8 year facility (Pula 40 million)
- Equity: Pula 35 million

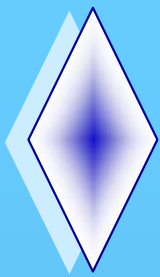
TOTAL: Pula 125 million



# Diamond Marketing

- **WWW International  
Diamond Consultants**

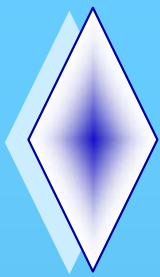




# Lerala Project - Upside Potential

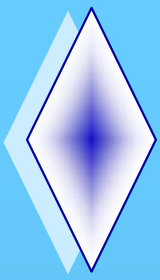
- Open pit design optimisation ongoing
- Extra diamond liberation / HPGR
- Resource currently determined to 110m
  - can potentially be deepened
  - K003 that contains 58% of the resource, can be mined possibly to 160m
  - K006 not in published resource has potential for a further 200,000 tonnes at 40.6cpht
- Underground potential



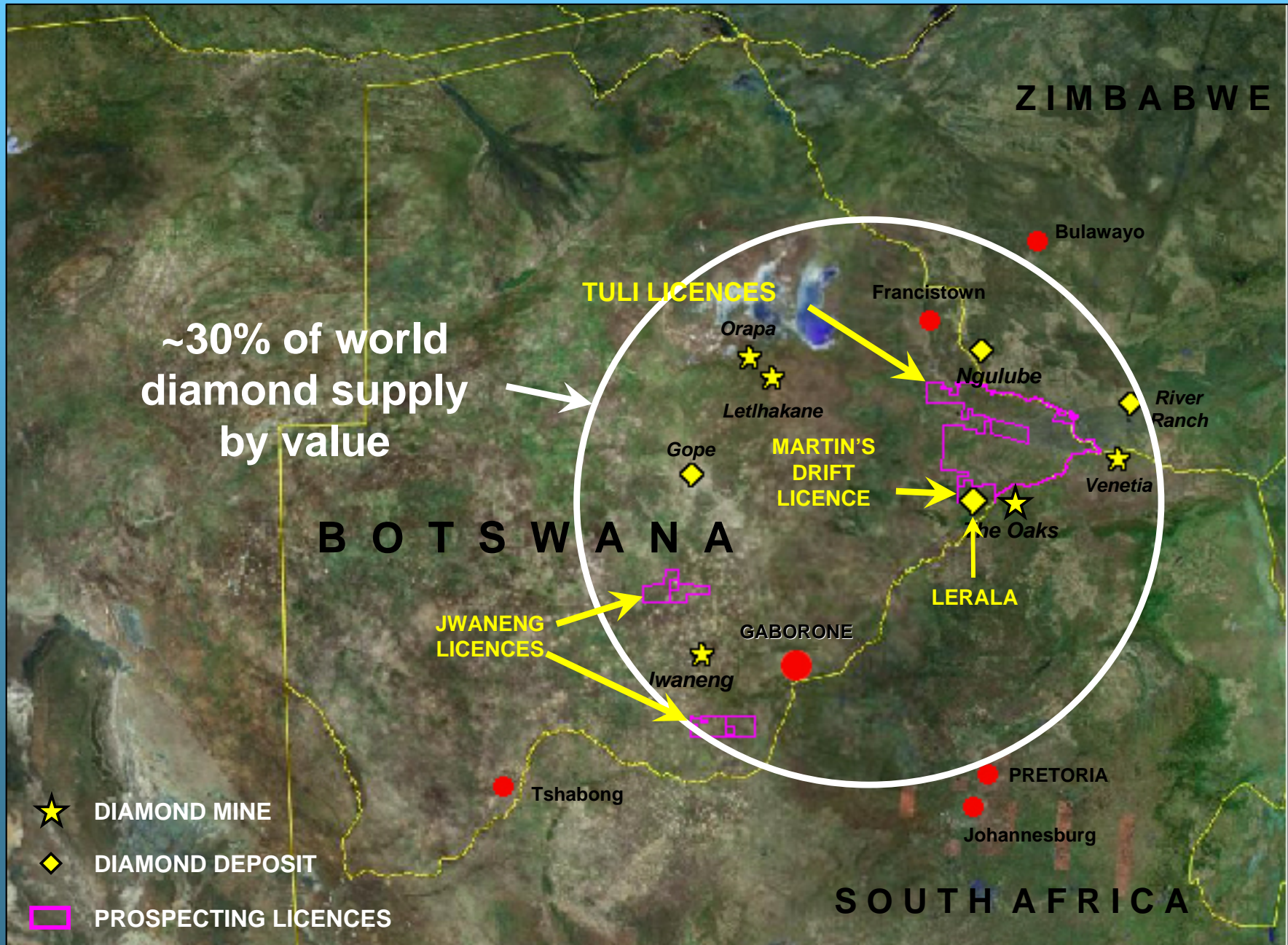


# DiamonEx - Strategy

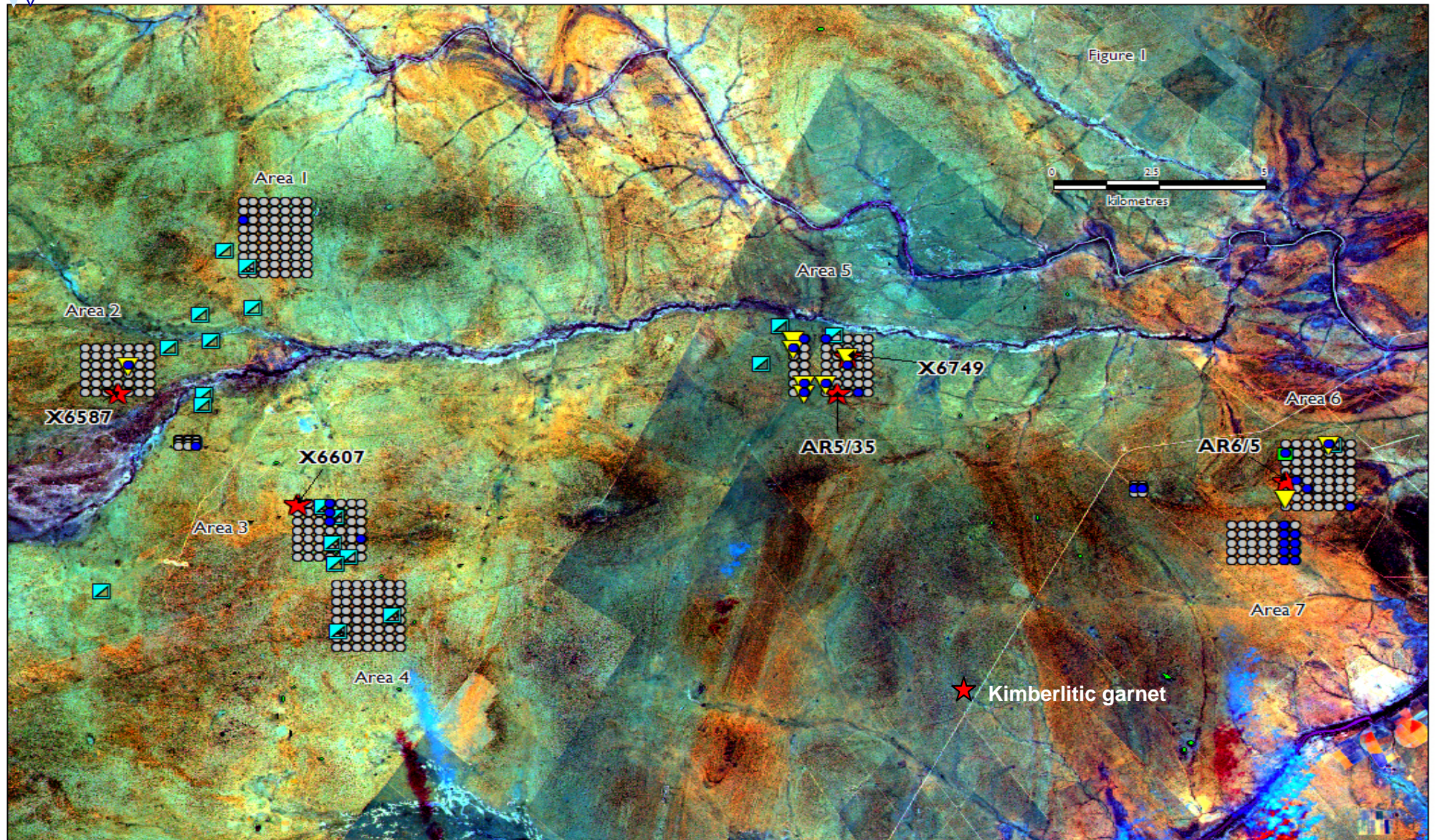
- DiamonEx is focused on advanced diamond exploration and development opportunities in order to create shareholder value by the optimal and timely development of such projects in order to generate cashflow
- This strategy minimizes risks to investors by allowing DiamonEx to use cashflow from developed projects like Lerala to fund a wider exploration programme such as the prospective acreage at Tuli and Jwaneng
- DiamonEx intends to pursue opportunities elsewhere that will allow it to replicate this strategy

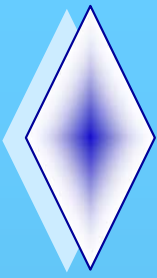


# Exploration – Attractive ground in Botswana

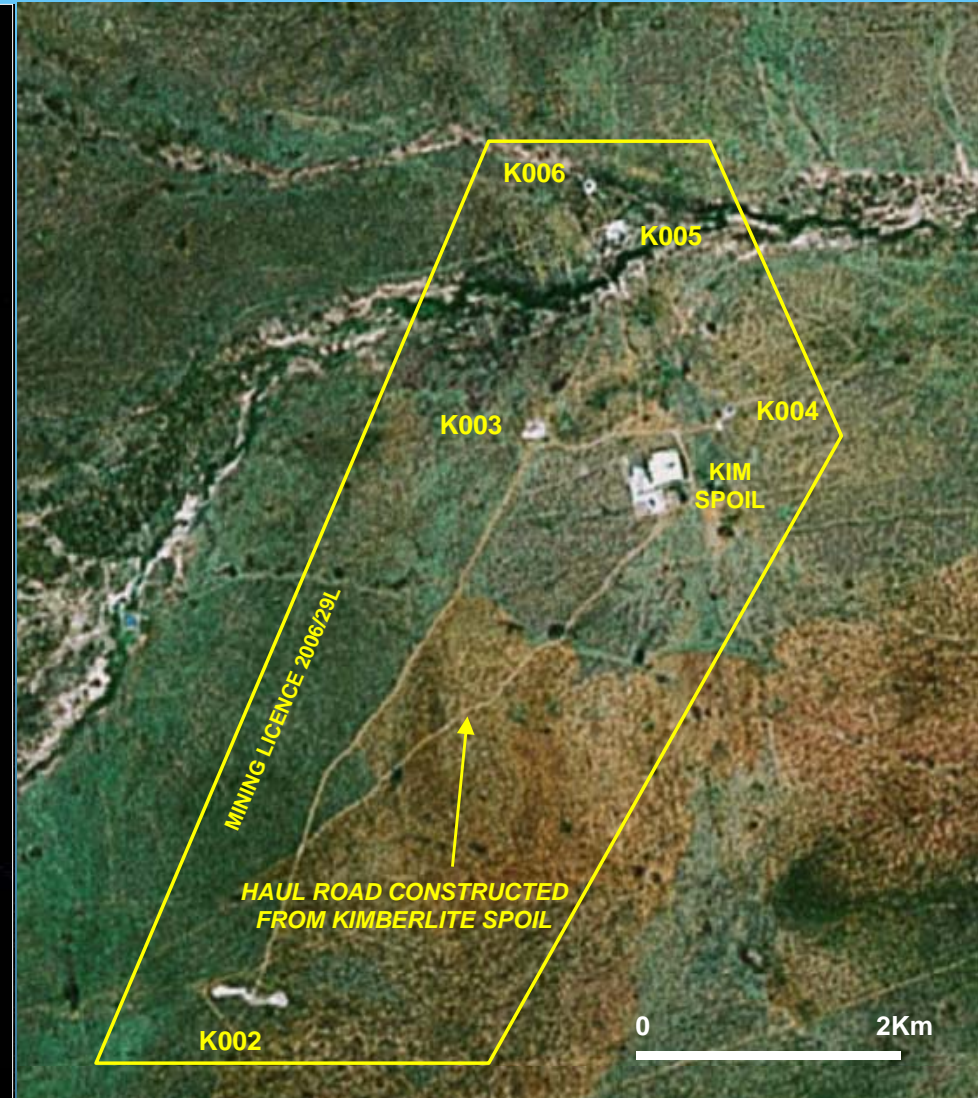
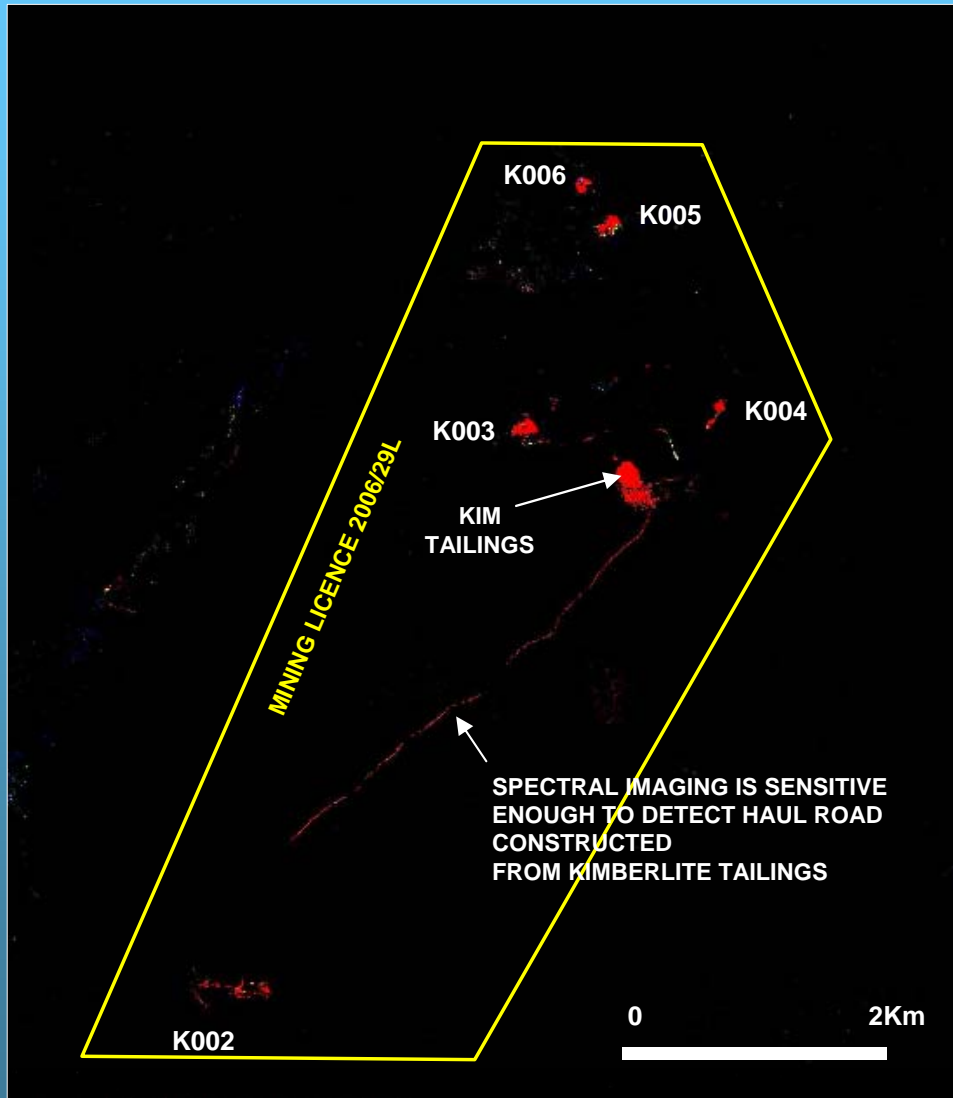


# Exploration - Historical Sampling



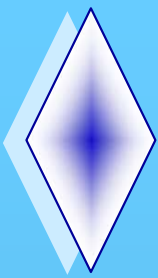


# Exploration - Airborne Spectral Imaging

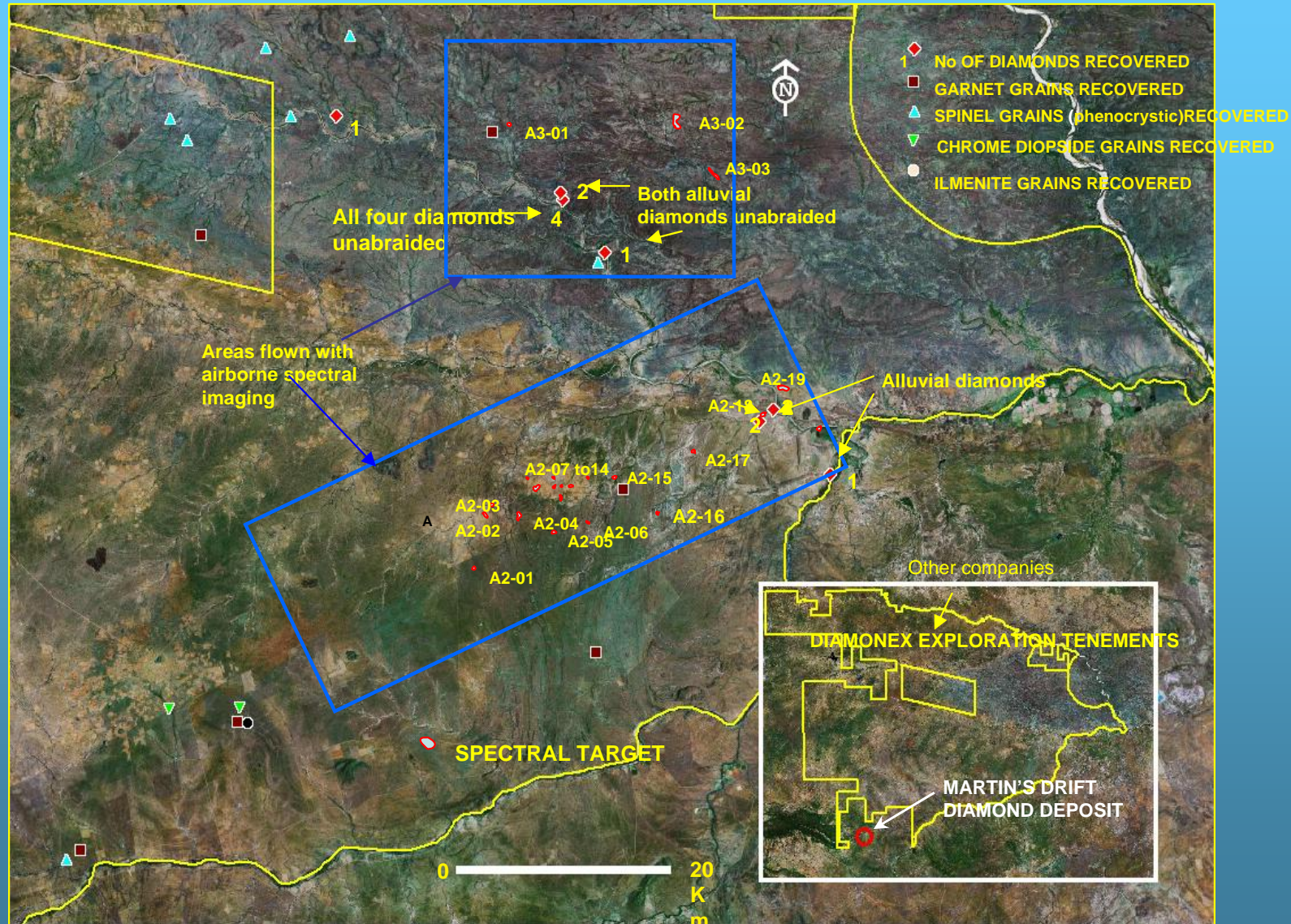


MULTI CHANNEL AIRBORNE SPECTRAL IMAGING DETECTS KNOWN KIMBERLITES AND IS SENSITIVE ENOUGH TO DETECT KIMBERLITE TAILINGS USED TO SURFACE HAUL ROAD

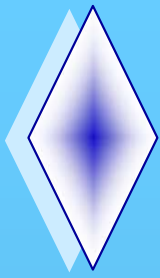
EXPOSED KIMBERLITES K002 – K006 USED TO “CALIBRATE” INSTRUMENT 19



# Exploration - Tuli License (12,400km<sup>2</sup>)

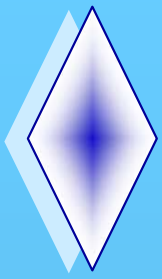


- Location of alluvial diamonds and targets generated from airborne spectral imaging



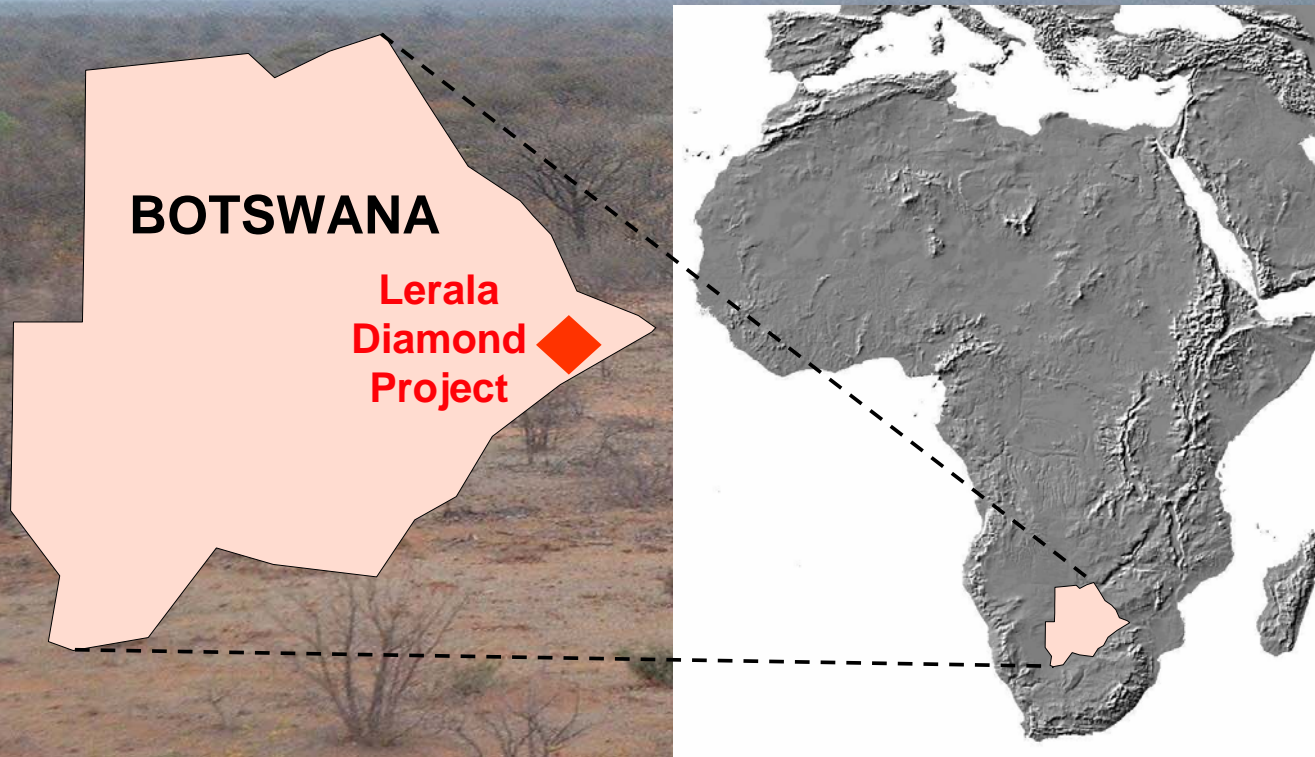
# DiamonEx - A New Diamond Producer

- A pre production kimberlite diamond company
  - development underway, funding needed to bring into production
- Low capital cost, low operating costs
  - diamond production commencing Q1'08 at 330,000 cts/yr
- High operating cashflow, rapid payback
  - US\$100m operating cashflow on US\$230m revenue over 10 years
- Significant resource upside at Lerala and Tuli exploration provides growth opportunities
- Advanced exploration to production focused strategy
  - cash flow to fund future exploration and development projects

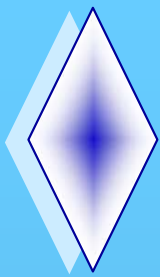


# DiamonEx Limited

## AN EMERGING DIAMOND PRODUCER



[www.DiamonEx.com.au](http://www.DiamonEx.com.au)



# Directors and Management

- Greg King – Chairman Over 25 years as a geologist in numerous commodities, founder and director of publicly listed Australian mining and exploration companies
- Dan O'Neill – Managing Director ~30 years geological and general management experience in a variety of commodities and countries
- Paul Crawford – Director, Company Secretary Extensive experience (>20 years) in the finance of mining and exploration projects
- Don Duncan – non-Executive Director, Principal Geologist Over 25 years diamond experience. Former Exploration Manager, De Beers Prospecting Botswana and Tanzania
- David Magang – non-Executive Director Former Minister of Mines (Botswana), successful lawyer and businessman, based in Botswana
- Mark Coetzee – Project Manager Engineer, over 20 years experience in the Southern African mining industry, based in South Africa
- Miracle Muusha – Chief Geologist Geologist, specialist in kimberlite mining and exploration, based in Botswana
- Michael Whillier – Group Financial Controller Over 10 years experience in the mining industry including southern Africa and 20 years in other financial roles





