

BLINA RECOVERS 19,762 DIAMONDS WEIGHING 7,288 CARATS FROM PROPOSED WASTE DUMP AREA

Blina Diamonds NL (ASX: BDI) ("Blina") has completed its limited mining operation in the Ellendale 9 North area. During this remarkably successful program a total of 19,762 diamonds weighing 7,287.7 carats were recovered at an average grade of over 20cpht¹. The largest diamond recovered during this program weighed just less than 10 carats and is one of the largest diamonds found in the Ellendale Field. Overall, the average size of the diamonds was 0.37 carats with the population containing a significant proportion of fancy yellow stones. While not all the diamonds have been valued, they are expected to achieve a price of just under US\$200 a carat.

The recently concluded mining operation was undertaken in conjunction with Kimberley Diamond Company NL ("KDC") from within the footprint of a proposed waste dump for the Ellendale 9 mining operation. Over 36,000 tonnes of alluvial material was processed from this relatively small area (see attached figure). While some material has been left within the waste dump footprint, no dumping is planned in this area for at least twelve months.

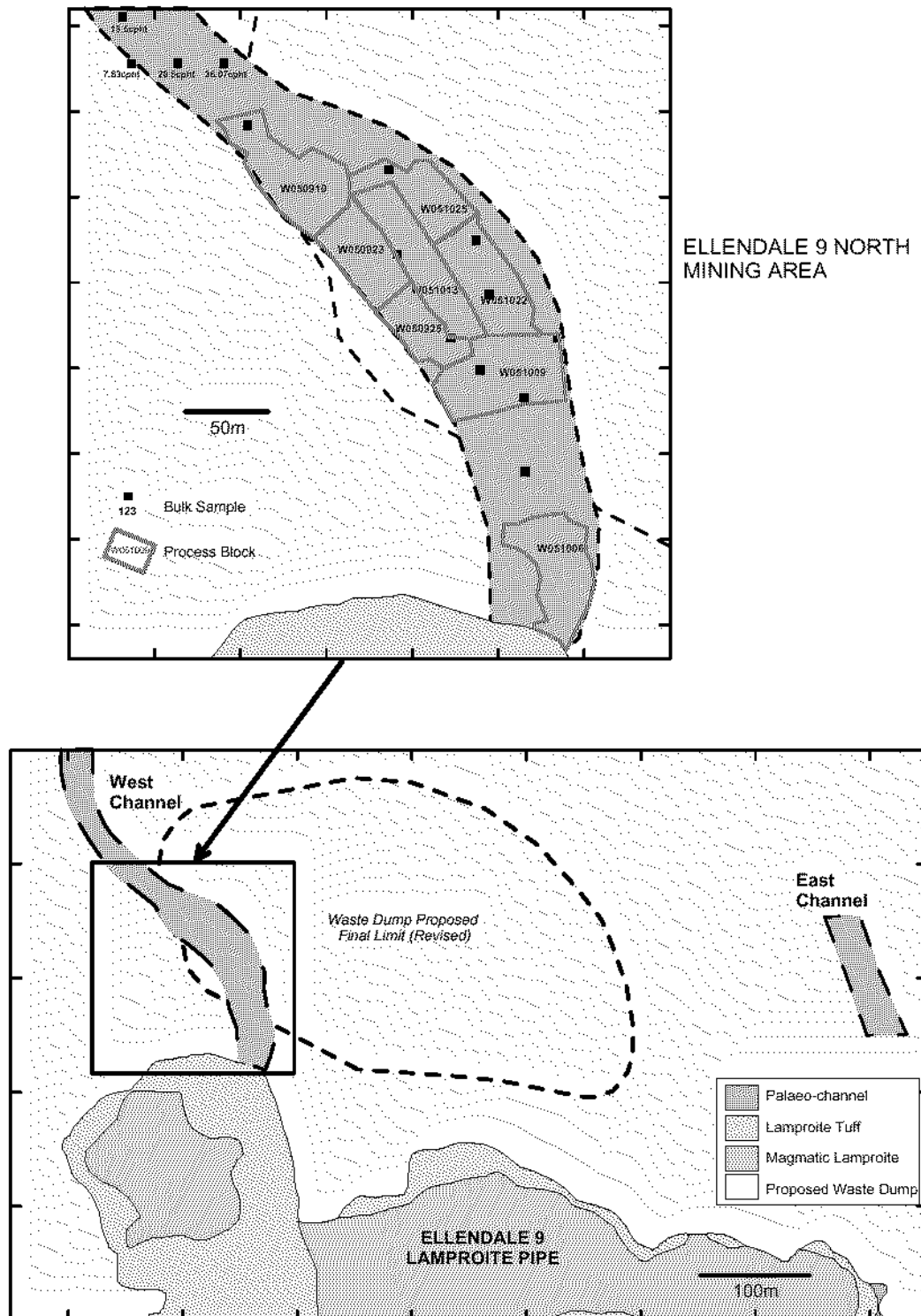
As would be expected from an alluvial operation, grade distribution was quite variable and depended heavily on the thickness of gravel in the mined sequence. The table and plan set out below illustrate the variability of grade within the area mined. Diamonds recovered from exploration samples collected from the West Channel area have been included in the table. The exploration samples include a number collected from outside the channel proper and from lower grade lithologies overlying the gravels.

ELLENDALE 9 NORTH AREA – WESTERN CHANNEL – PRODUCTION								
Process Block	Tonnes Processed	Size Distribution		Total Diamonds	Total Carats	Av. Stone Size	Grade (cpht)	Largest Diamond
		+3.5mm	- 3.5mm					
W050919	3,761	1,015	2,751	3,766	1442.09	0.38	38.34	7.47
W050923	3,196	888	2,280	3,168	1221.67	0.39	38.22	8.44
W050925	5,521	1,071	3,038	4,109	1539.88	0.37	27.89	9.92
W051006	4,114	110	662	772	187.71	0.24	4.56	5.36
W051009	4,695	353	1,137	1,490	503.93	0.34	10.73	NR
W051013	3,849	336	1,022	1,358	485.91	0.36	12.62	5.17
W051022	4,648	601	1,341	1,942	829.34	0.43	17.84	NR
W051025	3,432	564	1,649	2,213	769.48	0.35	22.42	NR
Exploration	2,903	205	739	944	307.69	0.33	10.60	4.53
Total	36,119	5,143	14,619	19,762	7,287.70	0.37	20.18	9.92

- For W series samples diamonds recovered in the 1.4-14mm size range.
- Exploration includes all samples from the Western Channel area, including samples collected from outside channel proper and upper gravel samples. Diamonds in the 1.2-14mm size fraction recovered.
- NR – not recorded.

¹ cpht – Carats per 100 tonnes

Blina plans to continue mining in the Ellendale 9 North area in 2006 after all statutory approvals have been received. Trenches and bulk samples collected from the Western Channel, downstream of the mined area, carry grades similar to material already processed. Additional exploration and sampling is required to determine the extent of the mineralised gravels and this work is currently underway. Exploration is also being undertaken on the Eastern Channel located about 1,000 metres from the Western Channel and preliminary data suggest that this channel can also be mined.



ELLENDALE 9 NORTH PROJECT

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