



JOINT ASX ANNOUNCEMENT

29 September 2004

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**NEW LAMPROITE EXPLORATION TARGETS  
IDENTIFIED FROM SUCCESSFUL ELLENDALE AEM SURVEY**

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**HIGHLIGHTS**

- **Significant new lamproite-style anomalies identified from recently completed Airborne Electromagnetic (AEM) survey over central portion of Ellendale Field.**
- **Preliminary data appears to indicate the presence of several non-magnetic lamproites in the Ellendale Field.**
- **New anomalies represent high-priority exploration targets, including the catchment of the Terrace 5 palaeo-channel and on the Ellendale Mining Lease itself.**

Blina Diamonds NL (ASX: BDI) (**Blina**) and Kimberley Diamond Company NL (ASX: KIM) (**Kimberley**) today jointly announced preliminary results from the recently completed Airborne Electromagnetic (**AEM**) survey over the central section of the Ellendale Lamproite Field. Preliminary data from the survey has identified a number of new lamproite-style anomalies on both companies' tenements, representing high-priority exploration targets for both companies.

The new lamproite-style anomalies are widely distributed over the Blina/Kimberley area, including the catchment area of the Terrace 5 palaeo-channel – one of Blina's key target areas – and on the 124km<sup>2</sup> Ellendale Mining Lease. The Ellendale Mining Lease, which is held and operated by Kimberley, includes Pipe 9 (where Kimberley's mining operations are currently based) and Pipe 4 and Pipe 4 Satellite.

Blina, in conjunction with Kimberley, contracted Fugro Airborne Surveys (Fugro) to fly the 500km<sup>2</sup> AEM survey over the central portion of the Ellendale Lamproite Field in late August. Fugro employed its Tempest, time-domain AEM system for the program, with flying completed earlier this month. The AEM program, which is a cornerstone of Blina's regional exploration program in the Ellendale Field, has the potential to identify both non-magnetic lamproites and buried palaeo-channels.

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Preliminary raw data from the survey has been received and examined, with early indications suggesting that the companies' high expectations for the procedure were well founded – with significant positive implications for both Blina and Kimberley.

AEM essentially measures variations in the electrical conductivity of underlying rocks. In the Ellendale area, variations in electrical conductivity are mainly related to the proportion of clay minerals present in the various rock-types. Lamproites are particularly rich in clay minerals and are relatively good conductors; the sandstones that underlie most of the Ellendale Field contain little clay and are relatively poor conductors.

Prior to undertaking the survey, it was anticipated that the known lamproite pipes (being magnetic) would be identifiable and this has proven to be the case. Almost all the larger (>1ha) known pipes in the Ellendale Field can be recognised as very distinct AEM anomalies.

However, of much greater interest are a number of very distinct anomalies, similar in all aspects to the known pipes, which are not associated with recognised lamproite bodies. Blina and Kimberley have long believed that non-magnetic lamproites will occur in the Ellendale Field and the AEM data appears to support that contention.

The new lamproite-style anomalies identifiable from the AEM data are widely distributed over the Blina/Kimberley tenement area. While several features that may represent yet-to-be-discovered lamproite bodies can be recognised within the catchment of the Terrace 5 palaeo-channel, many more occur outside this area including on the Ellendale Mining Lease itself.

Locating the source of the large, high-quality gem diamonds in the Terrace 5 palaeo-channel has been a major goal for Kimberley for a number of years, with the identification of new exploration targets in this catchment area representing a significant breakthrough.

For Kimberley, the discovery of new non-magnetic lamproite-style targets on the Ellendale Mining Lease highlights the significant exploration potential within the Ellendale Mining Lease itself through the application of new technologies. The Mining Lease already contains 32 known diamondiferous pipes in addition to Ellendale Pipes 9 and 4 and Pipe 4 Satellite with the potential to deliver future production and cash flow opportunities in addition to currently identified resources.

The raw AEM data currently at hand requires considerable processing before it can be properly interpreted. At this stage only grossly anomalous features are readily recognisable.

Fugro estimate that the final gridded data will be provided to Blina by 18 October and final hardcopy products by mid November. Although the anomalies identified from preliminary data are considered extremely encouraging, the full implications and significance of the AEM survey will not be evident until the final data becomes available.

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### **Background Information**

Blina Diamonds Ltd (ASX: BDI) is an Australian diamond explorer focused on the exploration, evaluation and development of diamond resources in the commercially proven but under-explored Ellendale Diamond Field in Western Australia. Blina listed on the Australian Stock Exchange in August 2004 after raising \$10.4 million as an exploration spin-off of diamond producer, Kimberley Diamond Company NL.

Blina – which has consolidated ownership of all Kimberley's exploration interests in the East Kimberley region outside of its Ellendale mining operation – will target several near-mine opportunities as well as regional exploration for new lamproite pipes in this recently developed diamond field.

Blina controls a high-quality 1,800km<sup>2</sup> tenement package surrounding the central core of the Field. The key targets include the Terrace 5 Project, explored by Kimberley over the past decade, where Blina is targeting an alluvial resource of up to 10 million tonnes potentially containing 400,000 carats and the J-Channel, where it is targeting an 8 million tonnes alluvial resource potentially containing 420,000 carats. In addition, Blina controls the K1-K2 Lamproite Project and A-Channel Project, where there is significant potential to discovery additional new lamproite pipes.

Kimberley Diamond Company is an independent diamond producer listed on the Australian Stock Exchange with its corporate headquarters based in Perth, Western Australia. Kimberley's focus is mining and marketing high-value rough diamonds from its 100%-owned Ellendale Mining Operations, located some 2,000 km north of Perth in Western Australia's Kimberley region.

Having commenced commercial diamond mining and marketing operations in mid-2002, Kimberley is one of only two diamond producers in Australia and is rapidly expanding its production base at the Ellendale Lamproite Field – where it controls resources containing more than 4.96 million carats.

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