

1 August 2006

Company Announcements Office
Australian Stock Exchange Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

**MINISTRY OF MINES & ENERGY APPROVES EXTENSION FOR
SKELETON COAST DIAMOND & MINERAL SANDS LICENCES**

The Directors are pleased to advise that the Ministry of Mines & Energy, Namibia (MME) has informed the Company that it has approved a 12 month extension to the two key exclusive prospecting licences (EPL 2699 & EPL 2700) that comprise the Skeleton Coast Diamond and Mineral Sands Project, situated on the North-West coast of Namibia.

The licences were due to expire on 22 November 2006, though will now survive until 22 November 2007 prior to which the Company may apply for a mining licence should the economics of the project justify.

Exploration results, including sample analysis and resource calculations stemming from the recently completed air-core drilling programme on EPL 2699 and EPL 2700 will assist the Company in reaching this commercial conclusion.

The extension of the licences has been approved conditional upon the relinquishment of EPL 2698, which is the third exclusive prospecting licence making up the Skeleton Coast Diamond and Mineral Sands Project, and the provision of a detailed relinquishment report by the Company for EPL 2698 at least 30 days prior to its expiry.

EPL 2698 has been evaluated by the Company using observation pits, channel sampling, field mapping and drilling and is considered the least prospective of the three licences making up the project area. Accordingly, the Company intends upon providing the relinquishment report as requested by the MME.

Resultantly, the Company's Skeleton Coast Diamond and Mineral Sands Project will comprise two contiguous exclusive prospecting licences that cover a total of 160 lineal kilometres of the North-West coast of Namibia.

The Company thanks the Minister and the Office of the Mining Commissioner of the MME for their positive consideration of the circumstances that preceded the request for an extension to the licences, and re-iterate the Company's commitment to the evaluation and development of Namibia's natural resources for the benefit of all stakeholders.

Yours faithfully

BS MOORE
Chairman

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