

10 February 2005

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

Dear Sir / Madam

SIGNIFICANT DIAMOND VALUATION

- **Reefton's Skeleton Coast diamonds valued at US\$219 /carat**
- **460 carats assessed by internationally respected valuer**
- **Diamond inventory valued at US\$108,000**
- **23% of carats +3 grainers (+0.66 carat)**

The Board of Reefton Mining NL is pleased to announce the valuation of its high quality diamonds recovered from the Company's onshore tenements at the Skeleton Coast Project in Namibia.

All of the diamonds recovered up to the end of October 2004 weighing **460 carats** for 2,421 diamonds were valued by the well known and internationally respected diamond industry valuer, **Mr Peter Talbot-Ponsonby** at **US\$219 per carat**.

The valuation exceeded the expectation of the Board by 10% where previously the Company had assumed US\$200 per carat in its scoping studies. This valuation has a significant effect on the potential worth and subsequent economics of a diamond mining operation on the Skeleton Coast.

Mr Talbot-Ponsonby commented that "Reefton's diamonds are of good quality and superior to other Namibian productions, and therefore command an above average price". He also commented that "the colour of Reefton's diamonds is definitely superior" and said that "these diamonds would attract a premium to the valuation if sold under tender in Europe at the moment".



Reefton's diamonds are comparable with those recovered from the Luderitz area in southern Namibia in the +11 DTC sieve (0.5 carat), +9 (0.25 carat) and +7 (0.125 carat) sizes in that the percentage of sawable is about 70%. This accounts for 60% of the total carats. Meanwhile, 23% of the carats are +3 grainers (+0.66 carat) which is a high proportion by World standards.

Peter Talbot-Ponsonby has over 43 years experience in the diamond industry. He spent 26 years with DeBeers, and is currently a government diamond valuer for French Guinea, Angola and Sierra Leone. Mr Talbot-Ponsonby was also a government valuer for Namibia for 12 years, and a diamond consultant to Argyle Diamonds for 7 years from first production.

Reefton has resumed its work programme at Mowe Bay on the Skeleton Coast heading towards a resource by the end of 2H05. Concurrently, a discovery programme has commenced targeting extensions of diamondiferous gravels to the north of areas already sampled by the Company.

Yours faithfully

BS MOORE
Chairman

Enquiries to:
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This report accurately reflects information compiled by Mr G.R. Hemming, MAusIMM., MAIG., a Director of Roscoria Pty Ltd, who is a competent person as defined by the Australasian Code for Reporting of Identified Minerals Resources and Ore Reserves and accurately reflects the information compiled by the competent person.

NEWS

• **RELEASE** •

FOR IMMEDIATE RELEASE
10 February 2005

HIGH DIAMOND VALUATION EXCEEDS REEFTON BOARD'S EXPECTATIONS

Higher than expected diamond valuations announced today by dual listed Reefton Mining NL (ASX and AIM: RTM) have significantly enhanced the Company's plans to develop a commercial mining operation.

Reefton said today that all of the diamonds recovered up to the end of 2004 - weighing 460 carats for 2,421 diamonds - had been valued at US\$219 (A\$285) per carat by internationally-respected diamond industry valuer, Mr Peter Talbot-Ponsonby.

The diamonds were recovered from Reefton's onshore tenements at the Company's Skeleton Coast Project in Namibia, Africa.

"The valuation has exceeded the expectation of our Board by 10% where previously the Company had assumed US\$200 per carat in its scoping studies," Reefton's Chief Executive Officer, Mr Simon Gilbert, said today.

"It has a significant effect on the potential worth and subsequent economics of a diamond mining operation at Mowe Bay on the Skeleton Coast," he said.

Reefton is targeting a 2007 production start-up for a dry mining operation with a large Dense Media Separation (DMS) processing facility.

"We have resumed work at Mowe Bay and have our sights set on establishing a resource by the end of the current financial year," Mr Gilbert said.

"Reefton's diamonds are comparable with those recovered from the Luderitz area in southern Namibia in the +11 DTC sieve (0.5 carat), +9 (0.25 carat) and +7 (0.125 carat) sizes in that the percentage of sawable is about 70%. "This accounts for 60% of the total carats", he said.

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“Meanwhile, 23% of the carats are +3 grainers (+0.66 carat) which is a high proportion by World standards.”

Comments made by Mr Talbot-Ponsonby in his Reefton valuation included: -

“Reefton’s diamonds are of good quality, superior to other Namibian productions, and therefore command an above average price”.

“The color of Reefton’s diamonds is definitely superior” and that “these diamonds would attract a premium to the valuation if sold under tender in Europe at the moment”.

Valuer - Peter Talbot-Ponsonby

Mr Peter Talbot-Ponsonby has over 43 years experience in the diamond industry. He spent 26 years with DeBeers, and is currently a government diamond valuer for French Guinea, Angola and Sierra Leone. Mr Talbot-Ponsonby was also a government valuer for Namibia for 12 years, and a diamond consultant to Argyle Diamonds for 7 years from first production.

FURTHER INFORMATION - Please contact

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