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BSE ANNOUNCEMENTS BOTSWANA STOCK EXCHANGE

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LERALA DIAMOND MINE COMMISSIONING UPDATE

- Plant commissioning now complete
- Diamond recovery has commenced
- Plant currently processing over 100 tonnes per hour
- Full production of 200 tonnes per hour and Name Plate handover expected end Q3/early Q4
- First diamond sale expected September

DiamonEx Limited (ASX/AIM/BSE "DON"), the emerging diamond producer in Botswana, announces that Plant commissioning at its Lerala Diamond Mine Processing Plant ("Plant") is complete, and recovery of diamonds has commenced.



The Plant is currently operating at approximately 100 tonnes per hour, with a programme to get to the full production target of 200 tonnes per hour over the coming months.

The Plant has performed well in the commissioning phase with expected teething problems, as well as minor disruptions. There has been one major issue in the Plant design to emerge out of commissioning, relating to the performance of the Pan Plant.

The Plant recovers diamonds through dense media separation (“DMS”). The Plant has however, also been designed with Pans to create a pre-concentrate of fine crushed ore which is sent direct to the DMS for diamond recovery, while the remainder of the ore is sent back to the tertiary crusher for re-processing before entering the DMS. The utilisation of both Pans and DMS in this fashion is quite unique. Not only does this reduce the capital cost of the Plant by reducing the size of the DMS, but most importantly it maximises diamond recovery by minimising loss. This is a new system, and despite unscheduled delays in the commissioning process, the Pans are now working to expectation, enabling the Company to begin to ramp to the full production target.

Other delays in commissioning included power supply disruptions from the Plant’s diesel generators which delayed commissioning by approximately ten days. This issue has since been resolved.

The Company has commenced the recovery of diamonds but it will not have a parcel of sufficient size to justify a sale in August. Therefore, the Company has decided to postpone the first diamond sale to the end of September. August historically achieves the lowest average prices for rough diamond sales, and as a result the Company is likely to achieve higher prices in a more competitive bidding environment in September.

Managing Director, Dan O’Neill, said, “As can be expected we have had to confront a number of issues during the commissioning process. All the issues to date have been resolved and we are pleased to announce recovery of diamonds has commenced. Commissioning of the Plant is now complete and the Company is now focused on ramping up to full production of 200 tonnes per hour and improving our rate of diamond recovery”.

For and on behalf of the Board

Paul Crawford
Company Secretary

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About DiamonEx:

DiamonEx is an emerging diamond producer having developed a 330,000 carat per year diamond mine at Lerala, in eastern Botswana. The mine is 100% owned and is located in an area that produces up to 30% of the worlds diamonds by value. The company also owns 15,000 sq km of mineral rights in Botswana which it is actively exploring for diamonds, as well as a 9.3 hectare diamondiferous kimberlitic pipe in northern Colorado, USA, which it is currently evaluating for grade and value. DiamonEx is listed on the Australian Stock Exchange (ASX), the Alternative Investment Market in London (AIM), and the Botswana Stock Exchange (BSE).