2nd November 2010

AK6 Update

- Project development on track
- Long-lead items ordered
- Senior staff engaged

African Diamonds plc (‘AFD’) and joint venture partners Lucara Diamond Corp. Inc (‘Lucara’) are pleased to announce that a formal decision to proceed with the development and construction of the AK6 diamond project in Botswana has been made at a recent meeting of the Boteti Mining Pty Ltd (‘Boteti’) joint venture board.

Project development activities commenced upon completion of the feasibility study in June of this year with the selection of Dowding Reynard and Associates ("DRA") as the Engineering, Procurement, Construction and Management ("EPCM") contractor. DRA’s focus areas have been the critical schedule activities which ensure that the production target of Q1 2012 is achieved with commissioning starting in Q4 2011. These activities included the placing of orders for long lead time equipment, including the autogeneous mill and crushers, as well as the award of the earthworks contract for the site civil works and the access road upgrade. The earthworks contract mobilized to site in September. Detailed engineering has also been advanced in support of the project schedule which is on track.

An agreement with the Botswana Power Corp. for the supply of bulk power has been concluded and the power line contract has been issued for tender.

Senior staff have been recruited, including the CEO, General Manager, Finance Manager, Safety, Health Environment and Community Relations Manager, and the Human Resources Manager, all of these are local appointments with the exception of the Finance Manager. Significant progress has been made on environment and community relations tasks, human resource policy, staff housing, and recruitment. This ensures operational capacity for the project development and the transition to operations.
John Teeling, Chairman, said: “I am delighted at the progress being made on the development of AK6. The target of Q4 2011 commissioning is in sight with a ramp up of production during 2012. The demand for quality diamonds remains strong while the supply is at best flat. When AK6 comes on stream it will be one of a limited number of kimberlite diamond mines in production.

On 26th November 2010 shareholders in African Diamonds vote on the acquisition of AFD by Lucara. This proposal is supported by directors and other major shareholders so we are confident that it will be accepted. The financial and technical strength of Lucara will ensure the rapid development of AK6.”

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