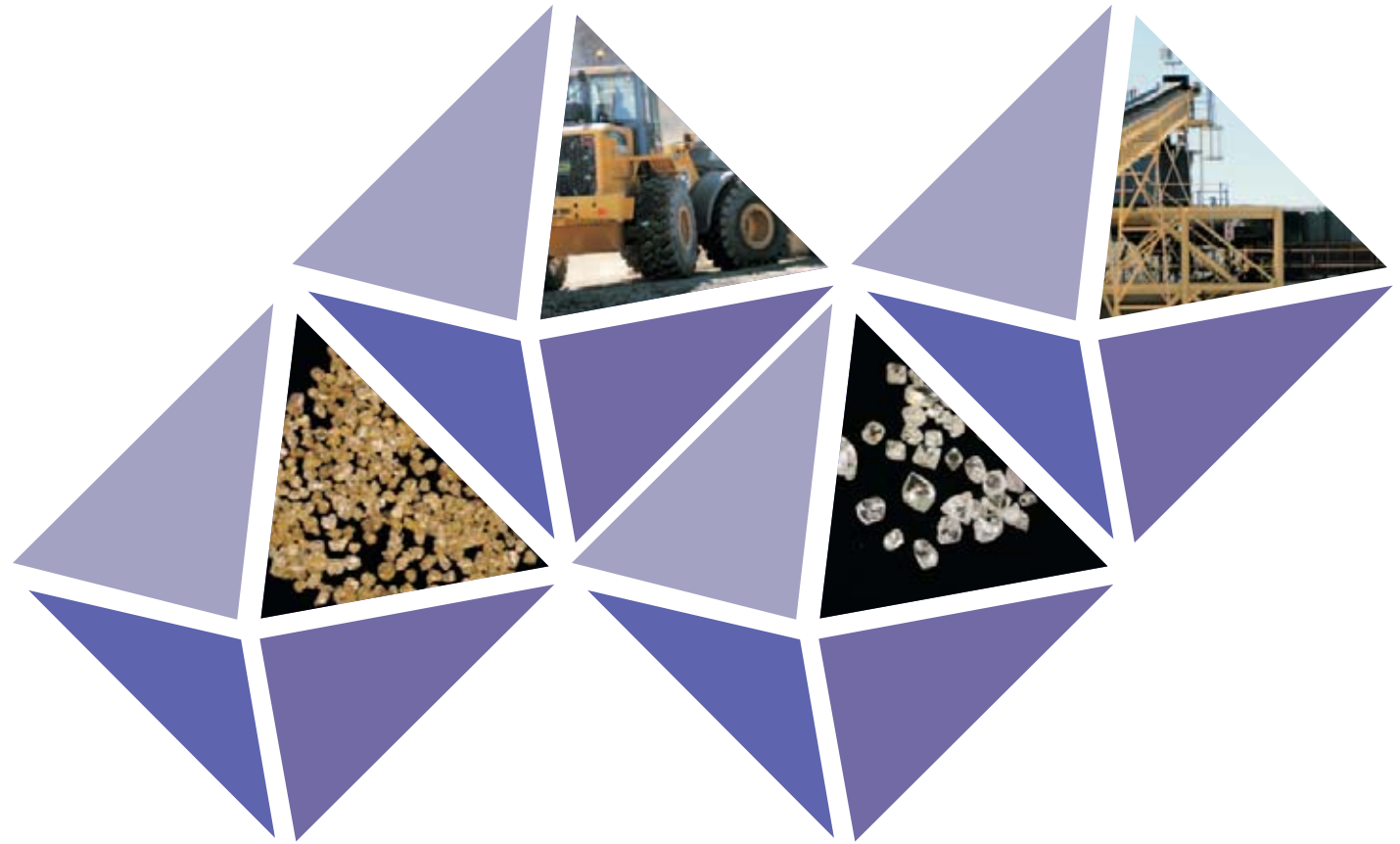


July/August

Pipe to prosperity



DIAMONDCORP PLC



Profile

DiamondCorp plc is an emerging diamond producer focussed on maximising shareholder value through the development of high-margin diamond production assets. The company is incorporated in the UK, and the highly prospective diamondiferous regions of South Africa are its chosen areas of operation.

Formed in March 2005, the company raised approximately £9.3 million in pre-IPO financing, which was used to acquire a 74% interest in the Lace diamond project in South Africa's Free State Province and constructed a 1.6 million tonne per annum Dense Media Separation (DMS) diamond recovery plant.

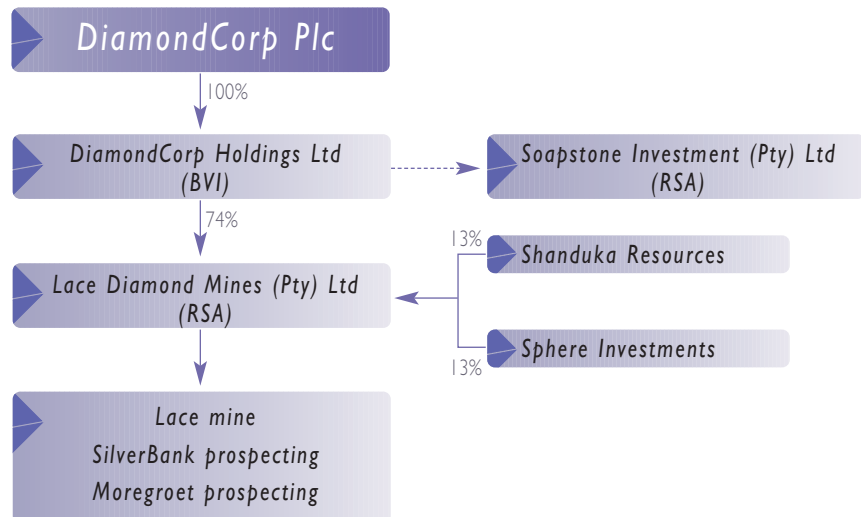
DiamondCorp plc is listed on the main board of the JSE Limited (trading symbol 'DMC') and the AIM of the London Stock Exchange (trading symbol 'DCP').

At an operating level, the Lace Diamond Mine has the requisite level of Black Economic Empowerment (BEE) participation required by the South African minerals legislation, with partnerships having been formed with Shanduka Resources and Sphere Investments, both run by leading South African entrepreneurs.

The colour of the Lace diamonds is above world average and the better quality parcels contained a healthy proportion of well formed crystal and octahedron sawable shapes.

More than 70% of the production is gem quality, and management has been encouraged by the significant proportion of fancy coloured stones in the production. More than 5% of production comprises fancy intense yellow stones. Recoveries also include intense pink and vivid purple diamonds and occasionally an intense blue diamond.

Corporate Structure





Exploration

The Kroonstad area is known to host the Lace and Voorspoed kimberlite pipes, as well as several dykes known as Silverbank, Normandien, Besterkraal and Grootbosch. De Beers reportedly discovered several pipes/blows along these dykes during very preliminary evaluations. DiamondCorp has secured the exploration rights to all of the farms hosting these kimberlite intrusions, and will progressively explore them for additional commercial diamond potential.

Corporate Development

DiamondCorp is actively seeking to expand its diamond production base in southern Africa. The company is constantly evaluating advanced production projects and operating companies with the view to merger and acquisition, or joint venture.

Diamond Market Outlook

Total world rough diamond sales were estimated at approximately US\$12 billion in 2004, US\$13.4 billion in 2005 and US\$12.5 billion in 2006. The growth in demand for diamonds has been driven in the past few years by buoyant global economic conditions and, in particular, the increasing demand coming out of China and India for luxury products. Reported market estimates suggest that the gap between world diamond demand and supply is growing. The supply gap has led to price increases in recent years with prices growing by 14% in 2004, and by 7% in the first half of 2005. Prices softened during 2006 but have started to strengthen again during 2007. The Mining Journal in August 2007 said: "The forecast to 2015 of a 3% annual rise in diamond demand has not changed, and as no important new discoveries have been announced, a substantial supply shortfall is predicted within five or six years."





Lace Diamond Mine

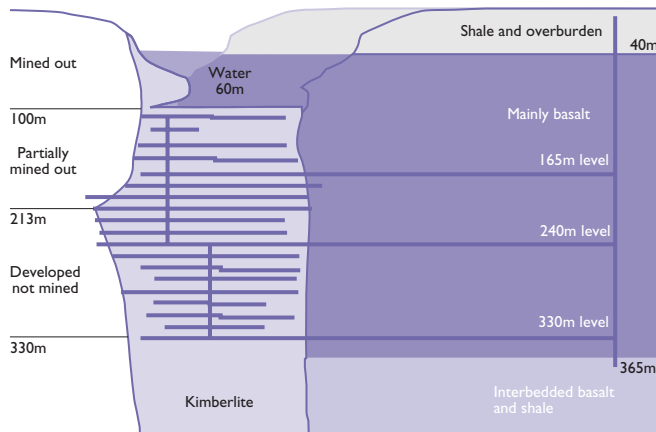
The Lace project is located 20km from Kroonstad in the Free State Province of South Africa. The project contains an estimated 14 million carats of diamonds in tailings and kimberlite. Additional kimberlites have been identified on the group's adjoining properties.

Between 1902 and 1931 mining operations at Lace removed 4.5 million tonnes of kimberlite through open pit extraction to a depth of 100 metres, as well as partial chambering to 240 metre depth. The head grade is historically estimated to be 27 carats per hundred tonne (cpht). Drilling has estimated that the Lace kimberlites (main and satellite pipes) extend to 855 metre depth and remain open. Drilling also discovered that a hypabyssal kimberlite grading an estimated 40-60 cpht becomes volumetrically dominant at depth.

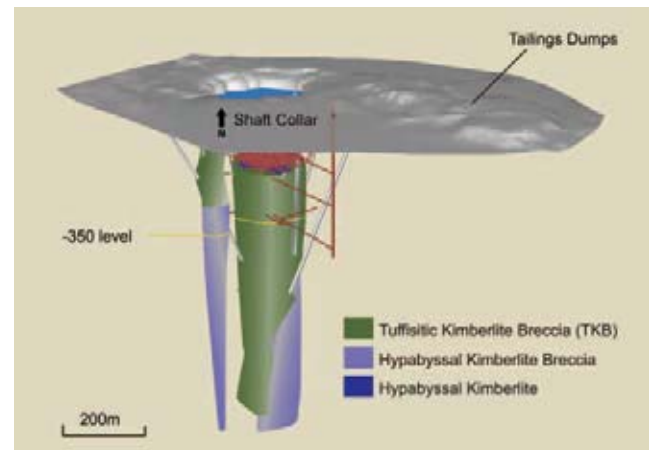
It is anticipated that bulk testing of the unmined portion of kimberlite will be completed in 2008. The results will be integrated into a feasibility study on recommencing mining of the Lace kimberlite, following completion of the Lace tailings re-treatment project.

DiamondCorp is approaching Lace in two phases: Phase 1 involves the treatment of diamondiferous tailings, while Phase 2 is the re-establishment of an underground mining operation.

Existing underground development at Lace



Geological model of the Lace kimberlite





Phase 1: Tailings retreatment

Lace has completed the construction of a 1.6 million tonne per annum dense media separation diamond recovery plant for full scale operations.

The retreatment of some 3.6 million tonnes of diamondiferous tailings commenced in July 2007 and will take some 27 months to complete, providing early stage cash flow to Lace.

Phase 2: Underground mining

The diamonds recovered from the tailings are like looking through a window into the main Lace pipe and augurs well for high quality diamond production from Phase 2 underground mining at Lace. As a result, an accelerated development plan has commenced with pipe material to be introduced to the mine plan from the end of 2008 14 months ahead of the original schedule.

The accelerated plan involves a sinking decline shaft into the unmined portion of the Lace satellite pipe which was only mined by open pit methods to a depth of 50m. Bulk testing followed by trial underground mining of the satellite pipe kimberlite via the decline shaft will be undertaken simultaneously with the refurbishment of the existing 360 metre deep, 6 metre by 2.7 metre vertical shaft which accesses the main Lace pipe.

Phase 2 development has the potential for a 20-year mine life to extract up to 35 million tonnes of diamondiferous kimberlite in the primary Lace pipe between the 100 metre level and 855 metre level.

A scoping study completed in 2007 determined the optimal mining method to achieve annual production in excess of 500,000 carats per annum from the Lace kimberlite as sub-level caving.



Board members

DiamondCorp PLC

Euan Worthington – Non-Executive Chairman. Euan Worthington has been associated with and involved in exploration, mining development, analysis and corporate finance in London for over 25 years. He has worked as an independent mining finance consultant since 2001 and is a non-executive director of African Eagle Resources plc and European Nickel plc, both listed on AIM.

Mr Worthington holds a B.Sc. Geology (Hons) from Kings College, London, a DIC (Mineral Resources Engineering) and M.Sc. Mineral Production Management from Royal School of Mines, Imperial College, London.

Paul Loudon – Managing Director and CEO. Paul Loudon has more than 20 years experience in stockbroking, corporate finance and management of junior mining and exploration companies.

He has been President of Battlefield Minerals Corporation of Toronto and non-executive chairman of BDI Mining Corp. He was Head of Equities at Loeb Aron & Company Ltd, a London corporate finance house specialising in the mining sector, where he was responsible for raising considerable sums of equity capital for resource companies listed in the UK, Canada and Australia.

Dr Jonathan Willis-Richards – Non-Executive Director. Dr Willis-Richards holds a Bachelor's degree in Geology from Oxford University and a Master's Degree in Mining Geology from Camborne School of Mines. He is internationally known for his PhD work on numerical modelling in the areas of mineralised and fractured geothermal systems.

Nicholas Allen – Non-Executive Director. Mr Allen has worked in the mining industry for over 40 years, primarily in diamond mining and marketing, including extensive periods with Consolidated African Selection Trust Limited, D. Drukker & Zn NV, George Evens of Antwerp and Benguela Concessions Limited. He is a non-executive director of Mercator Gold plc.

John Forrest – Chief Financial Officer and Company Secretary. Mr Forrest is a CPA with more than 30 years experience in public company administration and financial management. He commenced his career with Price Waterhouse & Co and currently acts as finance director of several public companies, including AIM-listed Central China Goldfields plc.

Lace Diamond Mines (Pty) Ltd

Paul Loudon – Managing Director. See alongside

Paul Sharples – Head of Mining. Paul Sharples is a chartered mining engineer with more than 30 years experience in the mining industry. He commenced his career with Anglo American Corporation in Welkom and has held senior operational and consulting positions for a range of mining companies and mineral consulting firms, including Gencor Billiton, Murray & Roberts, Bateman Engineering and Mintek. He has been involved in the development and management of significant underground and opencast gold and diamond operations in South Africa, Brazil, DRC and Namibia.

Steve West – Head of Business Development. Steve West is a mechanical engineer with more than 30 years experience in the mining industry, predominantly in diamonds. He commenced his career with De Beers Consolidated Mines in Kimberly and held a number of senior positions with the Trans Hex Group Limited, including Group Marine Manager and Group Project Manager. Prior to joining DiamondCorp, Steve was Mine Manager of Gem Diamonds Limited's Cempaka diamond mine in Indonesia.

John Forrest – Finance Director. See alongside

Ms Pulane Kingston. Pulane Kingston graduated from the University of Wales with an LLB (Hons) and from the University of Nottingham with an LLM in International Law. She is an executive director and one of the founder shareholders of Sphere Holdings. She was previously an associate at White & Case (Johannesburg) and prior to that an associate partner at Edward Nathan & Friedland Inc, specialising in corporate and commercial law. She has been involved in privatisations, mergers, acquisitions, listings, restructurings and various empowerment transactions

Gert (Gerry) Robbertze. Gert Robbertze graduated Camborne School of Mines with an ACSM (First Class) in 1972. He has held various management and engineering positions in Namibia and South Africa on copper, lead, zinc, chrome, manganese, tin and gold mines and on projects with Tsumeb Corporation Limited, Gold Fields of South Africa and Assore. In 1987 he joined Anglovaal Limited as chief consulting engineer. He was senior vice-president, technical services of the Anglovaal Group before joining The Mineral Corporation consultancy in September 2003.

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