

E12 ALLUVIALS BULK SAMPLING RESULTS

HIGHEST GRADE AND DIAMOND SIZE EVER RECORDED

- Blina has achieved the highest grade and average diamond size ever recorded from the Terrace 5 palaeo-channel. Bulk sample BLBS216 returned a grade of 15.85 cpht¹ at an average stone size of 1.08 carats. The largest diamond recovered from the sample weighed 6.03 carats.
- The Ellendale 7 lamproite pipe is suggested as a possible source for the diamonds.

Blina Diamonds NL (ASX – BDI) (Blina) has recommenced exploration on the E12 Alluvials, a project within the Terrace 5 palaeo-channel system. The project area is located immediately to the south of the Ellendale 12 lamproite pipe. Previous work suggested that the diamondiferous gravels in this area are higher grade and contain larger diamonds than the typical Terrace 5 system. They are also less deeply buried. In preparation for a limited trial mining program, Blina is conducting a follow-up trenching and bulk sampling program in the E12 Alluvial area.

Processing of sample BLBS216 has recently been completed, and has delivered an exceptional grade of 15.85cpht with an astonishing average diamond size of 1.08 carats. The large average diamond size was due, in part to a 6.05 carat stone within the sample. Even excluding this stone, the average diamond size would have been a very encouraging 0.64 carats. This is by far the best grade and average diamond size ever recorded for a bulk sample in the Terrace 5 system. Table 1 provides highlights of bulk sampling in the E12 Alluvial area.

Two sub-channels have been recognised in the E12 Alluvial area, with BLBS216 located towards the eastern end of the southernmost of these channels, and upstream from bulk samples BLBS170 and BLBS173. These samples also provided promising grades of 6.31cpht and 9.02cpht respectively. Diamondiferous gravels have also been recognised in the northern sub-channel with grades of 5.51cpht and a large average stone size of 0.78 carats recorded from BLBS140. Processing of samples from the E12 Alluvial area is continuing.

¹ cpht – carats per 100 tonnes

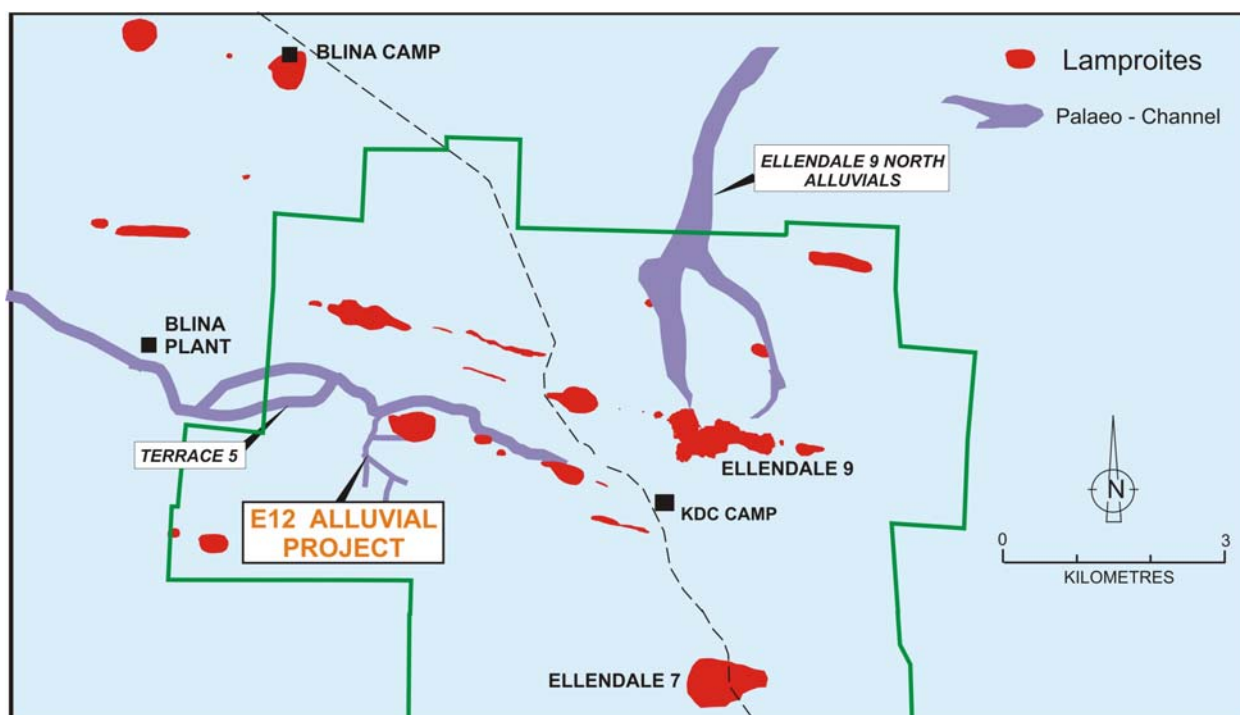
Table 1 E12 Alluvials Bulk Sample Highlights

Sample	Tonnes	Size (mm)		Total Diamonds	Total Carats	Average Size (cts)	Grade (cpht)	Largest Stone (ct)
		+3.35	-3.35					
BLBS140	154.8	5	6	11	8.53	0.78	5.51	3.75
BLBS170	256.65	11	27	38	16.2	0.43	6.31	2.83
BLBS173	315.85	17	45	62	28.49	0.46	9.02	4.1
BLBS210	88.1	6	20	26	5.26	0.20	5.97	0.66
BLBS216	81.9	7	5	12	12.98	1.08	15.85	6.03
BLBS219	73.85	2	2	4	2.21	0.55	2.99	1.08

Diamonds in the 1.2 to 14mm range recovered

The source (or sources) of the E12 Alluvial diamonds has not been established. Bulk sampling of the Ellendale 12 lamproite returned low concentrations of small diamonds and it is considered highly unlikely that the alluvial stones are derived from this pipe. A proportion of the diamonds have forms characteristic of stones sourced from the Ellendale 7 lamproite. In addition, the diamondiferous gravels also contain clasts, reminiscent of the rim-rocks from this pipe. Ellendale 7 is located several kilometres east and potentially upstream of the E12 Alluvials and is considered a possible source.

While Blina's current program is to evaluate the gravels in the E12 Alluvial area, future exploration will examine the eastern extensions of the channel, towards the Ellendale 7 pipe.



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**Released by:
Nicholas Read
Jan Hope & Partners
Telephone: (+61-8) 9388 1474**

**On behalf of:
Miles Kennedy - Chairman
Blina Diamonds NL
Telephone: (+61-8) 9321 5887**

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