

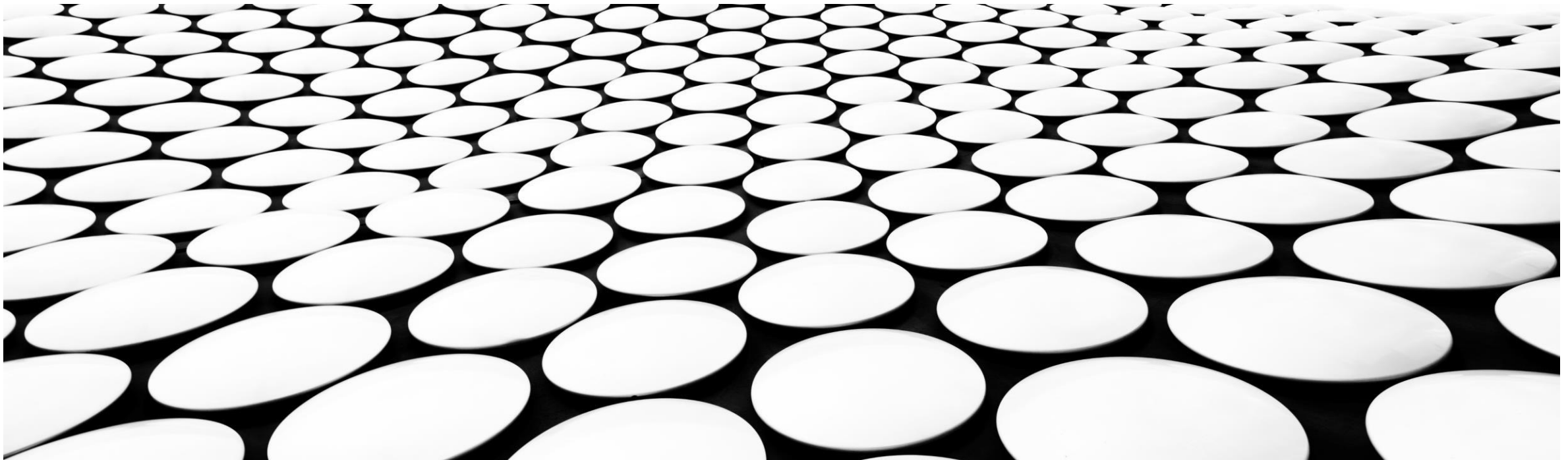
VISTORINA NAMA EPL 8627

DIAMONDS EXPLORATION LICENCE



Background Information Document

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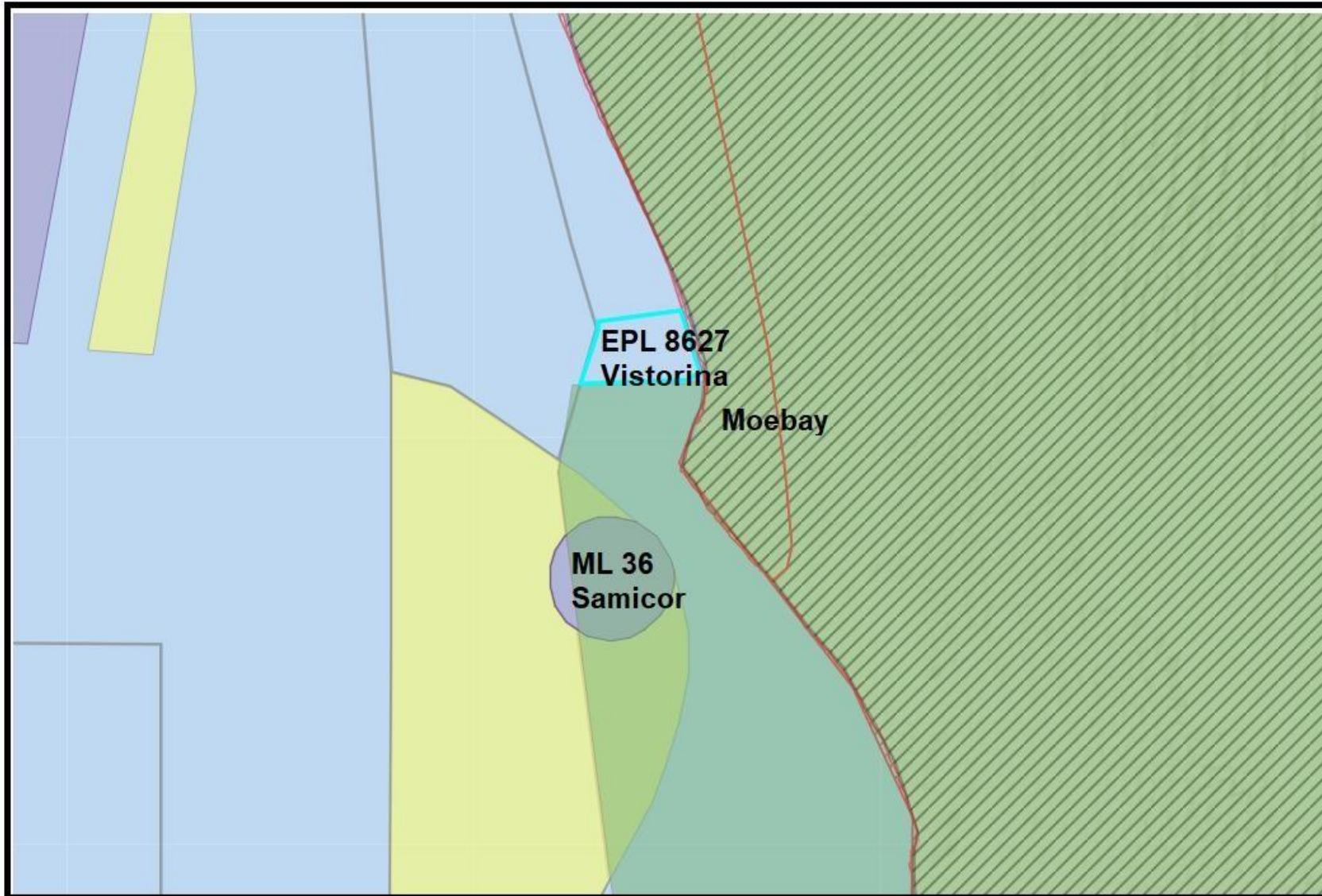


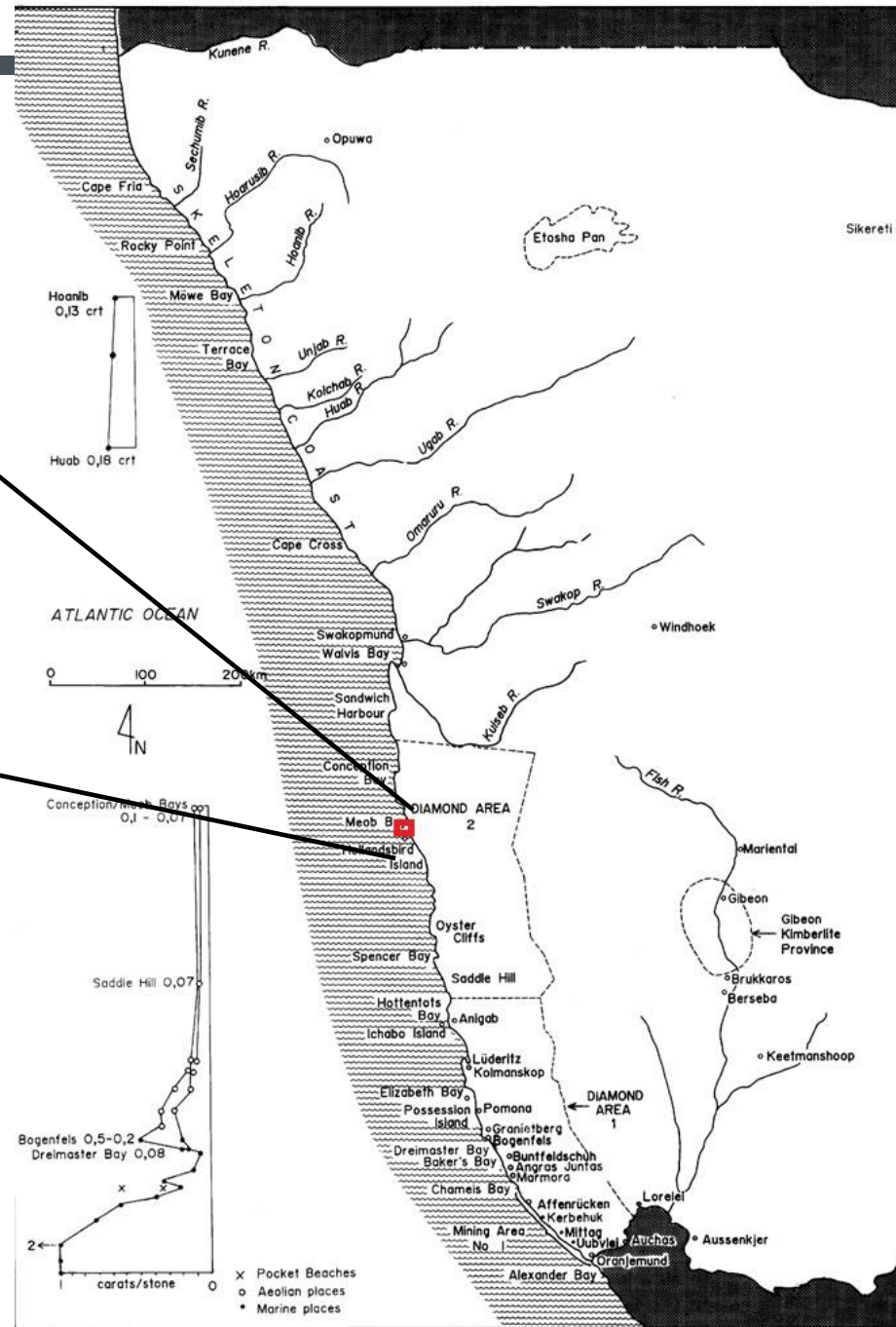
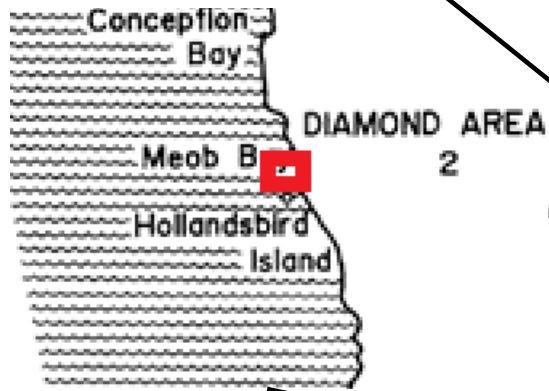
INTRODUCTION

- The new EPL8627 is located within the marine deposits of the offshore Namibia. The coast along Namibia in places are characteristic of reworked of fluvial and aeolian action, that host the diamond deposits (Ward and Corbett, 1990). The post-Gondwana development of the area is given during this period, various stages of aggradation and incision of the Orange River led to the formation of fluvial terraces. They are proof of major base level changes at the end of the Cretaceous and in Pliocene and Pleistocene times. The composition of these fluvial terraces, which are diamondiferous, points to a catchment area of the Orange River in the cratonic provinces of central southern Africa. The diamonds are believed to have come from kimberlite pipes in this source area. Hence, during periods of relative uplift, the rejuvenated Orange River transported diamondiferous gravels onto its submarine delta forming intermediate offshore depositories for the diamonds. These gravels were reworked during several Cenozoic transgressions and regressions before being finally preserved in a series of raised diamondiferous beaches along the Namib coast (Kilham, 1992). In addition, reworking of exposed diamondiferous marine deposits by wind action produced aeolian diamond placer deposits, most of which are in elongate depressions aligned parallel to the prevailing south to south-easterly wind direction (Corbett, 1989)



EPL LOCALITY







Exploration Target

The exploration target in the EPL, targets detrital sediments located between low- and the high water-marks, loosely described as the beach, and “inshore deposits” that accumulated of within the surf zone and the shallow marine waters out to about 5 km offshore.

Mineralisation

In this EPL area diamond deposits comprise the sedimentary infill of bedrock gullies and potholes as well as the scattered gravels and sand on the bedrock. They frequently occur as lens-like bodies up to 30 m thick and as long as 16 km. Wave action as well as storm events constantly rework these deposits, the action naturally being more severe in the shallow water, ensuring a continuous reconcentration of heavy minerals and diamonds.



Previous exploration

discoveries were made near Spencer Bay, at Meob Bay and at Conception Bay. In these areas, where diamond bearing gravels are in places covered by large quantities of aeolian sand, the tremendous transport difficulties and the small size of the diamonds (between 7 to 14 stones per carat) prohibited large-scale exploitation and known occurrences have only been worked sporadically.

At Meob Bay the Koloniale Bergbau-Gesellschaft produced 14 763 carats from these fields north of Lüderitz in 1913. The diamonds were extremely small and averaged 11 stones to the carat (Bürg, 1942).