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**Company** [Pangea DiamondFields PLC](#)  
**TIDM** PDF  
**Headline** Exploration Update  
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**Pangea DiamondFields plc**

**(“PDF” or “the Company”)**

**Company Activity and Exploration Update**

**Resignation of Director**

Pangea Diamondfields plc (AIM: PDF), the mid-tier diamond producer and exploration company provides the following update of its activities to date. The Company’s portfolio now consists of ten projects located in the Central African Republic (“CAR”), Democratic Republic of the Congo (“DRC”), Angola and South Africa.

**HIGHLIGHTS**

- PDF withdraws from LDC acquisition
- CAR – Recovered grades in excess of 0.4 carats per cubic metre in Paleo-Kotto River at Dimbi
- DRC – Bulk sampling plant expected on site at Longatshimo River Project by September
- Angola – Sales values and grades improve
- South Africa – Large diameter drilling ongoing for sample generation at Patsema

Chief Executive Officer, Rob Still stated, “The excellent grades being achieved at Dimbi and in Angola, the expansion and development of our Tshikapa projects in the DRC and solid progress in the other projects, is all very pleasing. Naturally, we are disappointed that our efforts to become strategically involved in the Kao Project in Lesotho were not welcomed by the LDC board, however our existing projects are progressing very well and we will continue to focus our energies on these while being receptive to other value opportunities. ”

## **COMPANY ACTIVITY UPDATE**

### **Lesotho Diamond Corporation plc (“LDC”)**

Following the announcement of the conditional offer to acquire a strategic stake in LDC issued on 2 May 2007, and the subsequent announcements made in the interim period, PDF has now decided to withdraw from the proposed LDC transaction.

PDF was not allowed access to any of the limited due diligence data requested resulting in the due diligence condition precedent not being fulfilled by the deadline date. In its endeavour to facilitate the transaction, PDF offered to provide funding to LDC on terms it believed to be the best available to LDC which offer was rejected by LDC.

PDF remains convinced that the asset is worth investing in and that the pricing arrangements it negotiated were fair. There is little doubt that the synergies between LDC's Kao Project and PDF's projects would have added significant shareholder value for all participants.

Ultimately, the PDF Board has decided that the risks of proceeding without due diligence and becoming a captive minority outweigh the upside values.

## **EXPLORATION UPDATE**

### ***CAR - Dimbi Project***

#### *Bulk sampling*

Bulk sampling activities are progressing well with diamond recoveries improving towards the development of a sale parcel for valuation purposes. Sampling results confirm expected diamond grades in trench BS3, currently being excavated to the east of and perpendicular to the Mbia River (Paleo-Kotto River). Over 1500 carats have been recovered from the unconsolidated gravels in the past month. In particular, sampling blocks traversing a major paleo channel feature, have yielded recovered grades in excess of 0.4 carats per cubic metre, despite excessive mining dilution. This channel continues further to the east of current sampling with similar gravels being observed in the trench face as the excavation continues. Similar gravels and grades were encountered in the pitting operations some 1.5km to the south of BS3 and work is planned to test diamond grade continuity between these points. Gravel continuity has already been indicated by the extensive auger drilling completed.

Marketing options for the initial sales valuation parcel are currently being investigated.

#### *Ongoing exploration*

Exploration continues on the 1,000 km<sup>2</sup> Dimbi Diamond Project using the tractor-mounted auger drill as well as local labour to assist in pitting activities further afield from the bulk sampling activities.

### ***Etoile Project***

Field camps in new licence areas are currently being established and reconnaissance exploration has commenced with newly recruited geological staff.

## **DRC**

The Tshikapa project in particular has grown significantly with the acquisition from various parties of five new licence areas contiguous with the existing ones along the Tshikapa and Longatshimo Rivers. The new licences were selected due to their location and excellent potential to host large diamond resources. Negotiations are underway to acquire more properties adjacent to existing exploration areas held. Due to this expansion and increase in activities the Tshikapa Project has reached such a critical mass that it has now been split into two projects, the Tshikapa River project and the Longatshimo River Project.

### **- *Tshikapa River Project***

This project includes five licence areas along the Tshikapa River from 20km south of the town of Tshikapa. Exploration has concentrated on the Mvula Milenge area of the project area where more than 120 small pits and 25 large pits have been dug by hand to determine vertical and lateral gravel distribution and diamond grade. The recent arrival on site of a tractor mounted auger will significantly enhance evaluation.

### **- *Longatshimo River Project***

Exploration has continued throughout 2007 confirming resources previously announced. The project now includes five licence areas and exploration has commenced on the two newly acquired ones. More than 150 small pits have been dug at 100m x 50m intervals over areas identified for bulk sampling in order to acquire a better understanding of geology and grade distribution over selected optimal sites. The recent arrival of earthmoving equipment on site will now result in the excavation of large samples prior to the arrival of bulk sampling equipment.

Following the decision to commence bulk sampling activities in the Longatshimo River Project, all procurement of plant and equipment for the bulk sampling operation has been completed and delivered to the transport depot in South Africa.

A decision was made to try to develop an overland route from South Africa to the project area and to facilitate this, a lead truck was dispatched to test the routing and logistical difficulties. This lead truck delivered its load to the project site early in July and despite the challenges, this represents the opening up of a new route to supply equipment from South Africa to the company's southern DRC project areas, significantly reducing lead time and expense.

It is planned that the main convoy will depart in the next week and is expected to be on site by September for commissioning in Q4. The operational team has been recruited and is now on site preparing the plant site as well as the rehabilitation of access roads from Dundo in Angola to the project site in the DRC in order to facilitate the access of heavy equipment to site on lowbed trucks.

### **- *Other DRC projects***

Reconnaissance exploration on other properties is in progress.

## **ANGOLA**

### **- *Project Cassanguidi***

Production levels at Project Cassanguidi continue to improve with better grades being recovered. The recently commissioned and site-constructed 16 foot rotary pan has further expanded the processing capacity of the plant enabling the processing of the significant historical tailings resources in addition to the current areas being worked. It is anticipated that some in situ gravel zones will be amenable to treatment directly through the new pan without reliance on scrubbing capacity and this will greatly improve the recovered grade of feed to this pan relative to tailings.

Average sales values continue to improve thereby increasing our confidence in the longer term potential of this project.

## **SOUTH AFRICA**

### ***Bakerville Project areas***

#### ***- Malmani***

As a consequence of some disappointing results on the Malmani project area, the tenure over the properties in this area of the larger Bakerville Project areas has been relinquished, with exploration capacity now focussed on the Patsema and Geluksdal Projects.

#### ***- Patsema***

A successful drilling campaign has already delineated a number of highly prospective pothole structures on the Patsema property, which lies just to the south and in a similar geological environment to historical potholes which have yielded significant quantities of diamonds in the past. The next phase in the exploration programme involves generating samples from these pothole structures using a large diameter drill, the Bauer BG36. Drilling of a series of 2.5 metre diameter holes is currently in progress and the bulk sampling plant from Malmani is currently being relocated to the Patsema project, to process these samples. The Company expects to announce results of the bulk sampling process by Q4 2007.

#### ***- Geluksdal***

Reverse circulation drilling has outlined a large gravel resource. Six large diameter drill sites have been selected to be drilled on completion of the Patsema holes.

### ***Harts River Project***

Bulk sampling and the evaluation of the results thereof in the Brussels Block is still in progress. Drilling and trenching has been completed on the Pampierstad Block and a site has been selected for initial bulk sampling to be commenced during the current quarter.

### ***Bloemhof Project***

Final arrangements for a contract miner to commence bulk sampling at Zoutpan Noord are in progress. Permission has been obtained from surface owners to commence drilling on the Migdol and Palmietfontein Blocks.

## **NON-EXECUTIVE DIRECTOR**

PDF announces that with immediate effect, John Dreyer has resigned his position as a non-executive director of the Company to pursue other interests. PDF wishes to thank him for all the services he provided to the Company and wishes him well in his future endeavours.

The Company remains committed to maintaining high standards of corporate governance and following Mr Dreyer's resignation, the Board continues to be comprised of a majority of non-executive directors.

## CASH RESOURCES

At the date hereof, the Company had US\$12.3 million of cash resources on hand, which is substantially more than the cash balance in the working capital forecast at the end of July 2007 as prepared for the Company's Admission to AIM in October 2006. This is primarily due to the cessation of funding of Project Lumuanza.

*Note: The information in this statement has been reviewed by Mr Brett Thompson, B Eng (Mining), FSAIMM, MAusIMM, and Mr Anton Esterhuizen B Sc (Geology), MSc (Mineral Exploration), FGSSA, MSME who are qualified persons for the purposes of the AIM Guidance Note for Mining, Oil and Gas Companies. Mr. Thompson is Chief Operating Officer of Pangea DiamondFields plc and has over 20 years experience in mining operations with over 10 years specifically in diamond mining and exploration. Mr Anton Esterhuizen is Chief Exploration Officer of Pangea DiamondFields plc and has over 30 years experience in exploration activities throughout the world and has been the recipient of numerous awards for his exploration successes.*

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## **Notes to Editors:**

### **About Pangea Diamondfields PLC**

Pangea DiamondFields plc (AIM: PDF) is a mid-tier diamond producer and exploration company with a portfolio of ten projects located in the Central African Republic, Democratic Republic of the Congo, South Africa and Angola. The Company's aim is to minimise risk by diversifying its projects geographically.

PDF's projects are located within highly prospective diamond geological environments. One project has advanced to pilot mining, three to bulk sampling, with the target of seven by year end. At present the remaining projects are at differing stages of exploration.

PDF listed on AIM in October 2006.

For more information on PDF, please visit: <http://www.pangeadiamondfields.com/>

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