



Mantle Diamonds Ltd – A global diamond exploration company

COMPANY SUMMARY

Company Background:

Mantle Diamonds Limited, a private UK-registered company was founded in September 2005 by Lester Kemp and Rupert Baring. The company raised £650,000 at 10p in Q1 2006 from a variety of institutions in the UK as well as from a small number of private investors.

The Company intends to list on AIM, London, during late quarter one/early quarter two 2007.

Total number of shares outstanding:

16.5 million (Management 62.5% : Investors 37.5%)

Company Strategy:

The company has deliberately adopted a 'portfolio' approach from the start, balancing not only country / political risk, but also geological risk.

The company is focused on kimberlite exploration, but will not exclude the possibility of acquiring an alluvial diamond operation or tailings project to generate cash flow.

Management Team:

The company is currently run by Lester Kemp (Managing Director), Rupert Baring (Director) and Mike Brennan (who recently joined the company as Technical Director on the 1st August). Up until the end of July, Mike worked as a consultant to the Metorex Group of South Africa, where he was responsible for managing a feasibility study on the company's Ruashi copper-cobalt project in the DRC.

Lester Kemp has been actively involved in both diamond, gold and base metals exploration throughout Africa, South America and Western Europe for a number of junior mining companies (e.g. Canarc Resources and Serabi Mining) and private mining entrepreneurs (e.g. Jean Raymond Boulle).



Lester is a Geology graduate from Portsmouth Polytechnic. After Portsmouth, Lester went on to gain a Masters Degree in Mineral Exploration from the Royal School of Mines, Imperial College of Science, Technology & Medicine. Later on in his career, Lester gained his Masters Degree in Business (MBA).

Rupert Baring is a highly experienced Diamond Broker with in-depth knowledge of the International Diamond Trade / Site holders business having been trained by and worked for De Beers and I. Hennig & Co (broker to the Diamond Trading Corporation) sorting and valuing rough diamonds as well as running diamond stations for De Beers in Africa.

Mike Brennan has a Masters Degree in Economic Geology from Rhodes University (RSA), and has worked for a variety of companies including Anglo American Corporation of South Africa (Diamond Division), Auridiam Zimbabwe (Pty) Ltd, Reunion Mining (Zimbabwe) Pty Ltd, Delta Gold (Zimbabwe) Limited, African Mining Consultants, Mopani Copper Mines plc and more recently Metorex Limited. Mike has skills in the evaluation and operation of mining projects in addition to mineral exploration.

Non-Executive Directors:

A. James Macdonald

James Macdonald was until recently **Global Geoscience Leader** for **BHP Billiton** in Brisbane (Australia). Prior to this James held the following appointments:-

- **Chief Geoscientist** - Billiton International Metals B.V., The Hague
- **Exploration Manager** - Homestake Mining Company, Chile
- **Research Associate** - Mineral Deposit Research Unit, Vancouver

James will play an increasing important technical advisory / knowledge management role within the company.



Caspar Fithen PhD

Caspar Fithen, ex De Beers, is a political risk analyst who has worked as Senior Africa Analyst with Oxford Analytica and as a consultant to the International Policy Institute at King's College, London.

He is currently a member of the United Nations Panel of Experts with a mandate to monitor violations of sanctions on natural resources in West Africa. Caspar has an extensive list of political and commercial contacts in West and Southern Africa.

Projects:

FINLAND

The company has 3 projects in Finland.

Kaavi-Nurmes 'reservation'

The Kaavi – Nurmes 'corridor' covers approximately 2,500 km², over what the company believes may be a mantle root. Initial reconnaissance till sampling, comprising a single sampling traverse (1km sample spacing) within the down-ice portion of the project area, has been completed. Initial sorting of the samples has produced anomalous mantle derived garnets, chrome diopsides and chromites from several separate sampling locations. Sample sorting is continuing and further reconnaissance till sampling is currently being planned to cover the project area and try to locate the source of these anomalous indicators.

Kuusamo-Ruka 'reservation'

The Kuusamo – Ruka project occurs in northern Finland, close to the Russian border and covers approximately 500 km². The ground partly wraps around European Diamond plc's 'Area 3' and part of Sunrise Diamond plc's ground. An initial phase of reconnaissance till sampling down-ice of 9 aeromagnetic anomalies (based on the Geological Survey of Finland's 200m line spacing aeromag data) has been completed. Initial sorting of the samples has produced anomalous mantle derived



garnets, ilmenites, chrome diopsides and spinels from several separate sampling locations. Sample sorting is continuing and ground geophysical surveys have been commissioned to cover the aeromagnetic targets up-ice of the two most interesting indicator anomalies. The ground surveys will allow the company to accurately plan drill collar locations for drilling. Additional ground geophysics will be commissioned over the 5 remaining aeromag anomalies that are believed to be responsible shedding the kimberlite indicator minerals which have been recovered in the glacial till samples. Further reconnaissance till sampling is also being planned to cover the whole of the project area.

It is understood that Alrosa Co. Ltd has targeted the area across the border, directly down-ice from our project area as prospective for diamondiferous deposits, and is actively exploring here. This information adds further prospective potential to our project area.

Gondwana Asset Purchase Agreement

On the 13th October 2006, the company announced an asset purchase agreement with Gondwana (Investments) SA, a private diamond exploration company owned by Jean Raymond Boule. The agreement covers Gondwana's 6 claims (Silmasuo 1 – 6) in the Kuopio – Kaavi kimberlite field of Central Finland. The Gondwana claims border European Diamond plc's Pipe 7 claims on 3 sides. Extensive glacial till sampling work has been completed by Gondwana with a large number of Mantle derived indicator minerals recovered including kimberlite fragments (yet to be independently verified by Mantle). Part of the Gondwana claims has been covered by ground geophysics (mag and em) which is being re-processed by Mantle to produce drill targets.

MALI

The company purchased a copy of the SYSMIN aeromagnetic and radiometric covering the Bougouni - Sikasso region of SW Mali, which was



then re-processed by Intrepid Geophysics of Vancouver. A number of anomalies have been generated, which have guided the company in their choice of land position.

Based on the above, Mantle did apply for a diamond exploration licence covering some 11,000 km², however the entire Bougouni region has been frozen until the end of 2007 by the Government of Mali and no new diamond licences are being granted until such time.

The company is aware of considerable interest in the area by a major UK mining house with international diamond mining interests, but their application has also been frozen until the end of 2007.

As a tactical response, the company has evaluated the location of the anomalies generated by Intrepid Geophysics * and two joint-ventures with local Malian registered companies have been signed:-

1. The **4541 km²** 'Narena' Authorisation to Explore (ATE) for diamonds.
2. The **7940 km²** 'Sored' Exploration Licence (for diamonds).

Both licences contain a substantial number of exciting aeromagnetic anomalies that warrant further investigation.

Mantle Diamonds Limited s.a.r.l., a wholly-owned subsidiary of Mantle Diamonds Limited has been registered in Mali.

Narena Licence

Deflation / loam sampling over 7 out of at least 18 priority aeromag anomalies in the Narena area has been completed. The samples have been processed at a laboratory in South Africa and positive kimberlitic indicator minerals have been recovered from samples covering three anomalies. The indicator counts are low. This is, however, to be expected due to the chemically destructive nature of the mature surface weathering profiles in this region of West Africa.

Sored Licence

Deflation / loam sampling is also taking place over 11 out of 30 aeromag /em anomalies in the Sored licence. Once collected,



these too shall be sent off to an independent laboratory for diamond indicator analysis.

*** Intrepid Geophysics first processed the SYSMIN aeromag data over known kimberlites in the Kenieba region. This 'geophysical' orientation survey ensured that the selection of anomalies in the Narena and Sored licence were made with greater confidence.**

LIBERIA

The company has registered a local subsidiary in Monrovia and has applied for 2 x 200 km² diamond exploration licences.

The first licence is located in the Mount Nimba region, in the heart of diamond workings and close to the town of Sanniquellie. The second licence is located in the SE of the country, just north of the coastal town of Greenville.

The company expects these licences to be awarded before the end of the year. Sampling operations will commence within a week of the licences being granted.

CANADA (NWT)

The company is close to signing a Joint Venture Agreement on a drill ready target in the NWT. The agreement is due to be signed by 20th October 2006. Located to the east of Yellowknife, the project consists of an aeromagnetic anomaly with a good dipole signature. Good mineral indicator geochemistry has been recovered in a stream draining the anomaly. The target can be drilled at any time.

AUSTRALIA

The company has recently signed a Joint Venture Agreement covering the drill-ready Damper Creek Diamond project in the central Kimberley region, Western Australia. See project summary & maps.

OTHER PROJECTS



The company is reviewing some exciting projects in Angola, DRC, Russia, Botswana and CAR. Further news on these will be forthcoming in the event that an agreement is signed on any of the above.

ADVISOR CONTACTS:

Legal Advisors to the Company:

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Principal Bankers:

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Nominated Advisor and Broker:

TBA in November 2006