

NEW MILLENNIUM RESOURCES N.L.

COMPANY OVERVIEW

JULY 2004

New Millennium Resources N.L. has acquired 100% of Angola Resources Pty Ltd that has entered into a joint venture with ENDIAMA and Mombo LDA (Angolan Companies), which hold diamond concession C9 IN Angola.

Angola, now politically stable, is attracting international investment in its rich natural resources of diamonds, oil, gas, iron ore, minerals and timber. Angola has large resources of gem quality diamonds, renowned for their size and quality, which are reflected in premier prices.

The company's Concession Area C9, is located 45km North East of Saurimo, the provincial capital of Lunda Sul. Saurimo has an airport with a number of daily flights connecting it with the capital of Angola, Luanda. An all weather road to Luanda provides ready access for construction and operating equipment.

Concession Area C9 is 323sq.km in area and is located 30 km north of the large, operating Catoca diamond mine in the North East of Angola. Extensive mapping and exploration has identified an inferred resource of 3.7million carats and the tenement has the potential to deliver a profit of US\$112 per carat recovered. There is potential for 8.7 million carats just in the currently known area.

Four rivers including the Rio Chicapa flow through the tenement, providing sufficient water for operations. The sparse vegetation and mostly flat landscape lends itself to both land and dredging operations with low production costs.

The diamond industry in Angola has been an important component of the country's economy for over ninety years and has enormous potential now that Angola is politically stable.

The Angolan Government has signed the United Nations agreement to certify all diamonds produced and has provided secure title to the tenement.

The company has put in place a highly experienced management team that aims to vigorously pursue the exploration and development program planned for the tenements.

The corporate strategy of New Millennium Resources N.L is to enhance the shareholders assets by:

- Developing the Lapi Diamond Projects alluvial deposits in Area C, at an initial rate of 10,000 carats per month.
- Establishing a sound financial and operating base for the company; and
- Acquisition and/or development of other diamond bearing areas, or of income producing projects (either as owner operator or in joint venture with suitable partners).

The Lapi Diamond Project is based upon Concession C9 in the north east of Angola (Lunda Sul province). The Lapi Diamond Project will initially produce diamonds from an alluvial mine that will generate an initial cash operating surplus of US\$1.2 million per month (NMR's share will be \$0.6m). NMR will own 35% of the project but for the initial 36 months after the commencement of production, NMR will receive the first 30% of the profit to recover its capital expenditure before

distribution of the remaining 70% to all parties according to their share of the project. NMR's effective profit sharing for the first 36 months of production will be 54.5%.

From commencement of operations, pay back of start up capital is expected to take six months based on a production rate of 10,000 carats recovered per month. After five months of production, it is proposed to increase production to 20,000 carats per month by increased utilisation of available plant, thereby increasing profit to US\$2.5 million per month (NMR's share will then be \$1.35m). In the longer term, the project will explore and develop additional kimberlite pipes known to host diamonds. Angola provides excellent opportunities for investment.

The project has identified reserves to maintain planned production levels for 14 months and identified resources to maintain production at the proposed level for an additional 6.5 years. A planned exploration programme funded from mining cash flow (after the commencement of operations) will convert resources to reserves and identify further resources during the initial two years of production. Exploration potential has the capacity to significantly increase alluvial resources and identify a hard rock (kimberlite) diamond source (three kimberlite pipes have been previously identified on the concession).

A proposed work force of 50 (4 expatriate) will be required to administer, manage, support, operate, maintain and provide security for the project.

NMR proposes to commence mining using dry mining techniques (backhoe excavator and truck haulage) at an ore production rate of 660m³ per day. With striping of overburden, total production of 1,300m³ per shift will be needed to maintain process plant feed. During the initial five (5) months the mining plant will be utilised on a single shift per day. This will change to two shifts per day when increase in production takes place. New mining plant will be implemented for the project. Mining will apply a "borrow pit" technique where waste material is replaced into exhausted mining areas and capped with overburden. As the project develops, it is proposed to add a small dredge to mine the river channels and margins of rivers not mined by dry mining techniques.

A modular processing plant with capacity to be relocated and or expanded is proposed to extract the diamonds.

NMR provides an exciting investment opportunity in a project that has significant potential to expand and generate substantial cash flows. Angola represents an opportunity to invest in projects where deposits have not been exploited during the previous 25 years and therefore mineral grades are higher than that available elsewhere for investment.