



22 February 2001

Company Announcements Office
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Via Facsimile: 1300 300 021

Dear Sir/Madam

BLOCK D-7 DIAMOND PROJECT, CHHATTISGARH, INDIA

During the past two months, Oropa Limited (“Oropa”) has deployed additional expatriate geologists to Block D-7 to expedite the follow-up and regional sampling programs. Several field crews are now involved with these two programs and in excess of 2,000 stream sediment and loam samples have now been collected over a large portion of the 4,600 sq km block. This increased field activity has been initiated to complete the regional sampling program before the end of this year in order to reduce the size of the block to approximately 1,000 sq km. The program is designed to evaluate the mineral potential of the entire block as it will detect kimberlitic indicator minerals and delineate potential new kimberlite locations. A large number of these regional samples have already been concentrated at the Mainpur facility and sent to South Africa for detailed analyses.

Two new kimberlites have been identified during the follow-up sampling programs, which brings the total of known kimberlites to six. The area of the Raipur kimberlite field has been substantially increased and sample results have demonstrated that it extends approximately 20 km in an east-west direction and some 10 km in a north-south direction. Numerous strong indicator mineral trails suggest that more kimberlites are present and remain to be discovered. The field crews routinely encounter local villagers digging for diamonds in many of the streams draining the area, indicating that diamonds are shedding from other sources still to be discovered. Ground based electro magnetic (“EM”) and magnetic geophysical surveys are presently being undertaken concurrently with the follow-up sampling to assist with the identification of these new kimberlites.

The next important phase of work to be conducted during the remainder of this field season is the commencement of the kimberlite evaluation program, which will involve mini-bulk sampling of the kimberlites and their local drainages using a locally manufactured Plietz jig. This skid mounted unit is being fabricated in Jaipur, India and it is scheduled to be commissioned in late April. It has a nominal capacity of 10 tonne/day, depending on the type of material being processed. The jig will be set up at the local Mainpur facility, where work is presently in progress to construct a tailings dam, power and dedicated water supplies. This unit will be used initially to evaluate the surface and near surface material of each kimberlite to rank their commercial potential, prior to finalising the design and sizing criteria for a Dense Media Separation (“DMS”) plant, that would be fabricated offshore. It is intended that the Behradih kimberlite, which has yielded several hundred macro and micro diamonds from limited surface sampling to date will be the first area to be mini-bulk sampled. Submissions have been made to the former state government of Madhya Pradesh and more recently to the new government of Chhattisgarh for permission to excavate approximately 80,000 tonnes of kimberlite from selected sites for bulk sampling operations. These are currently being processed by the new state government.

Applications have also been submitted to the Director General of Civil Aviation (“DGCA”) in Delhi and other relevant government authorities for the importation of a fixed wing aircraft, technical equipment and personnel to conduct a low level airborne geophysical survey comprising some 20,000 line kilometres at 300 metre line spacings over the entire block and focussing on the Raipur kimberlite field at closer line spacings. This survey is scheduled to commence in April/May, depending on the time taken by the DGCA and other government departments to approve the application. The survey will assist with the identification of new kimberlites within the Raipur kimberlite field when used in conjunction with the ground EM and magnetic survey data and sample results, as well as possibly identify kimberlites and other mineralised targets in the remainder of the block. The data will be processed and interpreted on-site during the course of the airborne operations to permit closer inspection of any areas of interest that may need to be re-surveyed.

The underlying strategy behind the exploration and development programs that have been implemented during this field season has been to evaluate the mineral potential of the entire block in order to be able to reduce its area to a more manageable, second phase exploration and development project at the commencement of the next field season (October 2001). Of equal, or more importance is for Oropa and its Indian joint venture partners to be in a position to undertake detailed, systematic evaluation of the kimberlites that are known to exist in the Raipur kimberlite field and any new kimberlites that are discovered during the current follow-up and regional sampling programs and airborne geophysical surveys. This evaluation will commence with mini-bulk sampling using the Plietz jig, drilling some or all of the kimberlites to depth and detailed evaluation of recovered diamonds to establish grades in carats per hundred tonnes, to determine whether the pipes will sustain economic mining operations. It is unlikely that the Plietz jig will be adequate to accurately determine all of these important parameters, but it will establish the general grades of the pipes and provide valuable input into the design and sizing criteria for a sophisticated DMS plant to be manufactured offshore later this year for follow-up bulk sampling and trial mining operations, if justified.

Concurrently with conducting Block D-7 field operations, Oropa and its Indian partners have made applications to the local state authorities for Reconnaissance Permits covering several prospective areas around Block D-7 and in other states. Some of these areas are highly regarded for the occurrence of alluvial diamonds because they have produced some of the world's most famous diamonds, during a period when India was the sole producer of global diamonds, before South America and South Africa emerged on the scene. There has been a substantial increase in the number of applications for mineralised areas of India from international mining companies since the introduction of a more liberal Mining Act by the Government of India in late 1999. Many of the areas that Oropa and its Indian joint venture partners had previously identified as being prospective have already been applied for by other companies, which indicates that foreign interest in India's mineral potential is on the increase.

Yours faithfully
OROPA LIMITED

Philip Christie
Director