



25 July 2000

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, MADHYA PRADESH, INDIA

Macro and micro diamonds recovered from orientation samples collected from first pass sampling

The Directors have pleasure in submitting this report for release,

Highlights

- Logistics and support base established in Mainpur in southern portion of prospecting Block D-7 in Madhya Pradesh.
- Orientation sampling (comprising 35 kg samples) of selected areas of Block D-7 completed to July 2000 with in excess of 300 stream sediment samples collected.
- Processing and analysis of majority of reconnaissance samples completed at diamond laboratories in Perth and Johannesburg.
- Macro and micro diamonds recovered from orientation samples collected from weathered surfaces deposits of Behradih and Kodomali kimberlites.
- High interest heavy minerals, comprising primarily pyrope garnets and chrome spinels, observed in large number of reconnaissance stream sediment samples observed so far.
- Micro-analysis of indicator minerals indicates presence of significant numbers of G10 pyrope garnets, and chrome spinels with >60% chromium which are compatible with derivation from a diamondiferous source.
- Permitting applications are in progress to allow large volume sampling, including bulk sampling, of known kimberlite pipes and other high interest anomalies.
- 10-15 tonne per hour Dense Media Separation ("DMS") plant order initiated to facilitate bulk sampling operations in forthcoming field season.

OROPA LIMITED - B VIJAYKUMAR AND COMPANY, INDIAN JOINT VENTURE

Following the granting of a diamond prospecting tender for Block D-7 in south eastern Madhya Pradesh, Oropa Limited ("Oropa" or the "Company") and its joint venture partner, B Vijaykumar and Company ("BVJK") are pleased to announce that initial orientation sampling around four known kimberlites located in the south-east of Block D-7 has been highly encouraging.

BVJK is one of the largest Indian diamantaires and an important DeBeers sight holder, employing over 25,000 cutters and polishers, directly or under contract. Given its reliance on outside producers such as Argyle and De Beers, the BVJK Group is committed to the development of diamond exploration, mining and manufacturing in India.

BVJK Group has considerable other interests in manufacturing, building, construction, media, and advertising.

DIAMOND ORIENTATION SAMPLING

In the Quarterly Report for the period ended 31 March 2000, Oropa announced that the first batch of samples had been received in Perth for detailed visual and analytical studies, including indicator mineral picking and subsequent electron micro-probing analysis and mineral chemistry interpretation, where appropriate.

Some 2000 kgs of stream sediment samples of about 35 kg each, and 100 kgs of weathered material from the Behradih and Kodomali pipes (two of the four known kimberlites within Block D-7) were processed through two Perth based laboratories. A further 350 kgs of stream sediment samples, have been analysed through a laboratory in Johannesburg, South Africa.

First pass orientation and stream sediment samples were collected from trap sites within an area of approximately 150 sq km around the four known kimberlite diatremes in the Raipur kimberlite field (Behradih, Kodomali, Jangra and Payalikhand), which is located in the southern portion of Block D-7.

MACRO AND MICRO-DIAMOND RECOVERIES

One (1) macro diamonds and eighty five (85) micro diamonds were recovered from the 60 kg Behradih sample, while six (6) macro diamonds and one (1) micro diamond were recovered from the smaller (45 kg) Kodomali sample. Although small sample sizes are often unreliable for diamond quantification purposes, these results are considered most encouraging. These data, along with the previous history of artisanal mining activity on and adjacent to the known kimberlites justify the Company's decision to purchase a 15 tonne per hour DMS plant to bulk sample the pipes in the next field season.

HEAVY MINERAL INDICATORS

Results from the stream sediment samples, are considered significant. Abundant mantle derived pyrope garnets typical of high interest kimberlites, along with chrome spinels, have been recovered from a high proportion of these samples, with accessory chrome diopside grains being observed in some. Many samples containing large quantities of high interest indicator minerals were collected from trap sites located several kilometres distant from the known kimberlite diatremes. It is considered that these samples are unlikely to be influenced by these known kimberlite occurrences, indicating that other kimberlite sources may exist within the area sampled.

One macro diamond was recovered from a stream sediment sample site located some 5 km south east of the Payalikhand pipe, which has not been sampled to date. This sample also yielded several hundred pyrope garnets and a similar number of chrome spinels. Another stream sediment sample collected from a trap site approximately 3 km north of the same pipe yielded in excess of 10,000 pyrope garnets and almost 2,000 chrome spinels.

MINERALOGY AND MINERAL CHEMISTRY RESULTS

The orientation heavy mineral assemblages analysed by micro-probe methods include high interest G9 and G10 pyrope garnets, and chrome spinels with individual grains characterized by greater than 60% chromium. Indicator minerals with these characteristics are indicative of derivation from within the diamond stability field.

The heavy mineral assemblages identified thus far and the absence or paucity of ilmenite, are also broadly typical of micaceous Group-2 kimberlites (eg Finsch mine) and Group-1 ilmenite-poor kimberlites (eg Venetia mine).

The high interest mineral chemistry data, and occurrence of macro and micro diamonds, from Block D-7 show interesting similarities to early mineral chemistry results derived from the Slave Craton of the North West Territories of Canada in the early 1990's.

FOLLOW-UP OF UN-EXPLAINED ANOMALIES

Well in excess of 90% of the samples analysed contained significant numbers of kimberlite indicator minerals. Many of these grains are angular, suggesting that the primary kimberlite sources are situated nearby. Local follow-up sampling programs was completed in the light of the initial results. These follow-up samples have also been exported to Australia and South Africa for processing and analysis.

These results are considered highly encouraging. Oropa's orientation sampling program was also aimed at recovering indicator minerals not necessarily associated with the known kimberlites and to designate possible other kimberlite intrusions and thus increase the likely number of kimberlites to be bulk sampled. Mineral chemistry plots of each suite of indicators recovered from samples collected some distance from the known kimberlites are being compiled to compare them against the mineral chemistry plots obtained from the known pipes. Analyses from the follow up samples and in-fill samples will be evaluated and compared to the initial results to trace the sources of those indicator traits.

FUTURE WORK

In the light of the encouraging results from the reconnaissance work completed to date in Block D-7, Oropa and BVJK intend to proceed as follows immediately after the current Indian monsoon period:

- Completion of required permitting processes and establishment of full range of infrastructure requirements to ensure a full scale sampling and evaluation programme in Block D-7 during the latter part of 2000 and early 2001.
- Further heavy mineral analysis, including nickel-analyses of the heavy minerals recovered in the orientation work.
- Sampling and appraisal of known kimberlites and adjacent anomalies identified in the orientation and initial follow-up programme to map out a plan of action for the delineation and evaluation of these intrusives, including bulk sampling.
- Regional exploration programme of heavy mineral sampling of Block D-7 aimed at demarcating additional high interest prospecting areas before reducing the area held under the prospecting authority.
- Regional airborne geophysical survey over the entire area of Block D-7, with detailed follow-up surveys over selected areas to supplement the regional exploration. Oropa and its Indian joint venture partner also have authority to secure other gold and base metal deposits that may be delineated by diamond prospecting or geophysical studies in the high interest granite greenstone terranes of the block.

P C Christie
MANAGING DIRECTOR

Information in this report, insofar as it relates to resource estimation and exploration activities, is based on information compiled by Mr Mark Small who is a Corporate Member of the Australasian Institute of Mining and Metallurgy and who has more than ten years experience in the field or the activity being reported on. His report accurately reflects the information compiled by the member.