



**For immediate release**

**NEWSFLASH**

*Toronto – February 20, 2004* – The following is an update of the recent developments with regard to the legal proceedings between Archangel Diamond Corporation (“the Company”) and Arkhangelskgeoldobycha (“AGD”)

**ADC victory in Stockholm  
ADC wins Stockholm appeal against Arkhangelskgeoldobycha**

The Stockholm District Court issued judgment today in the Company's appeal against the adverse 2001 award of the arbitration Tribunal declining jurisdiction to hear the Company's claims against AGD. The Stockholm Court set aside the arbitration Tribunal's decision of June 25, 2001 and held that:

- (i) the arbitration agreement in the Diamond Venture Agreement is valid; and
- (ii) the arbitration agreement applies to the Company's dispute with AGD (as described in the arbitration decision).

The Stockholm Court also ordered AGD to pay the Company's costs in the amount of Swedish Kroner 3,331,330 (approximately US\$ 475,000).

AGD has until March 12, 2004 to appeal this judgment.

- ends -

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The TSX Venture exchange has neither approved nor disapproved the contents of this news release.

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