

DIAMOND VENTURES NL

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31 May 2001

Company Announcements Office
Australian Stock Exchange Limited
Level 10
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SYDNEY NSW 2000

BY FAX: 1300-300 021

Dear Sir/Madam,

ANNUAL GENERAL MEETING – CHAIRMAN'S ADDRESS

Please find attached a copy of the Chairman's Address for today's Annual General Meeting of Diamond Ventures NL.

Yours faithfully,



WALLY BUCKNELL
Executive Director

att.

DIAMOND VENTURES NL

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ANNUAL GENERAL MEETING THURSDAY 31 MAY 2001

CHAIRMAN'S ADDRESS

On behalf of the directors of Diamond Ventures I welcome you to our VIIth Annual General Meeting.

During the past year circumstances have developed in our industry, which provide wonderful opportunities for companies like Diamond Ventures with gold exploration and mining expertise, clean balance sheets and focused gold property portfolios.

The year has seen a rise in the Australian dollar gold price to an average of more than \$Aus500 in recent months. In fact, short periods have seen the price exceed \$Aus550. This is a very attractive price for the precious metal. It is interesting to recall that when the Plutonic Gold Mine poured its first bar of gold in August 1990 the spot gold price was \$Aus493.60. An added bonus available to potential gold miners and not available to most other miners, is the ability to establish long-term attractive product price revenue through hedging.

A greater number of attractive gold properties with excellent exploration and development potential are becoming available at reasonable prices or through reasonable farm-in arrangements. As a result of mergers or financial troubles however, fewer gold mining companies exist and hence there remain fewer companies with the technical and financial resources to capitalise on these developing opportunities.

Observers have noted a significant upward trend in the price of and the demand for the major North American based gold mining companies in the past six months. In addition there has been

increased positive discussion surrounding gold as a potential investment by North American stock market commentators.

In summary, I believe that this is a wonderful time for Diamond Ventures to use its considerable technical resources and expertise to seize opportunities which will establish it as a strong gold mining company.

The year has been an active one for our company with emphasis and focus on gold exploration at Kookynie in Western Australia. In addition diamond exploration at Ellendale in Western Australia, was financed and conducted by a co-venturer. Minor diamond exploration was conducted by DDV at the Mmashoro Joint Venture adjacent to the Orapa Diamond Mine in Botswana.

It has been just over one year since the board concluded the Kookynie joint venture but a program of well conceived, managed and executed evaluation and exploration drilling has been achieved.

From commencement of the Joint Venture until today we have drilled nearly 500 holes on the 1000 sq. km. property and assayed more than 28,000 metres of drill hole samples. This drilling has extended known zones of gold mineralisation in the Admiral-Butterfly locale. Indications of previously unknown gold mineralisation have been encountered south of Champion in the south of the property where the now dormant Cosmopolitan Mine produced more than 300,000 ounces of gold grading in the order of 16 g/t. In

that area we are drilling to determine whether extensive areas of alluvium are covering similar Cosmopolitan type grades of gold mineralisation. This initial drilling has encountered mineralisation with grades up to 6.8 g/t over 3 metres, but less than two weeks ago wet ground conditions caused us to interrupt the drill program. We expect to complete this drill program in the current quarter.

Recent studies have estimated that drilling at Butterfly has defined 555,000 tonnes containing 49,800 ounces of gold in an indicated and inferred resource category. At Admiral 825,000 tonnes containing 78,300 ounces of gold in the same categories have been delineated. These resource numbers are small, but because of the established plant, associated infrastructure, and currently attractive Australian dollar gold price, we feel it is imperative to undertake further studies, and possibly further drilling to determine the potential commercial viability of these resources.

We anticipate that the assessment of the current drill program results and the commercial studies on Admiral and Butterfly will be completed in the next two quarters so we can decide the future involvement of DDV in the Kookynie project.

The discovery of alluvial diamonds at our Ellendale project and the successful development of drill targets at our Mmashoro project has lead us to reassess the value of these projects. If joint venturing is not successful DDV will spend the appropriate modest sums to maintain the value of these projects.

During the year we have maintained an awareness of appropriate gold projects where our involvement might release unrecognized value. Various discussions either have or are taking place with a view to DDV's involvement in potentially attractive projects.

I recently had occasion to visit the Huntington Library and Art Gallery in San Marino California to view an American Sterling Silver bequest and an extensive British Sterling Silver collection both of which I have documented in my library. I found that the Huntington contains several unique silver lots including the world's only complete collection of apostle spoons by one silversmith and dated 1527 and the massive Duke of York's silver gilt Achilles Shield dated 1805. It was wonderful to see these and the other impressive array of treasures contained within the Huntington's 134 acres, but I was especially overwhelmed to enjoy the unexpected bonus of viewing Gainsborough's Blue Boy and Lawrence's Pinkie. At the first opportunity I called my 80 year old mother to tell her I had seen Pinkie and Blue Boy for she had always enjoyed her reproductions of these two highly popular works of art. She could not believe I had seen the originals at Huntington.

Our gold exploration is something like looking for treasures at the Huntington. If we apply our knowledge, experience and strengths, sometimes we are surprised with unexpected rewards.

As I have outlined earlier, it is a time of opportunity for DDV in the Australian gold business and we wish to be prepared financially to seize the most attractive opportunity that we can for DDV and therefore we anticipate a modest fund raising before the next AGM.

I wish to thank Wally Bucknell, our other dedicated staff, consultants and advisors for their valuable efforts during the past year and wish them success in the coming year. I thank you our shareholders for your financial and moral support this year and I trust we shall see both deserved and unexpected rewards in the coming year.

Ronald J Hawkes, Chairman

31 May 2001