

# DIAMOND VENTURES NL

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## NOTICE OF MEETING

A General Meeting of the members of Diamond Ventures NL ("Company" or "DDV") will be held at the Imperial Room, Sovereign Inn, 220 Pacific Highway, Crows Nest, 2065 on Wednesday 3 July 2002 at 11 am for the following business.

### I **Approval to issue up to 1.5 million Shares and Options to entities controlled by Mr RJ Hawkes out of any shortfall or oversubscription allotment made under the Prospectus dated 14 May 2002**

To consider and if thought fit pass as an Ordinary Resolution:

*That approval is given for the Directors of the Company pursuant to Listing Rule 10.11 to issue and allot up to 1.5 million fully paid ordinary shares in the capital of the Company at an issue price of 5 cents per share (each with a free attaching option) to entities controlled by Mr R J Hawkes, being related parties of the Company.*

The shares if any subscribed for under this resolution will be issued on the terms and conditions contained in the Prospectus issued by the Company and dated 14 May 2002 (a detailed summary of those terms and conditions is contained on page 4 of this Notice of Meeting) and includes the following:

- a. Shares will only be issued out of any shortfall or the further 4 million Shortfall Oversubscription Shares the Directors may decide to issue under the Prospectus issued by the Company and dated 14 May 2002.
- b. The entities controlled by the directors will only be allocated shares on the same basis as other shareholders applying for shares.

Any shares subscribed for would be issued to the following related parties:

<b>Entities Controlled by R J Hawkes (Chairman of the Company)</b>	<b>Allotment Approval</b>
Regency Goldmark Pty Limited ACN 085 031 152	up to 750,000 shares
Regency Hallmarks Holdings Pty Limited ACN 082 406 442	up to 750,000 shares
<b>Total</b>	<b>up to 1,500,000 shares</b>

The approval of shareholders of the issue of shares to related parties of the Company is required by ASX Listing Rule 10.11. For the purposes of the ASX Listing Rules, the term "related party" includes directors of the Company as well as entities controlled by them, not being entities controlled by the Company itself. The issue and allotment of any shares subscribed for and approved under this resolution will occur prior to 2 August 2002.

The intended use of the funds raised from the issue is to provide additional working capital for the Company's mineral activities.

The Company will disregard any votes cast on Resolution 1 by Mr RJ Hawkes or entities controlled by him or his associates.

However the Company need not disregard a vote if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

## 2 Approval to issue up to 500,000 Shares and Options to entities controlled by Mr WR Bucknell out of any shortfall or oversubscription allotment made under the Prospectus dated 14 May 2002

To consider and if thought fit pass as an Ordinary Resolution:

*That approval is given for the Directors of the Company pursuant to Listing Rule 10.11 to issue and allot up to 500,000 fully paid ordinary shares in the capital of the Company at an issue price of 5 cents per share (each with a free attaching option) to entities controlled by Mr W R Bucknell, being related parties of the Company.*

The shares if any subscribed for under this resolution will be issued on the terms and conditions contained in the Prospectus issued by the Company and dated 14 May 2002 (a detailed summary of those terms and conditions is contained on page 4 of this Notice of Meeting) and includes the following:

- a. Shares will only be issued out of any shortfall or the further 4 million Shortfall Oversubscription Shares the Directors may decide to issue under the Prospectus, issued by the Company and dated 14 May 2002.
- b. The entities controlled by the directors will only be allocated shares on the same basis as other shareholders applying for shares.

Any shares subscribed for would be issued to the following related parties:

### Entities Controlled by

W R Bucknell (Director)	Allotment Approval
Callisten Pty Limited ACN 083 210 664	up to 250,000 shares
Baytoni Pty Limited ACN 084 764 894	up to 250,000 shares
<b>Total</b>	up to 500,000 shares

The approval of shareholders of the issue of shares to related parties of the Company is required by ASX Listing Rule 10.11. For the purposes of the ASX Listing Rules, the term "related party" includes directors of the Company as well as entities controlled by them, not being entities controlled by the Company itself.

The issue and allotment of any shares subscribed for and approved under this resolution will occur prior to 2 August 2002.

The intended use of the funds raised from the issue is to provide additional working capital for the Company's mineral activities.

The Company will disregard any votes cast on Resolution 2 by Mr WR Bucknell or entities controlled by him or his associates.

However the Company need not disregard a vote if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

## 3 Approval to issue up to 200,000 Shares and Options to an entity controlled by Mr DL Cooper out of any shortfall or oversubscription allotment made under the Prospectus dated 14 May 2002

To consider and if thought fit pass as an Ordinary Resolution:

*That approval is given for the Directors of the Company pursuant to Listing Rule 10.11 to issue and allot up to 200,000 fully paid ordinary shares in the capital of the Company at an issue price of 5 cents per share (each with a free attaching option) to an entity controlled by Mr DL Cooper, being a related party of the Company.*

The shares if any subscribed for under this resolution will be issued on the terms and conditions contained in the Prospectus issued by the Company and dated 14 May 2002 (a detailed summary of those terms and conditions is contained on page 4 of this Notice of Meeting) and includes the following:

- a. Shares will only be issued out of any shortfall or the further 4 million Shortfall Oversubscription Shares the Directors may decide to issue under the Prospectus issued by the Company and dated 14 May 2002.
- b. The entities controlled by the directors will only

be allocated shares on the same basis as other shareholders applying for shares.

Any shares subscribed for would be issued to the following related party:

**Entity controlled by**

**D L Cooper (Director)**

Nouvata Pty Limited

ACN 004 848 720

**Allotment approval**

up to 200,000 shares

The approval of shareholders of the issue of shares to related parties of the Company is required by ASX Listing Rule 10.11. For the purposes of the ASX Listing Rules, the term "related party" includes directors of the Company as well as entities controlled by them, not being entities controlled by the Company itself.

The issue and allotment of any shares subscribed for and approved under this resolution will occur prior to 2 August 2002.

The intended use of the funds raised from the issue is to provide additional working capital for the Company's mineral activities.

The Company will disregard any votes cast on Resolution 3 by Mr DL Cooper or entities controlled by him or his associates.

However the Company need not disregard a vote if:

- a it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

#### **4 Proposed Issue of 4 million Shares and Options under the Prospectus dated 14 May 2002**

To consider and if thought fit pass as an Ordinary Resolution:

*That approval is given under ASX Listing Rule 7.1, for the issue and allotment of up to 4 million ordinary fully paid shares in the capital of the Company at an issue price of 5 cents per share (each with a free attaching option) being the Shortfall Oversubscription Shares in the Prospectus issued by the Company and dated 14 May 2002.*

Under the Prospectus issued by the Company dated 14 May 2002, the shares the subject of this resolution will be allotted and issued, at the discretion of the Directors, to Eligible Shareholders who apply for Shortfall Oversubscription Shares in accordance with that Prospectus. The Company will offer shares to all holders of ordinary shares in priority to anyone else and will issue them in a fair and equitable manner. The Company will limit the number of oversubscription shares it issues to a holder of ordinary shares to the higher of 5% of all the shares being offered and the number the holder would be entitled to under a pro rata issue of those shares. The terms and conditions of issue of the shares will be the same as those contained in the Prospectus issued by the Company and dated 14 May 2002. A detailed summary of those terms and conditions is contained on page 4 this Notice of Meeting.

The shares will be issued by 3 October 2002. Allotment of shares will occur progressively at the discretion of Directors.

The purpose of the issue is to provide additional working capital for the Company's mineral activities.

ASX Listing Rule 7.1 provides that a company may not issue shares or agree to issue shares, without the approval of shareholders, if the number of shares to be issued in any 12 month period (including shares exercised on the issue of any options) exceeds 15% of the issued share capital of the Company preceding the issue.

The resolution is designed to satisfy the requirements of ASX Listing Rule 7.1 and ensure that the Company maintains its current 15% new issue capacity.

#### **5 Proposed Issue of Shares and Options to the Executive Director under salary sacrifice**

To consider and if thought fit pass as an Ordinary Resolution:

*That approval is given under ASX Listing Rule 10.11 for the issue and allotment to the Executive Director (Mr Walter R Bucknell) of ordinary fully paid shares (each with an attaching free option to subscribe for a further share at 10 cents to be exercised no later than 30 June 2006) in the Company in the number and by the date set out below.*



<i>To be issued by</i>	<i>17 July 2002</i>
<i>No. of Shares</i>	<i>250,000</i>
<i>No. of Options</i>	<i>250,000</i>
<i>Allottee</i>	<i>Walter R Bucknell, Executive Director</i>
<i>Issue Price</i>	<i>5.5 cents</i>

A detailed summary of terms and conditions of the shares and options to be issued is contained on page 4 of this Notice of Meeting.

In recognition of the need to preserve cash in the Company Mr Bucknell elected to sacrifice 50% of his salary for the 5 months ended 31 May 2002 in return for 250,000 fully paid ordinary shares (each with a free attaching option) being issued to him at a price of 5.5 cents per share. At a price of 5.5 cents the value of shares issued to Mr Bucknell under the resolution is less than the salary otherwise payable to him which would have amounted to \$62,500.

A disadvantage if Resolution 5 is passed is the relatively minor dilutory effect on the Company's share price due to the increased number of shares and options on issue. Resolution 5 seeks approval under ASX Listing Rule 10.11 and if approval is granted, the Company under the Listing Rules is not required to seek approval under Listing Rule 7.1.

The Company will disregard any votes cast on Resolution 5 by Mr WR Bucknell or his associates.

However the Company need not disregard a vote if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

### **PROXIES (Form enclosed)**

To be effective, proxy forms must be received by the Company by 11:00 am on 1 July 2002.

Dated this 31st day of May 2002 by order of the Board

Grahame Clegg, Company Secretary

### **Terms and Conditions applying to Shares and Options to be issued under the proposed Resolutions**

- a. Issue and allotment of Shares and Options will take place within 3 months from the date of the meeting.
- b. Shares will be allotted at an issue price of 5 cents per share and each Share has a free attaching Option.
- c. the Shares allotted will rank equally in all respects with the Company's existing shares.
- d. the Shares and Options will in due course be listed for official quotation on the ASX.
- e. The principal terms of the Options are:
  - i. the exercise price for each Option is 10 cents.
  - ii. each Option shall confer the right to take up one ordinary fully paid share in the Company.
  - iii. the Options shall expire on 30 June 2006.
  - iv. there is no obligation to exercise the Options.
  - v. the exercise price or number of Options issued may be changed in accordance with Listing Rule 6.22 or any amendment of that Rule from time to time in respect of any *pro-rata* rights issue or bonus issue.
  - vi. in the event of any reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the company, the rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
  - vii. the Options will in due course be listed for official quotation on the ASX.
  - viii. the Options may be exercised by lodgement of a completed Notice of Exercise of Option and payment of the exercise price at the Company's registered office at any time prior to 30 June 2006.
  - ix. the shares issued on exercise of the Options will rank equally in all respects with all other shares on issue.
  - x. the Options will not give any right to participate in a new issue of shares without first exercising the Option.
  - xi. the Company will apply for official quotation by the ASX of the shares issued upon exercise of the Options within 3 business days of allotment of shares.