

DIAMOND VENTURES NL

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25 September 2002

Australian Stock Exchange Limited
Company Announcements Office
10th Floor, 20 Bridge Street
SYDNEY NSW 2000

BY FAX: 1300 300 021

Dear Sir,

GOLD PRODUCTION RECOMMENCES AT KOOKYNIE, WESTERN AUSTRALIA.

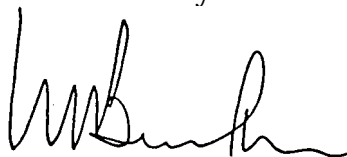
Agreement has been reached between Diamond Ventures (DDV)/Barminco Pty Ltd (Barminco) and Sons of Gwalia Limited (SGW) whereby SGW will pay to DDV/Barminco \$600,000 (to be shared equally) over a 4 month period for the right to mine the Butterfly deposit at Kookynie. SGW will develop the deposit as an open pit and will retain all proceeds. Mining is expected to commence in the next few days. Mining will be undertaken to a maximum depth of 70 metres below surface, the deposit to this depth containing 190,000 tonnes at a grade of 2.6 grams per tonne for 14,800 recoverable gold ounces.

Under an agreement with Barminco, Diamond Ventures has exclusive exploration rights over selected Barminco tenements in the highly prospective Kookynie region of the Eastern Goldfields, WA, subject to DDV's incurring exploration expenditure of \$400,000 each six months. Under the agreement DDV will earn a 50% interest in any development area created by the parties.

DDV and SGW continue to review mining options for Clark, Admiral and Redlake. Any development of these discoveries will be the subject of further agreement between the parties. DDV has commenced further delineation drilling at Clark in order to upgrade the existing resources.

It is pleasing to see recommencement of production at Kookynie after a break of five years.

Yours faithfully



W R Bucknell
Director