

DIAMOND VENTURES NL

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3 October 2002

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

Dear Sir,

EXPLORATION AGREEMENT TO EXPLORE HIGHLY PROSPECTIVE BEACONSFIELD TENEMENTS

The Chairman of Diamond Ventures NL (DDV) Mr Ron Hawkes today announced that DDV has signed a formal Exploration Agreement, with parties representing the Beaconsfield Mine Joint Venture, to undertake exploration for gold on the Beaconsfield Mine JV tenements located near the town of Beaconsfield in Northern Tasmania.

DDV will commit to spend \$350,000 in the first year and a minimum of \$350,000 per year in future years to retain exploration access to the tenements. DDV will receive reimbursement of exploration expenditure (under a prescribed formula) and may earn an 8% royalty on any potentially commercial discoveries it makes. Up to 80% of the royalty may be paid (under a prescribed formula) in advance of production. No reimbursement of exploration expenditure will occur unless DDV makes a potentially commercial discovery.

DDV will have full exploration access to all tenements apart from an exclusion area immediately surrounding and containing the Tasmania Reef, the subject of the Beaconsfield mining operation. Past production and reserves at Beaconsfield amount to more than 1.5 million ounces. The exploration area available to DDV covers 85 km² and includes the highly prospective corridor of favourable stratigraphy/structure which hosts the Tasmania Reef. (Please refer to the attached map). Although numerous gold occurrences are known within this corridor it remains relatively unexplored by modern methods.

Gold was first discovered at Beaconsfield in 1877 and approximately 854,000 ounces of gold with a grade of around three quarters of an ounce per tonne were recovered from 1.1 million tonnes of ore between 1877 and 1914 when operations were shut down due to poor profitability. The Beaconsfield Mine was reopened in September 1999 and up to 30 June 2002 had produced over 200,000 ounces. As at 30 June 2001 the Mine reported Ore Reserves of

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973,000 tonnes at a grade of 16.7 grams per tonne for 524,000 recoverable ounces. Total Mineral Resources (including Reserves) amount to 1,574,000 tonnes at a grade of 16.4 grams per tonne for 832,000 contained ounces.

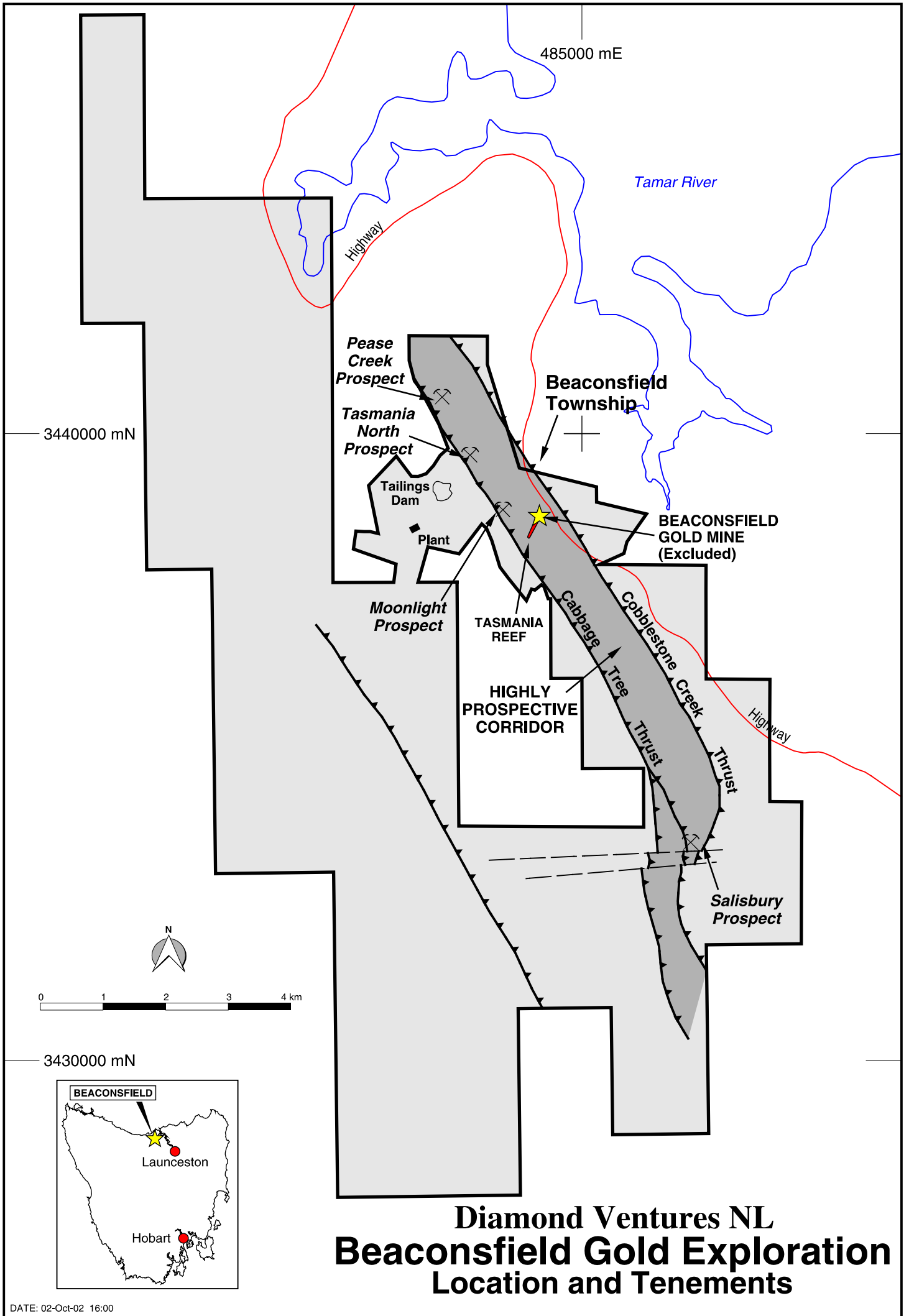
Mr Hawkes said, 'The Beaconsfield tenements are a good fit with DDV's exploration strategy of seeking high quality exploration ground, with near term development potential, ideally located on mining leases and near a treatment plant. The focus is now on the DDV team to make significant discoveries from its exploration efforts.'

DDV will now commence a major field programme, which will include geochemical surveys and drilling, to test a number of historic workings in the prospective Beaconsfield Mine sequence.

Yours faithfully

W R BUCKNELL
Executive Director

att.



Diamond Ventures NL Beaconsfield Gold Exploration Location and Tenements

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