

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001.

Name of entity

DIAMOND VENTURES NL

ABN

82 062 091 909

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Partly paid ordinary shares
Options expiring 31 October 2004 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 28,665,908 partly paid ordinary shares
9,555,303 options expiring
31 October 2004 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Partly paid ordinary shares issued on a 1 for 4 basis at 20 cents each with 3 cents to be paid on application

Options to subscribe for a fully paid ordinary share exercisable at 12 cents on or before 31 October 2004 |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Partly paid ordinary shares are a new class of securities</p> <p>Options expiring 31 October 2004 are a new class of securities</p>												
<p>5 Issue price or consideration</p>	<p>Partly paid ordinary shares are issued at 20 cents each with 3 cents to be paid on application</p>												
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>General working capital purposes including continued exploration on the Company's project areas.</p>												
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>12 January 2004</p>												
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>94,663,634</td> <td>Fully paid ordinary shares</td> </tr> <tr> <td>28,665,908</td> <td>Partly paid ordinary shares</td> </tr> <tr> <td>22,405,600</td> <td>Options expiring:</td> </tr> <tr> <td>9,555,303</td> <td>30 June 2006</td> </tr> <tr> <td></td> <td>31 October 2004</td> </tr> </tbody> </table>	Number	+Class	94,663,634	Fully paid ordinary shares	28,665,908	Partly paid ordinary shares	22,405,600	Options expiring:	9,555,303	30 June 2006		31 October 2004
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28,665,908	Partly paid ordinary shares												
22,405,600	Options expiring:												
9,555,303	30 June 2006												
	31 October 2004												
<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>733,335</td> <td>31 12 2003 Options</td> </tr> <tr> <td>733,335</td> <td>Exercise price \$0.25</td> </tr> <tr> <td>733,330</td> <td>Exercise price \$0.30</td> </tr> <tr> <td></td> <td>Exercise price \$0.35</td> </tr> </tbody> </table>	Number	+Class	733,335	31 12 2003 Options	733,335	Exercise price \$0.25	733,330	Exercise price \$0.30		Exercise price \$0.35		
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+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same as for existing ordinary shares
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
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12	Is the issue renounceable or non-renounceable?	Non-renounceable
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13	Ratio in which the ⁺ securities will be offered	One Partly Paid Share for every 4 shares held
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14	⁺ Class of ⁺ securities to which the offer relates	Partly paid ordinary shares
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15	⁺ Record date to determine entitlements	26 November 2003
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
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17	Policy for deciding entitlements in relation to fractions	Where fractions arise they will be rounded up to the next whole number
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18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Not applicable
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19	Closing date for receipt of acceptances or renunciations	18 December 2003
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20	Names of any underwriters	Not applicable
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21	Amount of any underwriting fee or commission	Not applicable
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22	Names of any brokers to the issue	Not applicable
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23	Fee or commission payable to the broker to the issue	Not applicable
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⁺ See chapter 19 for defined terms.

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24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus will be sent to persons entitled	28 November 2003
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	20 October 2003
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	12 January 2004

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

(now go to 43)

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
 If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period
 (if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

(now go to 43)

All entities

Fees

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

+ See chapter 19 for defined terms.

Quotation agreement

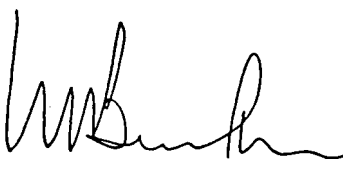
- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under section 737 or 738 of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 

Date: 20 October 2003

Print name: WR Bucknell, Director
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+ See chapter 19 for defined terms.