

DIAMOND VENTURES NL

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

Dear Sir,

TOUQUOY GOLD RESOURCE EXCEEDS 0.5 MILLION OUNCES

Diamond Ventures (DDV) is pleased to announce a Mineral Resource estimate for the Touquoy West gold deposit, which comprises the combined historic Higgins & Lawlor and Stillwater gold deposits, located 2km west along strike from the Touquoy gold deposit in Nova Scotia, Canada (refer to accompanying map). The resource estimate is as follows;

Indicated Resource: 870,000 tonnes @ 1.9 g/t for 54,000 oz gold

Inferred Resource: 650,000 tonnes @ 2.2 g/t for 45,000 oz gold

Total Mineral

Resource: 1.52 million tonnes @ 2.0 g/t for 99,000 oz gold. ¹

The resource estimate is based on validated assays from 116 diamond holes drilled over a 1km strike length during 1986-1988. Approximately 80% of the resource is developed over a strike length of 525m within the Higgins & Lawlor zone, which is open along strike, and at depth. Identified resources extend from surface to a maximum depth of about 200m. The designation of Inferred Resources is a function of drillhole spacing, with upgrade to Indicated Resources dependent on complete infill to 20m x 25m drillhole spacing. Mineralisation is constrained within a 20m wide corridor along an anticlinal fold axis and is hosted by quartz veins in greywackes, a contrasting style of mineralisation to the argillite-hosted gold at Touquoy. There is opportunity to discover additional resources along strike and at depth.

¹ This resource estimate is based on the following input parameters:

Fire assays of ½ NQ core from 116 diamond drillholes

Drillhole spacing variable but averages 30m x 25m

Bulk density: 2.80

Lower cut-off grade: 1.0g/t

Estimation technique: Multiple Indicator Kriging with block variance adjustment applied. Ore selectivity is assumed to be 5 metres (north) by 2 metres (east) by 2.5 metres (elevation) via an open pit mining scenario.

Combined with the previously announced resource estimate at the Touquoy gold deposit the total project resource inventory now stands at 571,000 ounces gold as tabulated below:

	Tonnes (millions)	Grade (g/t gold)	Ounces gold
TOUQUOY			
Indicated Resources	4.44	2.1	300,000
Inferred Resources	2.47	2.2	172,000
Total Touquoy	6.91	2.1	472,000
TOUQUOY WEST			
Indicated Resources	0.87	1.9	54,000
Inferred Resources	0.65	2.2	45,000
Total Touquoy West	1.52	2.0	99,000
Total Touquoy Project	8.43	2.1	571,000

PROPERTY-WIDE DRILLING PROGRAM

Elsewhere at Touquoy results of the initial phase of the property-wide reconnaissance percussion drilling program have been returned. This initial phase comprised 37 holes, of a total 250 holes planned, drilled on four lines immediately east of the Touquoy deposit. Hole locations are shown on the accompanying map. The first line of holes was drilled over the eastern end of the deposit to establish the geochemical response in an area where ore-grade gold mineralisation in bedrock is blanketed by 6-8m of transported overburden. Surficial geochemical surveys conducted by earlier explorers had failed to detect the mineralisation buried beneath. The strong, well-defined gold geochemical response, with associated arsenic anomalism, from the first line of holes confirms the methodology as appropriate for property-wide application.

The remaining three lines of holes were drilled up to 1km further east (refer to map) and successfully demonstrate the eastern continuation of a hydrothermally altered, arsenic-anomalous sequence of argillites beneath the masking blanket of transported overburden. This altered sequence of sediments, in association with the coincident anticlinal fold axis, is the anticipated host for additional Touquoy-style resources elsewhere on the property and will be targeted over a 15km strike length in the ongoing reconnaissance percussion drilling program.

The drilling program had been interrupted in late May to accommodate an upgrade of the drilling rig with installation of a larger air compressor. Unexpected delays in delivery of the compressor were experienced but delivery has now been effected and drilling will re-commence this week.

SAMPLING OF OLD DRILL CORE

With respect to the Touquoy resource itself, a program of retrieval, sampling and assaying of un-sampled drill core from earlier drilling programs (late 1980's and 1996) has been in progress and is now almost completed. To date segments of 65 diamond core holes totalling about 2640m of NQ core, hitherto assigned zero grade for resource estimation purposes, have been sampled and assayed. Best returns are tabulated as follows:

Hole	Easting	Northing	Dip	Grid Az.	Best Assays			
					From (m)	To (m)	Width (m)	Grade (g/t Au)
MR-96-016	22033	10040	-45°	360°	20	21	1	22.4
MR-87-123	21629	9892	-42°	360°	40.6	41.6	1	6.00
MR-89-247	21952	10227	-90°	-	73.6	74.6	1	11.7
MR-89-249	21932	10221	-90°	-	74	75	1	4.9

In addition this sampling and assaying is identifying other well-defined intervals of mineralised argillites in the 0.2-2.0 g/t range, recognition of which will enable further refinements to future resource modelling.

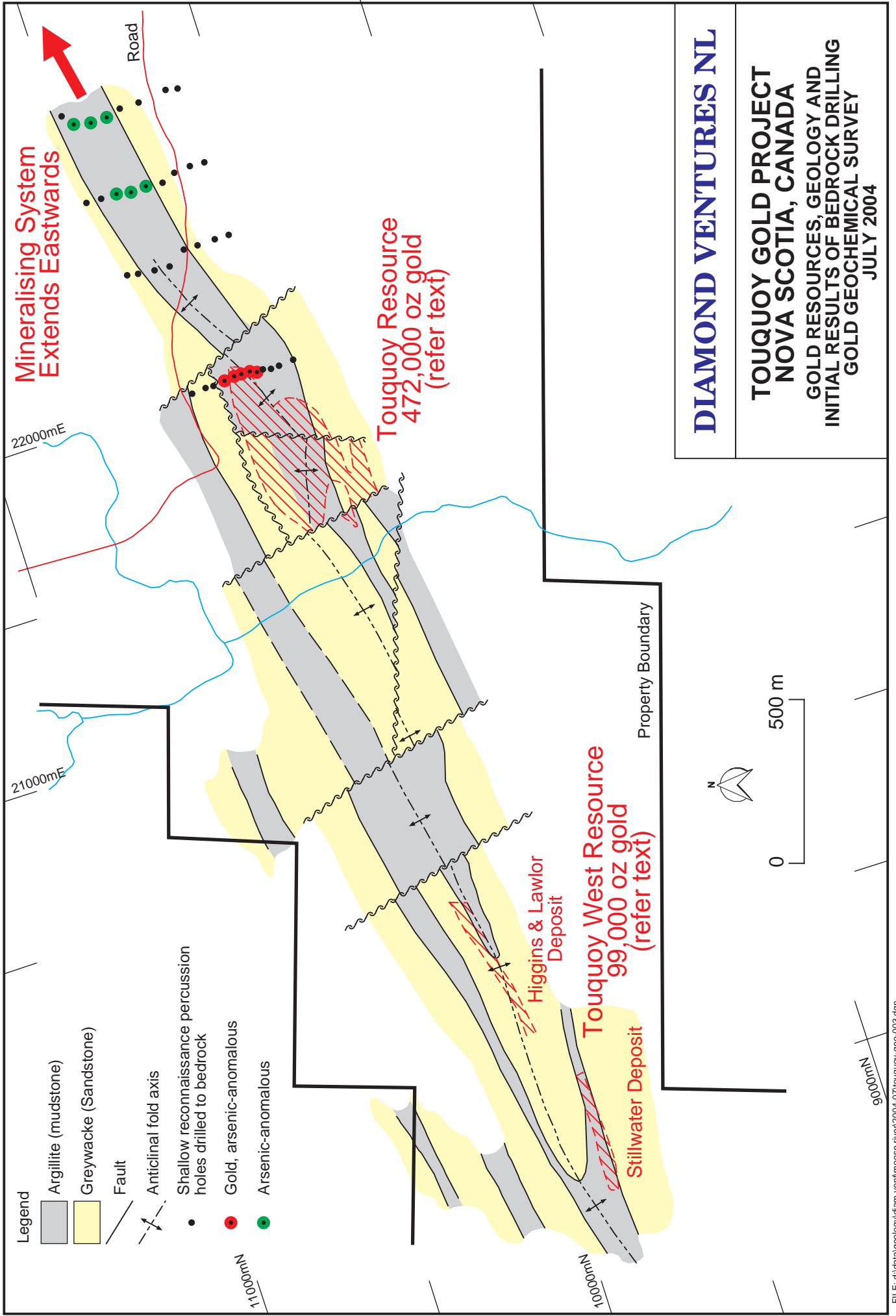
The information contained in this announcement further strengthens the previously released scoping study (21 May 2004) which indicates an after tax return for the project of 30% based on a Canadian spot gold price of \$530 per ounce and production of approximately 90,000 ounces per year.

Yours sincerely,



Wally Bucknell
Executive Director

Attribution: The geological information in this report relating to Mineral Resources has been compiled by W R Bucknell who is a Corporate Member of the Australasian Institute of Mining and Metallurgy and is a Competent Person in respect of the Australasian Code for Reporting of Mineral Resources and Ore Reserves and of the style of mineralisation and type of deposit under consideration. The resource estimation methodology undertaken in quantifying the Mineral Resources described in this report was applied by Mr Nic Johnson, an employee of Hellman and Schofield Pty Ltd. Mr Johnson is a Corporate Member of the Australian Institute of Geoscientists and is a Competent Person in respect of the Australasian Code for Reporting of Mineral Resources and Ore Reserves and of the style of mineralisation and type of deposit under consideration. Mr Johnson has consented to the inclusion of this information in the form and context in which it appears in this report.



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**TOUQUOY GOLD PROJECT
NOVA SCOTIA, CANADA**

**GOLD RESOURCES, GEOLOGY AND
INITIAL RESULTS OF BEDROCK DRILLING
GOLD GEOCHEMICAL SURVEY
JULY 2004**