

DIAMOND VENTURES NL

ABN 82 062 091 909

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21 September 2004

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

TERMS OF SALE FOR PUBLIC AUCTION OF FORFEITED PARTLY PAID ORDINARY SHARES IN DIAMOND VENTURES NL

Diamond Ventures NL (Company) recently completed a very successful 2 cent call program in which holders of over 91% of partly paid shares participated. The Company wishes to advise that 2,547,020 partly paid ordinary shares remain forfeited due to non-payment of the call. Those shares will be auctioned as partly paid ordinary shares paid to 5 cents with 15 cents remaining to be paid on the terms set out in this notice. Notice of this auction was advertised in *The Australian* and *Australian Financial Review* on 7 September 2004.

- 1. Time and Date**
11am Wednesday 22 September 2004
- 2. Venue**
Australian Stock Exchange Limited, Sydney Office
Board Room Level 8
Exchange Centre
20 Bridge St
Sydney NSW 2000
- 3. Shares to be auctioned**
2,547,020 partly paid ordinary shares issued at 20 cents and paid to 5 cents in the capital of the Company.
- 4. Sale Procedure**
Offers are to be made in cents or fractions of cents per share. The shares will be offered in parcels no larger than 10% of the total number to be offered.
- 5. Payment**
Subject to the ASX Listing Rules, successful bidders bidding:
 - (a) in person, shall ensure that settlement is effected by cash or cheque at the completion of the auction; and

(b) by an ASX broker, shall ensure settlement is effected by cheque within one (1) business day of the auction at the Company's registered office.

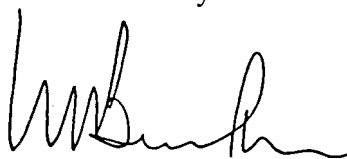
6. Settlement Procedure

At settlement the purchaser shall execute a Standard Transfer Form in the amount of the shares required.

7. Reserve Price

The Company has set a reserve price of 2 cents for each partly paid share.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Wally Bucknell', written in a cursive style.

Wally Bucknell
Executive Director