

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 PROJECT UPDATE

Diamond Ventures (DDV) is pleased to present results of a first-pass reconnaissance percussion drilling program undertaken to evaluate the 17km length of the broader Touquoy property.

Four gold-anomalous target areas have been identified. All four areas have excellent potential for discovery of additional resources to supplement the existing Touquoy resource inventory of 8.43 million tonnes at 2.1 g/t for 571,000 ounces of gold.

A total of 313 vertical percussion holes for 2651 m was drilled along 28 traverses to sample the bedrock beneath the cover of transported till (sand and gravel) and to retrieve a basal till sample as well. Average till cover is 6 m with maximum till depth in excess of 20 m encountered in only 20 holes. Holes were drilled at nominal 50 m intervals along logging roads which cross the stratigraphy at roughly 1 km intervals throughout the property. Aeromagnetics and government geological mapping afforded the basis for positioning of drill traverses. Holes were drilled with an open hole percussion rig mounted on a logging transporter. Samples were assayed for gold and arsenic.

Results are summarised on the two accompanying plans. These highlight the focus for deposition of substantial gold mineralisation within a 4.5 km long stratigraphic/structural corridor extending from 1 km east to 2.5 km west of the Touquoy Gold Deposit and also identify two outlying anomalous areas. Arsenic distribution, often a useful guide to gold mineralisation, mirrors the gold response around Touquoy but with a slightly wider dispersion. In particular four target areas are evident from this program:

- a cluster of gold and arsenic anomalies in bedrock and basal till over 1.5 km strike length east and flanking south of the Higgins & Lawlor and Stillwater deposits (Anomaly A on the accompanying plan);
- the eastern extension of Touquoy itself where gold and arsenic anomalies extend for a further 1 km east of existing diamond drilling (Anomaly B);
- moderate gold responses in basal till along an isolated traverse 3 km east along strike from Touquoy (Anomaly C), and
- a cluster of gold anomalies (without arsenic) in bedrock and basal till on an isolated traverse at the eastern end of the property (Anomaly D).

Detailing of Anomalies A, C and D with follow-up percussion drilling is required prior to diamond drill testing of all four anomalies.

GROUND ACQUISITION

A substantial addition to Diamond Ventures' regional ground position has been made with grant of a further 160 km² under Exploration Licences. Ground was selected along strike from areas of historic workings and within trucking distance of Touquoy. Concurrent with this land acquisition Diamond Ventures is currently evaluating a number of these historic mining properties. This new ground can now be effectively explored by application of the reconnaissance percussion drilling technique developed since last May for the Touquoy property.

SAMPLING OF OLD DRILL CORE

With respect to the Touquoy resource itself the program of recovering, sampling and assaying un-sampled drill core from earlier drilling programs (late 1980s and 1996) is now complete. Segments of 89 diamond core holes totalling about 4000 m 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*
MR-88-243	21983	10230	-90	-	80.8	81.8	1	14.5
MR-89-272	21775	10288	-60	180°	73	74	1	12.9
MR-96-009	21833	10021	-45	325°	15	17.4	2.4	2.13

* Previously reported

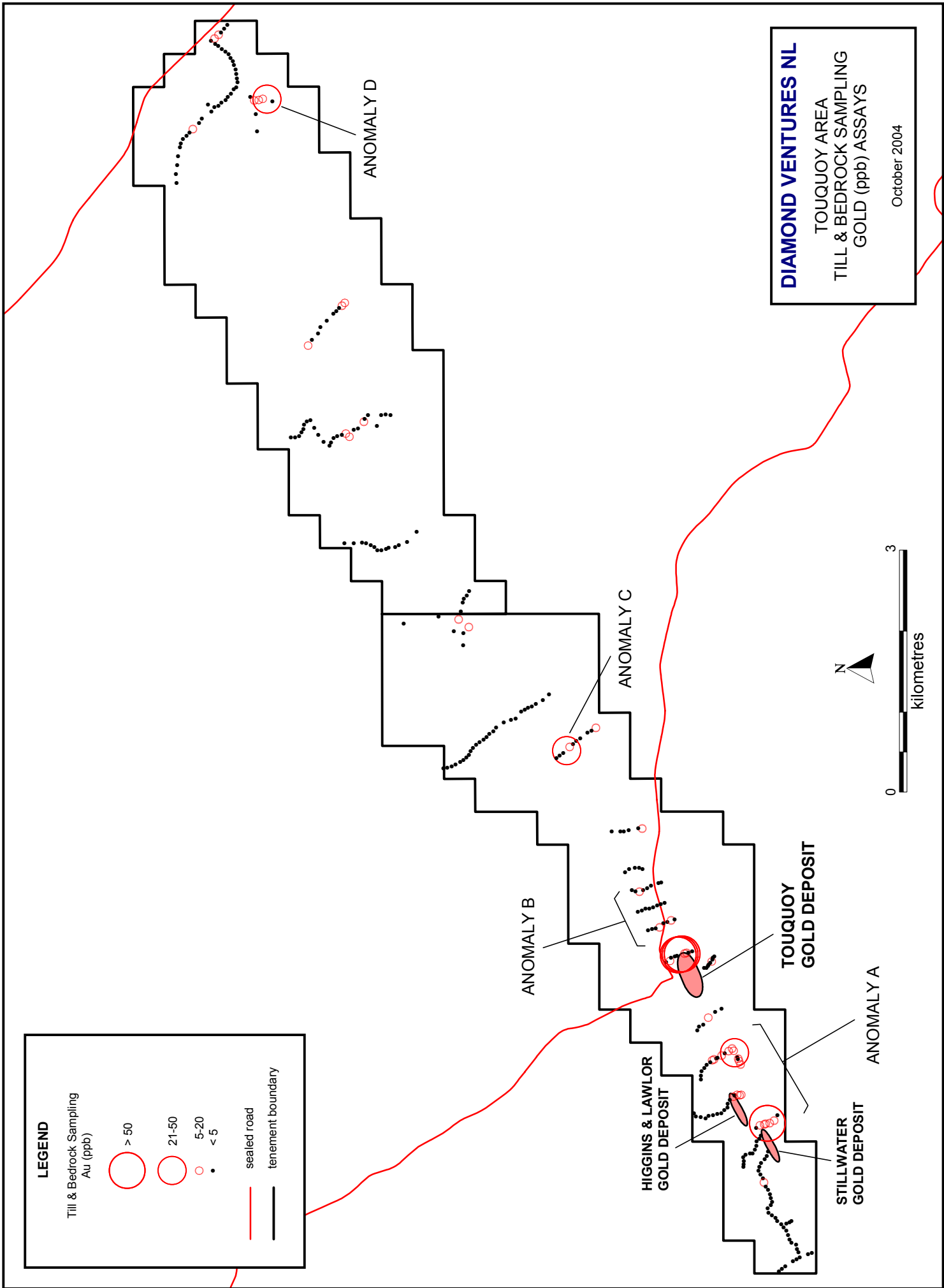
In addition this sampling and assaying has identified other well-defined intervals of gold-mineralised argillites in the 0.2-2.0 g/t Au range, recognition of which will enable further refinements to future resource modelling.

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



LEGEND

Till & Bedrock Sampling
Au (ppb)

- > 50
- 21-50
- 5-20
- < 5

- sealed road
- tenement boundary

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TOUQUOY AREA
TILL & BEDROCK SAMPLING
GOLD (ppb) ASSAYS
October 2004

N

0 3
kilometres

ANOMALY D

ANOMALY C

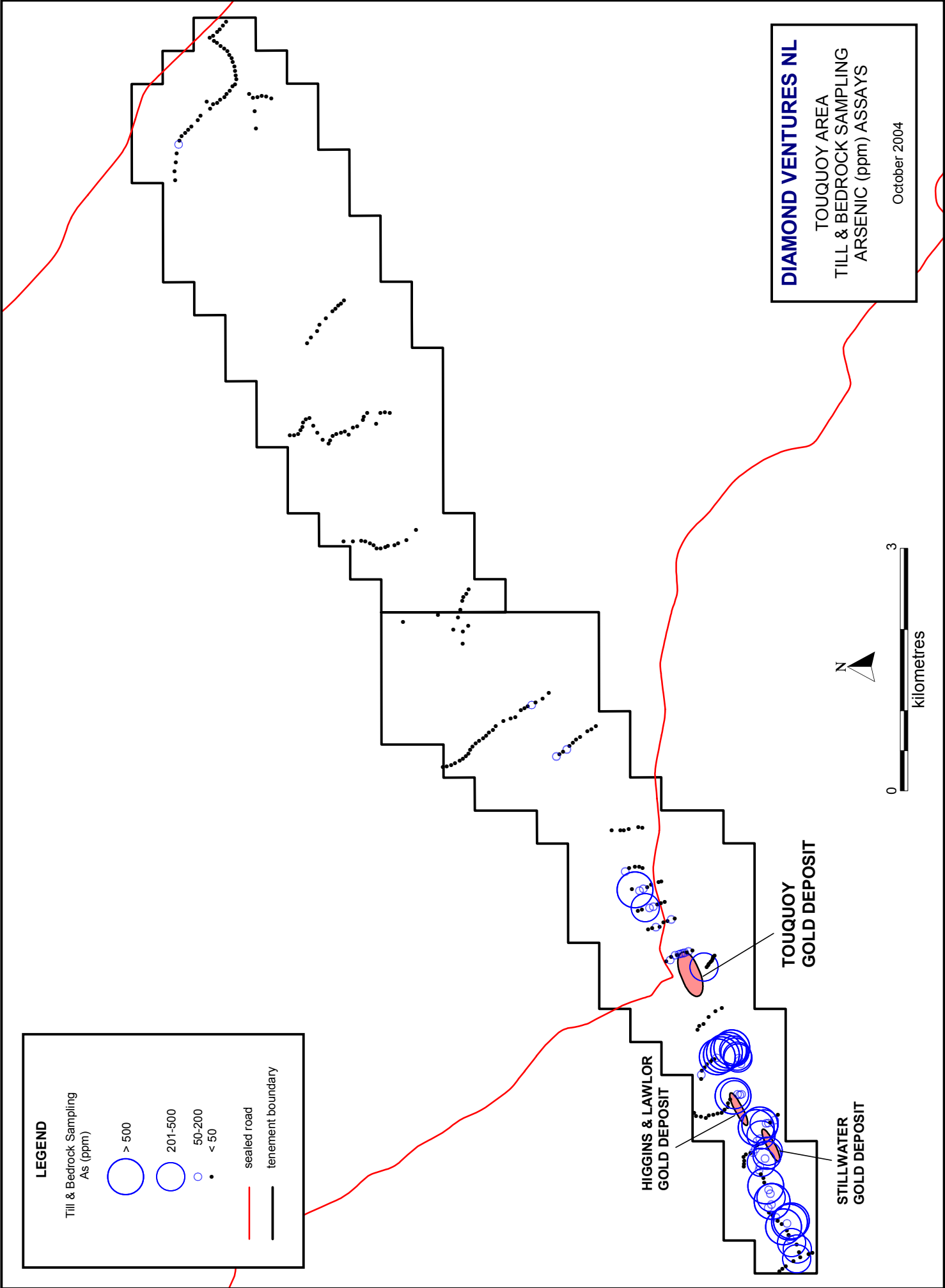
ANOMALY B

ANOMALY A

HIGGINS & LAWLOR
GOLD DEPOSIT

TOUQUOY
GOLD DEPOSIT

STILLWATER
GOLD DEPOSIT



DIAMOND VENTURES NL
 TOUQUOY AREA
 TILL & BEDROCK SAMPLING
 ARSENIC (ppm) ASSAYS
 October 2004

LEGEND

Till & Bedrock Sampling
 As (ppm)

- > 500
- 201-500
- 50-200
- < 50

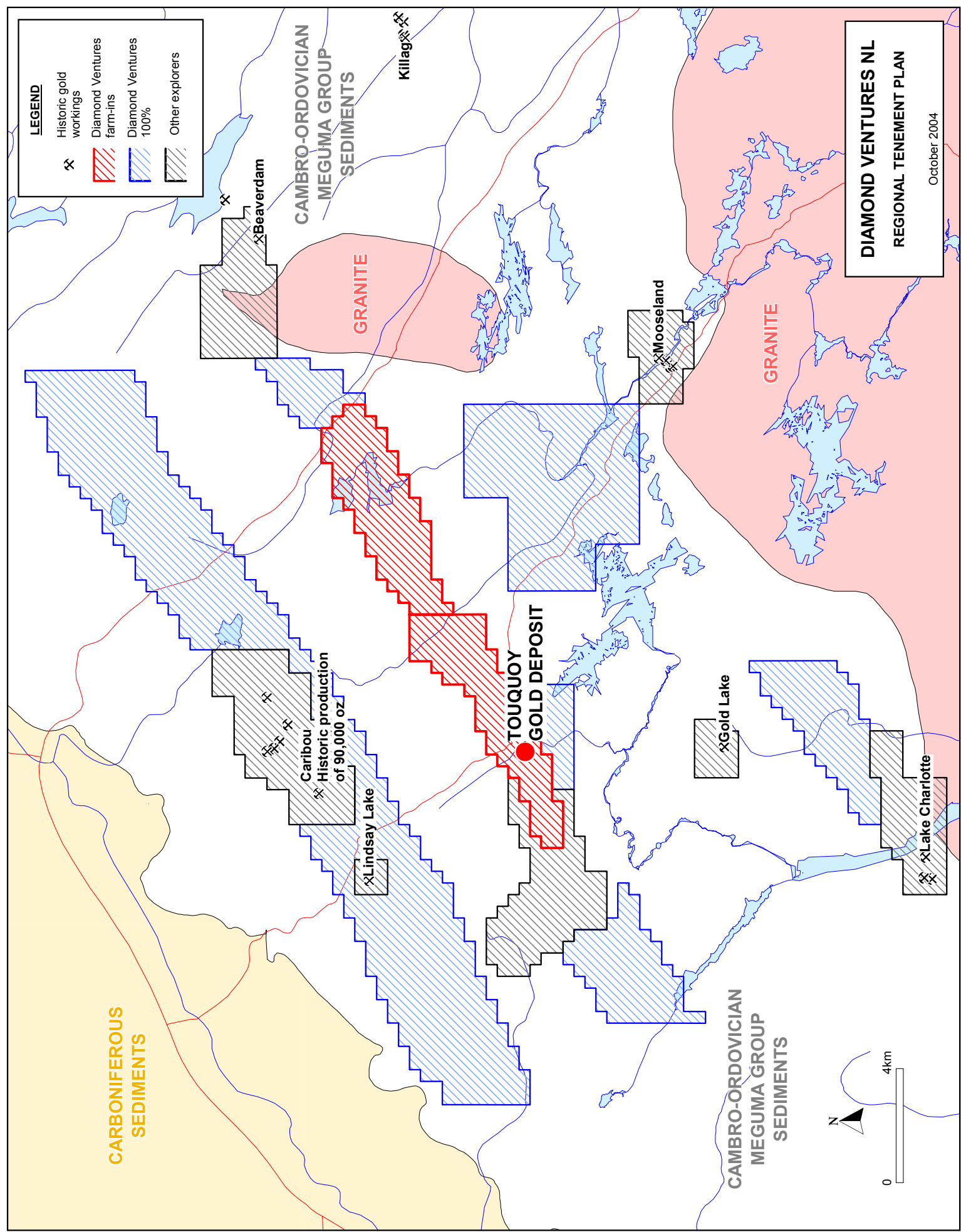
- sealed road
- tenement boundary



HIGGINS & LAWLOR
 GOLD DEPOSIT

TOUQUOY
 GOLD DEPOSIT

STILLWATER
 GOLD DEPOSIT



LEGEND

- Historic gold workings
- Diamond Ventures farm-ins
- Diamond Ventures 100%
- Other explorers

DIAMOND VENTURES NL
REGIONAL TENEMENT PLAN
 October 2004

**CARBONIFEROUS
 SEDIMENTS**

**CAMBRO-ORDOVICIAN
 MEGUMA GROUP
 SEDIMENTS**

**CAMBRO-ORDOVICIAN
 MEGUMA GROUP
 SEDIMENTS**

GRANITE

GRANITE

**TOUQUOY
 GOLD DEPOSIT**

**Caribou
 Historic production
 of 90,000 oz**

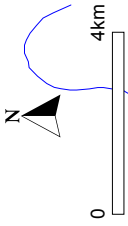
xBeaverdam

xMooseland

xGold Lake

xLake Charlotte

xLindsay Lake



Killagash