

DIAMOND VENTURES NL

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Company Announcements Office
Australian Stock Exchange
Level 10, 20 Bridge St
Sydney NSW 2000

Completion of Fund Raising

Diamond Ventures previously announced that it had received positive responses for a fund raising of \$2.5 million and had placed 14.3 million shares at 9 cents to raise \$1.28 million without shareholder approval as provided under ASX Listing Rule 7.1.

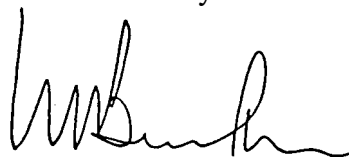
Following shareholder approval the Company placed a further 17.8 million shares at 9 cents to raise a further \$1.6 million. Shareholders were also able to participate in the raising via a Share Purchase Plan (**SPP**) at the same issue price as the placement. The SPP raised \$0.27 million.

In total the Company raised \$3.15 million and the Directors wish to thank the new and existing shareholders who participated in the raising.

In parallel with the raising the first stage of the resource delineation drilling program on the Touquoy Gold Deposit commenced on 9 May with three diamond drills deployed. Holes are being drilled on nominal 20m x 25m centres as infill to the existing drill pattern. At least 140 holes for over 10,000m will be required to complete the resource delineation, this first stage comprising about 50 holes for 4000 metres. At the present time drilling is in progress with 32 holes for 2840 metres completed. First assays are awaited.

In addition exploration of DDV's 100% owned property in the surrounding district commenced with deployment of a single RAB rig on 17 May. The objective of this regional exploration is to discover additional Touquoy style gold deposits. Reconnaissance drilling is ongoing with 135 holes for 1070 m completed to date along eight separate traverses. Assays are awaited.

Yours faithfully



W R Bucknell
Executive Director