

DIAMOND VENTURES NL
ABN 82 062 091 909
and controlled entities

FINANCIAL REPORT
FOR THE HALF YEAR ENDED
30 JUNE 2002

DIRECTORS' REPORT

DIRECTORS

The names of directors who held office during or since the end of the half year are Mr Ronald J Hawkes, Mr Water R Bucknell and Mr Donald L Cooper.

REVIEW OF OPERATIONS

Gold

KOOKYNIE GOLD PROJECT, WESTERN AUSTRALIA

(Diamond Ventures may earn 50%)

During the first half of 2002 Diamond Ventures continued to explore in the highly prospective Kookynie region of the Eastern Goldfields, Western Australia under an agreement with Barminco Pty Ltd whereby Diamond Ventures will earn a 50% interest in any development area created by the parties and in addition has the option to earn a 50% interest in the entire Barminco interests by spending in the order of \$5 million on exploration activities with the requirement to spend at least \$0.4 million each six months on exploration and /or development activities. The on-site CIP treatment plant (one million tonnes per annum) and accommodation facilities, which are owned by Barminco and presently under care and maintenance, are available to the Project.

Prefeasibility studies on the Butterfly and Admiral resources located in the Northern portion of the property were completed and 11,350 recoverable ounces of gold were estimated within the resources. Negotiations are now well advanced with the local major operator, Sons of Gwalia Ltd (SGW) to mine the two small open-pits at Butterfly and Admiral, haul the ore 40 km north to Leonora and process the ore at SGW's Gwalia treatment plant. Currently SGW is undertaking further confirmatory drilling to enable completion of a formal Feasibility Study. In parallel with these investigations a Notice of Intent with respect to mining at Butterfly and Admiral has been approved by the Department of Mineral and Petroleum Resources. Subject to completion of the Feasibility Study and execution of a formal agreement, mining is expected to commence in early September with completion of mining within four months.

BEACONSFIELD, TASMANIA

Finalisation of the formal agreement with parties representing the Beaconsfield Mine Joint Venture is nearing completion. Following execution of this agreement a major field programme will commence, the main component of which will be a drilling programme to test the various historic gold workings in the vicinity of the Beaconsfield Mine.

As previously announced the Company entered into a Memorandum of Understanding with parties representing the Beaconsfield Mine Joint Venture to undertake exploration for gold on the Joint Venture tenements located near the town of Beaconsfield in Northern Tasmania. The Company will have full exploration access to all tenements apart from an exclusion area immediately surrounding and containing the Tasmania Reef, the subject of the Beaconsfield mining operation. Past production and reserves at Beaconsfield amount to more than 1.5 million ounces. The exploration area available to Diamond Ventures covers 85 km² and includes the highly prospective corridor of favourable stratigraphy/structure which hosts the Tasmania Reef.

Diamond Ventures will commit to spend \$350,000 in the first year and a minimum of \$350,000 per year in future years to retain exploration access to the tenements. Diamond Ventures will receive reimbursement of exploration expenditure (under a prescribed formula) and may earn an 8% royalty on any potentially commercial discoveries it makes. Up to 80% of the royalty may be paid (under a prescribed formula) in advance of production. No reimbursement of exploration expenditure will occur unless Diamond Ventures makes a potentially commercial discovery.

Diamonds

ELLEDALE, WESTERN AUSTRALIA

(Diamond Ventures 53%, may earn up to 60%)

DVNL increased its share in the project from 51% to 53% as a result of the co-venturer, Auridiam Limited having elected not to contribute to joint venture expenditure. No fieldwork has been undertaken in the six months ended 30 June 2002.

MMASHORO JOINT VENTURE, BOTSWANA

(Diamond Ventures 51%, may earn up to 75%)

No fieldwork was undertaken in the six months ended 30 June 2002

BINGARA PROJECT, NEW SOUTH WALES

(DVNL 10% NPI, reducing to 5% NPI after receipts of \$2.0 million)

The project operator Cluff Resources Pacific NL, continues exploration activity centered around the Monte Christo mine at Bingara, NSW.

CORPORATE

Diamond Ventures' pro rata non-renounceable rights issue of 20 million shares each with a free attaching option was very successful and raised over \$1.1 million. The issue closed oversubscribed with approximately 22 million new shares issued.

Signed at Sydney this 5th day of September 2002 in accordance with a resolution of the directors



W R Bucknell
Director

Appendix 4B

Half yearly report

Name of entity

Diamond Ventures NL

ABN or equivalent company reference

82 062 091 909

Half yearly
(tick)



Preliminary
final (tick)



Half year ended ('current period')

30 June 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

Revenues from ordinary activities (item 1.1)	down	73%	to	15
Profit (loss) from ordinary activities after tax attributable to members (item 1.22)	down	11.4%	to	(179)
Profit (loss) from extraordinary items after tax attributable to members (item 2.5(d))	gain (loss) of	N/A		
Net profit (loss) for the period attributable to members (item 1.11)	down	11.4%	to	(179)
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend (Preliminary final report only - item 15.4)		Nil ¢		Nil ¢
Interim dividend (Half yearly report only - item 15.6)				
Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)		Nil ¢		Nil ¢
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)		N/A		
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

Condensed consolidated statement of financial performance

		Current period \$A'000	Previous corresponding period - \$A'000
1.1	Revenues from ordinary activities (see items 1.23 - 1.25)	15	57
1.2	Expenses from ordinary activities (see items 1.26 & 1.27)	(194)	(259)
1.3	Borrowing costs		
1.4	Share of net profits (losses) of associates and joint venture entities (see item 16.7)		
1.5	Profit (loss) from ordinary activities before tax	(179)	(202)
1.6	Income tax on ordinary activities (see note 4)	0	0
1.7	Profit (loss) from ordinary activities after tax	(179)	(202)
1.8	Profit (loss) from extraordinary items after tax (see item 2.5)	0	0
1.9	Net profit (loss)	(179)	(202)
1.10	Net profit (loss) attributable to outside ⁺ equity interests	0	0
1.11	Net profit (loss) for the period attributable to members	(179)	(202)
Non-owner transaction changes in equity			
1.12	Increase (decrease) in revaluation reserves		
1.13	Net exchange differences recognised in equity		
1.14	Other revenue, expense and initial adjustments recognised directly in equity (attach details)		
1.15	Initial adjustments from UIG transitional provisions		
1.16	Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)		
1.17	Total changes in equity not resulting from transactions with owners as owners		
Earnings per security (EPS)		Current period	Previous corresponding period
1.18	Basic EPS (cents)	(0.30)	(0.34)
1.19	Diluted EPS (cents)	(0.30)	(0.34)

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

		Current period - \$A'000	Previous corresponding period - \$A'000
1.20	Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	(179)	(202)
1.21	Less (plus) outside ⁺ equity interests	0	0
1.22	Profit (loss) from ordinary activities after tax, attributable to members	(179)	(179)

Revenue and expenses from ordinary activities

(see note 15)

		Current period - \$A'000	Previous corresponding period - \$A'000
1.23	Revenue from sales or services		
1.24	Interest revenue	15	42
1.25	Other relevant revenue		15
1.26	Details of relevant expenses – Administration	(191)	(251)
1.27	Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	(4)	(5)
Capitalised outlays			
1.28	Interest costs capitalised in asset values		
1.29	Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)		

Consolidated retained profits

		Current period - \$A'000	Previous corresponding period - \$A'000
1.30	Retained profits (accumulated losses) at the beginning of the financial period	(12,137)	(10,208)
1.31	Net profit (loss) attributable to members (<i>item 1.11</i>)	(179)	(202)
1.32	Net transfers from (to) reserves (<i>details if material</i>)		
1.33	Net effect of changes in accounting policies		
1.34	Dividends and other equity distributions paid or payable		
1.35	Retained profits (accumulated losses) at end of financial period	(12,316)	(10,410)

Intangible and extraordinary items

		<i>Consolidated - current period</i>			
		Before tax \$A'000 (a)	Related tax \$A'000 (b)	Related outside equity interests \$A'000 (c)	Amount (after tax) attributable to members \$A'000 (d)
2.1	Amortisation of goodwill	N/A			
2.2	Amortisation of other intangibles	N/A			
2.3	Total amortisation of intangibles	N/A			
2.4	Extraordinary items (details)	N/A			
2.5	Total extraordinary items	N/A			

Comparison of half year profits

(Preliminary final report only)

- 3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year (item 1.22 in the half yearly report)
- 3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year

	Current year - \$A'000	Previous year - \$A'000
3.1	N/A	N/A
3.2	N/A	N/A

Condensed consolidated statement of financial position		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets				
4.1	Cash	1,554	791	1,391
4.2	Receivables	14	46	17
4.3	Investments			
4.4	Inventories			
4.5	Tax assets	10	38	35
4.6	Other (provide details if material)	15	9	18
4.7	Total current assets	1,593	884	1,461
Non-current assets				
4.8	Receivables			
4.9	Investments (equity accounted)			
4.10	Other investments	0	0	436
4.11	Inventories			
4.12	Exploration and evaluation expenditure capitalised	1,747	1,450	2,194
4.13	Development properties (+mining entities)			
4.14	Other property, plant and equipment (net)	19	19	22
4.15	Intangibles (net)			
4.16	Tax assets			
4.17	Other (provide details if material)			
4.18	Total non-current assets	1,766	1,469	2,652
4.19	Total assets	3,359	2,353	4,113
Current liabilities				
4.20	Payables	137	39	69
4.21	Interest bearing liabilities			
4.22	Tax liabilities	9	12	14
4.23	Provisions exc. tax liabilities	8	14	15
4.24	Other (provide details if material)			
4.25	Total current liabilities	154	65	98
Non-current liabilities				
4.26	Payables			
4.27	Interest bearing liabilities			
4.28	Tax liabilities			
4.29	Provisions exc. tax liabilities			
4.30	Other (provide details if material)			
4.31	Total non-current liabilities	0	0	0
4.32	Total liabilities	154	65	98
4.33	Net assets	3,205	2,288	4,015

Condensed consolidated statement of financial position continued

Equity				
4.34	Capital/contributed equity	15,521	14,425	14,425
4.35	Reserves			
4.36	Retained profits (accumulated losses)	(12,316)	(12,137)	(10,410)
4.37	Equity attributable to members of the parent entity	3,205	2,288	4,015
4.38	Outside ⁺ equity interests in controlled entities			
4.39	Total equity	3,205	2,288	4,015
4.40	Preference capital included as part of 4.37			

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

		Current period \$A'000	Previous corresponding period - \$A'000
5.1	Opening balance	1,450	1,636
5.2	Expenditure incurred during current period	297	558
5.3	Expenditure written off during current period		
5.4	Acquisitions, disposals, revaluation increments, etc.		
5.5	Expenditure transferred to Development Properties		
5.6	Closing balance as shown in the consolidated balance sheet <i>(item 4.12)</i>	1,747	2,194

Development properties

(To be completed only by entities with mining interests if amounts are material)

		Current period \$A'000	Previous corresponding period - \$A'000
6.1	Opening balance		
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration and evaluation		
6.4	Expenditure written off during current period		
6.5	Acquisitions, disposals, revaluation increments, etc.		
6.6	Expenditure transferred to mine properties		
6.7	Closing balance as shown in the consolidated balance sheet <i>(item 4.13)</i>		

Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
7.1 Receipts from customers		
7.2 Payments to suppliers and employees	(47)	(295)
7.3 Dividends received from associates		
7.4 Other dividends received		
7.5 Interest and other items of similar nature received	15	42
7.6 Interest and other costs of finance paid		
7.7 Income taxes paid		
7.8 Other (provide details if material)	0	16
7.9 Net operating cash flows	(32)	(237)
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipment	(3)	0
7.11 Proceeds from sale of property, plant and equipment		
7.12 Payment for purchases of equity investments		
7.13 Proceeds from sale of equity investments	0	30
7.14 Loans to other entities		
7.15 Loans repaid by other entities		
7.16 Other – payment for exploration expenditure	(297)	(558)
7.17 Net investing cash flows	(300)	(528)
Cash flows related to financing activities		
7.18 Proceeds from issues of +securities (shares, options, etc.)	1,119	0
7.19 Proceeds from borrowings		
7.20 Repayment of borrowings		
7.21 Dividends paid		
7.22 Other (provide details if material)	(24)	0
7.23 Net financing cash flows	1,095	0
7.24 Net increase (decrease) in cash held	763	(765)
7.25 Cash at beginning of period (see Reconciliation of cash)	791	2,156
7.26 Exchange rate adjustments to item 7.25.		
7.27 Cash at end of period (see Reconciliation of cash)	1,554	1,391

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. *(If an amount is quantified, show comparative amount.)*

Nil

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	1,124	24
8.2 Deposits at call	430	1,367
8.3 Bank overdraft		
8.4 Other (provide details)		
8.5 Total cash at end of period (<i>item 7.27</i>)	1,554	1,391

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	(1193%)	(354%)
9.2 Profit after tax / +equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 4.37</i>)	(5%)	(5%)

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

	Current period	Previous corresponding period
Basic EPS (cents)	(0.30)	(0.34)
Weighted average ordinary shares (millions)	60.071	59.802
Diluted EPS (cents)	(0.30)	(0.34)
Weighted average ordinary shares and options (millions)	60.071	59.802

NTA backing

(see note 7)

	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	3.9¢	6.7¢

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

Nil

Control gained over entities having material effect

13.1	Name of entity (or group of entities)	N/A	
13.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired		\$
13.3	Date from which such profit has been calculated		
13.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period		\$

Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	N/A	
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control		\$
14.3	Date to which the profit (loss) in item 14.2 has been calculated		
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period		\$
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control		\$

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	N/A
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	N/A
15.3	If it is a final dividend, has it been declared? (Preliminary final report only)	N/A

Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.4	(Preliminary final report only) Final dividend: Current year	¢	¢	¢
	Previous year	¢	¢	¢
15.6	(Half yearly and preliminary final reports) Interim dividend: Current year	¢	¢	¢
	Previous year	¢	¢	¢

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

		Current year	Previous year
15.8	+Ordinary securities	Nil ¢	Nil ¢
15.9	Preference +securities	N/A ¢	N/A ¢

Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final dividend (distribution) on all securities

		Current period \$A'000	Previous corresponding period - \$A'000
15.10	+Ordinary securities (each class separately)	N/A	
15.11	Preference +securities (each class separately)	N/A	
15.12	Other equity instruments (each class separately)	N/A	
15.13	Total	N/A	

The +dividend or distribution plans shown below are in operation.

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The last date(s) for receipt of election notices for the +dividend or distribution plans

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Any other disclosures in relation to dividends (distributions). (For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)

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Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Profit (loss) from ordinary activities before tax		
16.2 Income tax on ordinary activities		
16.3 Profit (loss) from ordinary activities after tax		
16.4 Extraordinary items net of tax		
16.5 Net profit (loss)		
16.6 Adjustments		
16.7 Share of net profit (loss) of associates and joint venture entities		

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) <i>(item 1.9)</i>	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
17.1 Equity accounted associates and joint venture entities				
17.2 Total				
17.3 Other material interests				
17.4 Total				

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) \$	Amount paid up per security (see note 14) \$
18.1 Preference +securities <i>(description)</i>				
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3 +Ordinary securities	82,156,707	82,156,707		
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks				
18.5 +Convertible debt securities (description and conversion factor)				
18.6 Changes during current period (a) Increases through issues Rights issue 14 May 02 (b) Decreases through securities matured, converted	199,500 22,155,600	199,500 22,155,600	0.058 0.05	0.058 0.05
18.7 Options (description and conversion factor)			Exercise price	Expiry date (if any)
	733,335	0	0.25	31.12.03
	733,335	0	0.30	31.12.03
	733,330	0	0.35	31.12.03
	22,155,600	22,155,600	0.10	30.06.06
18.8 Issued during current period	22,155,600	22,155,600	0.10	30.06.06
18.9 Exercised during current period				
18.10 Expired during current period	30,751,607	30,751,607	0.20	30.06.02
18.11 Debentures (totals only)				
18.12 Unsecured notes <i>(totals only)</i>				

Segment reporting

The Consolidated Entity operates in one business segment being exploration activities. The Consolidated Entity's operations are conducted in Australia.

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *AASB 1029: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Basis of financial report preparation

19.1 The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029 *Interim Financial Reporting*, the recognition and measurement requirements of applicable AASB standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group consensus views. The half-year financial report is to be read in conjunction with the 31 December 2001 Annual Financial Report and any public announcements by Diamond Ventures NL and its Controlled Entities during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the economic entity and, except where there is a change in accounting policy as disclosed in Note 2, are consistent with those applied in the 31 December 2001 Annual Financial Report.

The half-year report does not include full note disclosures of the type normally included in an annual financial report.

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Nil

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

N/A

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Nil

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

N/A

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N/A

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

Nil

Additional disclosure for trusts

20.1 Number of units held by the management company or responsible entity or their related parties.

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20.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

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Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the +annual report will be available

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views.
- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report gives a true and fair view of the matters disclosed.
- 4 This report is based on accounts to which one of the following applies.
(Tick one)
- | | | | |
|--------------------------|---|-------------------------------------|---|
| <input type="checkbox"/> | The +accounts have been audited. | <input checked="" type="checkbox"/> | The +accounts have been subject to review. |
| <input type="checkbox"/> | The +accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The +accounts have <i>not</i> yet been audited or reviewed. |
- 5 The audit report or review by the auditor is attached.
- 6 The entity has a formally constituted audit committee.

Sign here:



Date: 5 September 2002

Print name: W R Bucknell, Director

DIAMOND VENTURES NL
ABN 82 062 091 909
and controlled entities

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial report in the form of Rule 4.13(b) version of Appendix 4B of the Australian Stock Exchange Listing Rules, as set out on pages 4 to 18, is in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 1029 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2002 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



W R Bucknell
Director

Sydney. 5 September 2002

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF DIAMOND VENTURES NL

Scope

We have reviewed the financial report of Diamond Ventures NL for the half year ended 30 June 2002, in the form of Rule 4.13(b) version of Appendix 4B of the Australian Stock Exchange Listing Rules, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes and the directors' declaration, set out on pages 4 to 19. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Company and the entities it controlled at the end of the half year or from time to time during the half year. The Company's directors are responsible for the financial report.

We have performed an independent review of the financial report in order to state whether, on the basis of procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the consolidated entity's financial position and performance as represented by the results of its operations and its cash flows and in order for the Company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. The review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. Our review has not involved a study and evaluation of internal accounting controls, tests of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Diamond Ventures NL is not in accordance with:

- a) the Corporations Act 2001, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2002 and of its performance for the half year ended on that date; and
 - ii) complying with Accounting Standard AASB 1029 *Interim Financial Reporting* and the Corporations Regulations 2001, and
- b) other mandatory professional reporting requirements.

KPMG

Trent van Veen
Partner

Sydney, 5 September 2002