

DIAMOND VENTURES NL

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29 April 2005

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

QUARTERLY REPORT FOR PERIOD ENDING 31 MARCH 2005

HIGHLIGHTS

TOUQUOY GOLD PROJECT – Nova Scotia Canada

- As part of the Touquoy Feasibility Study the first stage of the resource delineation diamond drilling program is planned to be underway in early May.
- RAB drilling of regional geochemical, geological and geophysical targets is planned to commence in mid May.
- DDV has increased its wholly owned holdings of highly prospective ground within 25 km of Touquoy to 470 km². Within this 25 km radius of Touquoy past production and present resources held by others together with Touquoy amounts to about 1.5 million ounces gold.
- Feasibility Study and project permitting activities are ongoing.

BINGARA DIAMOND PROJECT – NSW

- Project operator, Cluff Resources Pacific NL, reports recovery of 41 diamonds aggregating 5.89 carats (largest being 0.48 carats) from 94 tonnes of disrupted bedrock at surface.

CORPORATE

- A raising of at least \$2.5 million by way of placements at 9 cents per share is in progress with \$1.28 million received and the remainder due in early May following shareholder approval. Additional funds are being raised by means of a share purchase plan at the same price and which will close on 20 May.

GOLD

TOUQUOY GOLD PROJECT Nova Scotia Canada

(DDV may earn up to 75%)

TOUQUOY GOLD DEPOSIT

The target at Touquoy is a production scenario incorporating an on-site gold treatment plant with a 1.5 million tonne per annum throughput and a 7 year minimum mine life to produce approximately 90,000 ounces gold per year. This target implies a further increase in the existing resource inventory, to which the ongoing drilling and wider exploration is being applied. Due diligence and scoping studies undertaken by DDV confirm that the Touquoy deposit has a low stripping ratio (3.5:1), excellent ore metallurgy (free milling with >95% recovery) and favourable ore grindability characteristics. The property is located in an old gold mining area about 110 km by sealed roads from Halifax, the capital of Nova Scotia.

With the funding now in place activities leading to completion of a Feasibility Study on the Touquoy Gold Deposit, anticipated by the end of 2005, are being progressed:

Diamond Drilling

As the first major work in advancing the Feasibility Study a diamond drilling programme is planned to commence at Touquoy in early May. This programme represents the first half of a staged resource delineation drilling programme to complete infill of the existing drilling of the Touquoy Deposit on 20m x 25m centres. Completion of the delineation drilling programme is expected to enable estimation of Measured and Indicated Resources for the deposit and from which Reserves may be subsequently developed. Two drilling rigs will be employed and this first stage is expected to be completed by mid-July.

As previously reported the resource estimate for the Touquoy Deposit presently stands at 6.91 million tonnes @ 2.1 g/t for 472,000 ounces gold, of which 4.44 million tonnes @ 2.1 g/t for 300,000 ounces are classified as Indicated Resources and 2.47 million tonnes @ 2.2 g/t for 172,000 ounces are classified as Inferred Resources. These estimates are based on results from 187 drillholes.

Concurrent with the resource delineation drilling geotechnical and hydrogeological investigations will be made using input by specialist consultants.

Metallurgy

Preliminary metallurgical testwork by Metcon Laboratory in Brookvale NSW on two 100kg composite drill core samples of mineralised argillite and greywacke has been completed. This testwork showed that:

- the gold was free milling with a very high proportion (>75%) recoverable by gravity concentration and with overall recoveries in excess of 95%
- reagent consumptions were low and only short leach times were required after gravity separation
- both the argillite and greywacke were easy to grind with Bond mill work indices of 10kWh/tonne or less.

Overall the results demonstrate that the mineralisation at Touquoy as represented by the samples tested, is highly amenable to conventional gold processing.

Additional comprehensive testwork will be undertaken in the coming months.

Permitting

The permitting process continues to advance with ongoing routine collection of seasonal baseline environmental data particularly relating to surface water chemistry and drainage flow characteristics at the project site. No issues of concern have arisen. A second and final fauna and flora survey will be undertaken in June. It is anticipated that the baseline environmental monitoring program will be completed in the (northern) summer with results to be incorporated into the requisite Environment Registration Document.

Concurrent with these investigations, activities relating to community and government departmental liaison, and land acquisition remain ongoing.

Diamond Ventures is earning a 60% interest in the Touquoy Gold Project by spending C\$2.2 million by 31 December 2005, with further staged cash payments of C\$40,000. An additional 15% interest can be acquired in the property outside the general area of the known resource by securing project financing.

REGIONAL EXPLORATION

RAB Drilling

A reconnaissance RAB drilling programme is planned to commence in mid May. Drilling will investigate selected targets seeking additional open-pittable ore on DDV's 100% owned property in the Touquoy district. Seven targets have initially been selected and these are located on the accompanying plan (shown as red dots). Target selection is based on a combination of favourable

soil and till geochemistry, geology, aeromagnetism and along-strike relationships to known gold occurrences/workings.

This initial phase will comprise about 150 holes to be drilled along seven traverses. As previously, vertical holes will be drilled to sample the basal till and retrieve a short bedrock sample. Holes are expected to average 10–15 m depth.

Ground Acquisition

Further ground acquisition was made with additional claims pegged in the Bear Lake, Lake Charlotte and West Stillwater areas. These additional claims cover 44 km² bringing the total 100% owned ground held to approximately 470 km².

In addition a nine-claim block at Lindsay Lake covering an area of historic workings was optioned on favourable terms.

BINGARA PROJECT, New South Wales (DVNL 10% NPI, reducing to 5% NPI after receipts of \$2.0 million)

Project operator Cluff Resources Pacific NL reports that:

Forty one gem quality diamonds have been recovered in the lower sample taken from the recently excavated pit at Craddock's Mine. The largest stone was 0.48 carats and of yellow colour...

The diamond-bearing rock crops out at the surface, and was extracted to a depth of about six metres....

Ninety four tonnes of disrupted bedrock were processed, yielding forty one diamonds weighing 5.89 carats. The grade recovered is 6.3 carats per hundred tonnes. Stones of a similar size and nature from the nearby Monte Christo pit have been sold previously by the company for \$US42.45/carat. A 1.2 mm lower size cut off was used in the plant....

Large tonnages of similar disrupted bedrock are known on the Bingara diamond field. This result clearly demonstrates that exploration is warranted to determine the potential of such rocks to host diamonds at grades suitable for modern large scale mining.

OTHER PROJECTS

No fieldwork was undertaken during the quarter on the Kookynie (WA), Beaconsfield (Tas) or Mt Drysdale (NSW) gold projects, or on the Ellendale Joint Venture (WA) diamond project.

CORPORATE

During the quarter the Company announced that it had received positive responses for a fund raising of \$2.5 million by way of placements and that it had placed \$1.28 million at 9 cents without shareholders' approval as provided for under ASX Listing Rule 7.1. At a General Meeting of shareholders held this morning the Company has obtained the necessary shareholder approval to complete the balance of the fund raising.

The Company has also given existing shareholders the opportunity to acquire shares at the same issue price as the placement by means of a Share Purchase Plan (SPP). The SPP has already opened and the Company has been encouraged by the response to date. The SPP will close on Friday 20 May 2005. The Company appreciates the continued support of shareholders.

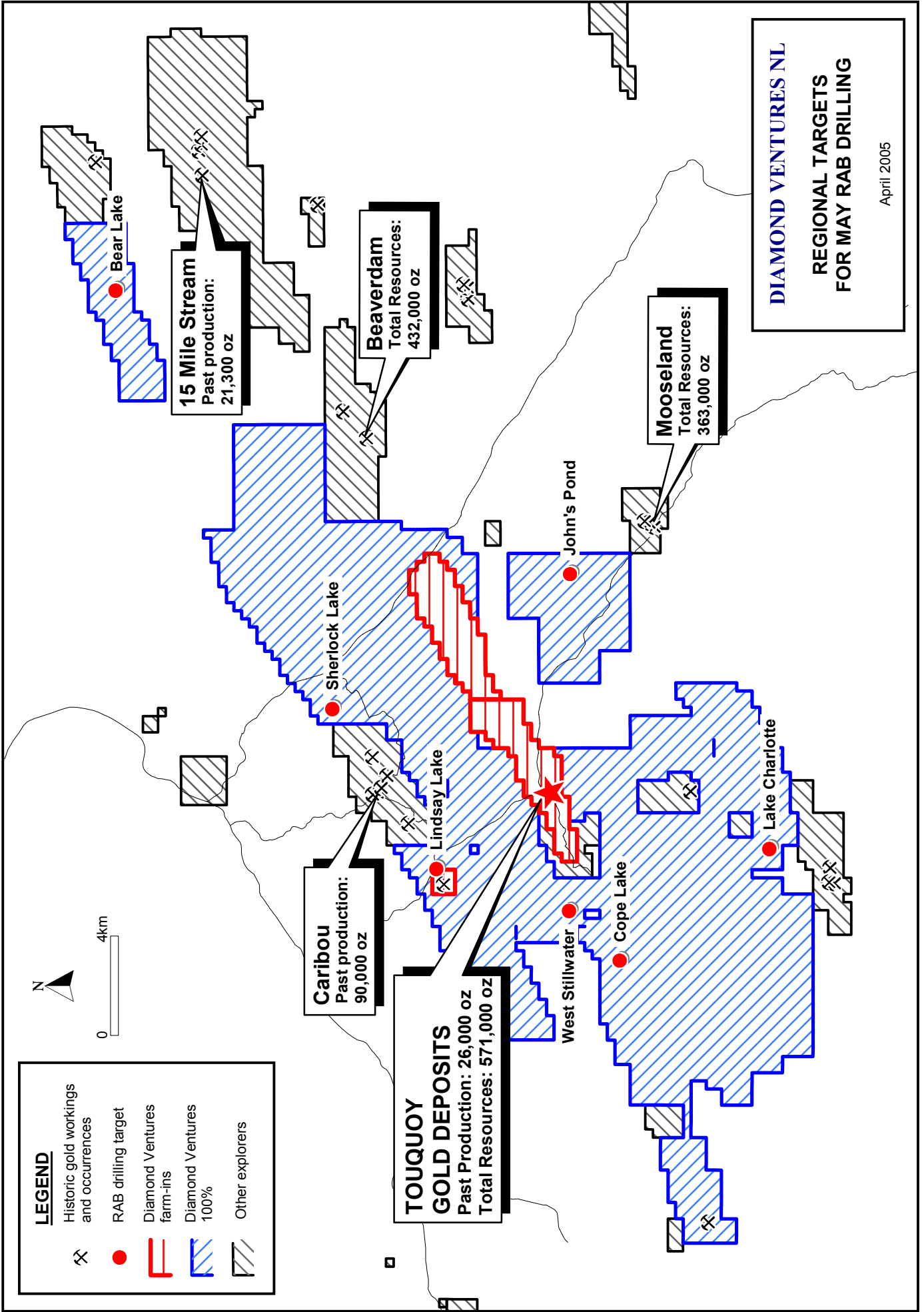
This report was compiled by WR Bucknell who is a Corporate Member of the Australasian Institute of Mining and Metallurgy.

This report and accompanying plans will be posted on the Company's website, www.diamondventures.com.au following its release to the Australian Stock Exchange.

Yours faithfully



W R Bucknell
Director



Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Diamond Ventures NL

ABN

82 062 091 909

Quarter ended ("current quarter")

31 March 2005

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(184)	(184)
(b) development		
(c) production		
(d) administration	(89)	(89)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(269)	(269)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects		
(b)equity investments		
(c) other fixed assets	(27)	(27)
1.9 Proceeds from sale of: (a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other – Security deposits		
Net investing cash flows	(27)	(27)
1.13 Total operating and investing cash flows (carried forward)	(296)	(296)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(296)	(296)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,284	1,284
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – costs of share placement	(41)	(41)
	Net financing cash flows	1,243	1,243
	Net increase (decrease) in cash held	947	947
1.20	Cash at beginning of quarter/year to date	478	478
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,425	1,425

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	46
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Directors fees	22
Salaries	24

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	500
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,326	(50)
5.2 Deposits at call	99	529
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,425	478

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	31 exploration licences in the Moose River area	100% owned by DDV Gold Limited (Canada)	0	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

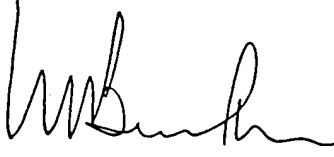
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities Fully paid DDV Partly paid 5c DDVCB	117,237,530 30,296,342	117,237,530 30,296,342	20 cents	5 cents
7.4 Changes during quarter (a) Increases through issues – Fully paid DDV (b) Decreases through returns of capital, buy-backs	14,268,112	14,268,112		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i> – DDVOA – DDVAI	23,615,931 2,200,000	23,615,931	<i>Exercise price</i> \$0.10 \$0.20	<i>Expiry date</i> 30.06.06 31.12.08
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 29 April 2005
(Director/Company secretary)

Print name: Walter R Bucknell

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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