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DIAMOND ROSE NL

14 February 2003

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Dear Shareholder

Enclosed please find two important items that seriously affect you as a Diamond Rose shareholder, albeit in the Directors opinion, in a very positive manner.

Firstly, we recommend you carefully consider the Kimberley Rose prospectus of which Diamond Rose is the major shareholder. It is our belief that the portfolio presented in this prospectus contains diamond potential in the Kimberley region. Every one of the nine major projects, covering close to 4,000 square kilometers, have already produced diamonds and indicator minerals and are at an advanced stage of exploration.

DeBeers Australia is our partner in the existing Hann project and it is our intention to joint venture the remaining projects when possible to minimize expense to the Company and maximize speed of discovering the source/s of diamonds.

The stakes are exceedingly high. In order to be of interest to a major joint venture partner a mine would need to be worth on average between 1 to 3 billion dollars. It is not an unreasonable assumption that there has to be more than one Argyle in this mineral rich country of ours. No doubt, one such discovery would recreate excitement in the diamond sector. It is hoped that Diamond Rose through its current projects and through its position in Kimberley Rose will produce just that discovery in the not too distant future. We offer you the opportunity to be an integral part of that quest and its potential rewards.

The next important issue we would like you to consider is the Notice of Meeting to shareholders.

Diamond Rose has now entered into a completely new phase of the Company's activities due to the proposed acquisition of the Guanaco gold mine in Chile. Better than discovering gold, is having proven resources and a mine plant on site ready to produce cash flow and subsequent dividends for shareholders.

It is indeed rare for an exploration company of our size to have such a significant opportunity in our area of activity. This even surpasses our own expectations.

A significant change in the Company's activities requires shareholder approval and as such we ask that you consider the resolutions put to you in the Notice of Meeting. The Directors recommend that the Guanaco mine purchase and all associated resolutions be approved by shareholders.

Should you have any questions please feel free to give us a call.

Yours truly

Pnina Feldman

Executive Director / Chairperson

The offer of securities in Kimberley Rose Australia Limited is made in the Prospectus dated 15 January 2003 and lodged with ASIC on that date.

Anyone wishing to acquire securities must complete the application form that will be in or accompany the Prospectus.