Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000.

Name of entity

DIAMOND ROSE NL

ACN, ARBN or ARSN

ACN 075 860 472

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	ORDINARY SECURITIES AND OPTIONS TO SUBSCRIBE FOR FULLY PAID SHARES
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	195,232,040 FULLY PAID SHARES 27,732,040 OPTIONS
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	195,232,040 FULLY PAID SHARES 27,732,040 20 CENT OPTIONS EXERCISABLE ON OR BEFORE 14 October 2009

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: ?? the date from which they do ?? the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment ?? the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	YES
5	Issue price or consideration	195,232,040 ORDINARY SECURITIES (4 CENTS)
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	76,500,000 ORDINARY SECURITIES (PLACEMENT) 27,732,040 ORDINARY SECURITIES (CONVERSION OF CONVERTIBLE NOTE) 91,000,000 ORDINARY SECURITIES (EXERCISE OF 4 CENT OPTIONS) 27,732,040 OPTIONS (IN CONSIDERATION OF THE CONVERSION OF A CONVERTIBLE NOTE)
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	27,732,040 ORDINARY SECURITIES (14 OCTOBER 2004) 76,500,000 ORDINARY SECURITIES (17 JANUARY 2005) 91,000,000 ORDINARY SECURITIES (1 MARCH 2005) 27,732,040 OPTIONS (14 OCTOBER 2004)

8 Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
404,191,542	ORDINARY SECURITIES

+ See chapter 19 for defined terms.

9 Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class	
	OPTIONS	
	Exercise Price	**Expiry date**
9,000,000	4 cents	14 October 2009
3,000,000	10 cents	31 December 2005
23,000,000	12 cents	30 November 2007
27,732,040	20 cents	14 October 2009
44,245,110	20 cents	30 November 2007
11,122,850	20 cents	20 June 2007
19,250,000	20 cents	8 June 2006
2,700,000	20 cents	31 December 2005
3,650,000	30 cents	31 December 2005
143,700,000	**TOTAL**	

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

AS BEFORE ISSUE

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

N/A

12 Is the issue renounceable or non-renounceable?

N/A

13 Ratio in which the +securities will be offered

N/A

14 +Class of +securities to which the offer relates

N/A

15 +Record date to determine entitlements

N/A

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

N/A

17 Policy for deciding entitlements in relation to fractions

N/A

18 Names of countries in which the entity has +security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

N/A

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements *in full* through a broker?	N/A
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 ☐ The names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ A distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

(now go to 43)

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	195,232,035 (Following reduction by 5 ordinary securities to reconcile Company register)
39	Class of +securities for which quotation is sought	ORDINARY SECURITIES

40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: ?? the date from which they do ?? the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment ?? the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	YES
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	COMPLETION OF TRANSACTIONS APPROVED BY SHAREHOLDERS ON 6 SEPTEMBER 2004 AND ISSUE UPON CONVERSION OF 14 OCTOBER 2004 CONVERTIBLE NOTE

		Number	+Class
42	Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)	404,191,542	ORDINARY SECURITIES

(now go to 43)

All entities

Fees

43 Payment method (tick one)

☐ Cheque attached

☐ Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

☐ Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant to ASX that the issue of the +securities to be quoted complies with the law and is not for an illegal purpose, and that there is no reason why those +securities should not be granted +quotation. We warrant to ASX that an offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) of the Corporations Law.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .... Date: 10 March 2005
(Company Secretary)

Print name: Henry Kinstlinger

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+ See chapter 19 for defined terms.