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Quarterly Report – Fourth Quarter June 2005

Diamond Rose NL
A.C.N. 075 860 472

28 July 2005

The Board of Diamond Rose NL is pleased to advise the following activity for the quarter ended 30 June 2005.

EXPLORATION ACTIVITIES

Australian Projects

A comprehensive report as to the status of the Company's exploration projects was included in the Company's Pre-Reinstatement Disclosure Statement released to market on 19 May 2005, a copy of which is available on the Company's website at www.diamondrose.com.au.

The Company agreed to engage K Fox & Associates as consultant geologists to the Company.

Keith Fox has had over 30 years experience in the management and appraisal of gold, nickel and base metal exploration projects, including the discovery of significant resources in Western Australia and the Northern Territory. He is based in Perth.

Keith Fox will oversee the Company's Australian projects and has recommended a program of works to commence during the September (2005) quarter.

Other than previously reported, no exploration work was carried out on the Company's Australian tenements during the June quarter.

Guanaco Project – Chile – 35.78% Interest

During the June quarter a review of the programme of work on the Guanaco Project undertaken during the previous twelve months was completed by Sandercock and Associates Pty Ltd.

The Company has commenced a feasibility program which includes resource and reserve determination to JORC standards and further regional exploration.

CORPORATE

On 25 May 2005 the Company received a $1 million advance contribution on account of a future securities issue from Guanaco Capital Holdings Corp which holds an indirect interest of 38.9% in the Company. Shareholders will be given the opportunity of participating in any such future securities issue.

The Company's securities were reinstated to trading on 26 May 2005.

Discussions are continuing with various parties to enable the Company to increase its interest in the Guanaco Project from its current holding of 35.78%.

Henry Kinstlinger
Company Secretary