



DIAMOND ROSE NL

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31 May 2006

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GUANACO PROGRAMME UPDATE

Guanaco Drilling Programme Completed

Diamond Rose has been advised that the drilling programme at the Guanaco gold-silver-copper project has concluded. The Company has a 35.78% interest in the project.

The program objective is to validate previously reported inferred resources.

A total of 13,035 metres were drilled over 74 holes and interim results confirm continuity and with high gold grades recorded from some intercepts in the Cachinalito and Dumbo Oeste Structures.

- The extension of the Cachinalito structure has been confirmed along strike for approximately 1.6 km and is still open along strike and depth.
- The results on the Dumbo Oeste structure confirm the continuity of more than 150 metres of gold, silver and copper mineralization in the west face of the Dumbo open pit.

Drill results will be released once check assaying is completed and the data is validated.

Data modelling is under way and an extension of the programme will be reviewed.

Appointment of Manager

Mr Stabro Kasaneva has been appointed Exploration Manager over the Guanaco Programme following a six month engagement as independent consultant.

Mr Kasaneva graduated as a geologist from the Universidad Católica del Norte, Antofagasta, Chile in 1988 and has extensive experience in the mining industry, having previously held positions with Meridian Gold Inc, Compañía Minera Mantos De Oro, Codelco Chile, Inversiones Mineras Del Inca among other leading exploration and mining operations.

At Meridian since January 1999, Mr Kasaneva progressed from Senior Geologist to Exploration Manager and Business Development Manager evaluating multiple business opportunities in Canada, USA, Mexico, Central America, Venezuela, Peru, Uruguay, Argentina, Ecuador and Chile. He was instrumental in the discovery of the Dorada and Fortuna veins in the El Penon area.

The directors are encouraged by the confirmatory results and welcome Mr Kasaneva who will oversee the development of the Guanaco Programme.

Henry Kinstlinger
Company Secretary

This information is considered exploration information only and not a resource in the terms required by the JORC Code standards for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

The consultants engaged on the project qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves" (JORC Code). A list of the names of the Competent Persons is available upon request. The above statement fairly reflects the reports prepared by these Competent Persons and has been prepared by Professor Isidoro Schalamuk BA, Geology, PhD.

Professor Schalamuk is a professor of Economic Geology; Director of the Institute of Mineral Resources of La Plata University; Consultant to PNUD (United Nations Development Programme) and mineral resource companies; Fellow of the Society of Economic Geologists; an Academic of the National Council of Science and Technology of Argentina and prior Dean of the Natural Science Faculty UNLP.

Professor Schalamuk consents to the inclusion in this report of the matters based on the consultant's information in the form and context in which it appears.