



DIAMONEX LIMITED

ABN 26 091 951 978

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Milton Qld 4064
Australia
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Postal Address:
PO Box 1357
Milton Qld 4064

ASX ANNOUNCEMENTS AUSTRALIAN STOCK EXCHANGE

20 July 2007

NOTICE OF MEETING

Please find attached Notice of General Meeting and Proxy Form which has been mailed to shareholders.

For further information, contact:

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NOTICE OF GENERAL MEETING

DIAMONEX LIMITED

ABN 26 091 951 978

Notice is given that a general meeting of the shareholders of DiamonEx Limited (**Company**) will be held at Level 1 349 Coronation Drive, Milton Queensland Australia on 20 August 2007 at 10:00am.

Mandate to Issue up to 27 million Shares

To consider and if thought fit, pass the following resolution as an ordinary resolution:-

That in accordance with Listing Rule 7.1 of the Australian Securities Exchange Listing Rules, and for all other purposes, the Directors be authorised, at their discretion, to allot and issue up to 27 million fully paid ordinary shares in the capital of the company, at an issue price of thirty-one cents and otherwise on the terms set out in these Explanatory Notes.

Voting Exclusion

The company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board

Paul Crawford
Company Secretary

17 July 2007

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting to be held at Level 1 349 Coronation Drive, Milton Queensland Australia on 20 August 2007 commencing at 10:00am.

The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions. The Directors recommend that Shareholders read this Explanatory Statement before determining whether to support the resolutions or otherwise.

Other than as contained in the Notice of General Meeting and Explanatory Statement, the Directors believe that there is no other information known to the Company or to any of the Directors that is reasonably required by Shareholders to decide whether or not it is in the Company's best interests to pass any of the resolutions.

Mandate to Issue up to 27 million Shares

This resolution seeks shareholder approval to issue up to 27 million shares at an issue price of 31 cents. Listing Rule 7.1 limits the number of equity securities which a company may issue in any 12 month period without shareholder approval, subject to certain exceptions. The maximum limit is 15% of the total number of fully paid ordinary securities on issue at the beginning of any 12 month period, plus the number of fully paid ordinary securities issued with the approval of shareholders, or under one of the exceptions to Listing Rule 7.1, during the previous 12 months.

If shareholders approve this resolution, the effect is that the 27 million shares proposed to be issued under the mandate will be excluded from the calculation of equity securities permitted to be issued under the annual 15% limit.

In accordance with the disclosure requirements of ASX Listing Rule 7.3 the following information is provided:

- (i) The maximum number of shares the company will allot and issue is 27,000,000 fully paid ordinary shares;
- (ii) The allotment and issue of shares may be made progressively within 3 months after the date of the meeting to consider the resolution;
- (iii) The issue price of the shares will be 31 cents;
- (iv) The details of the allottees are yet to be finalised. However they will be international institutional investors arranged through London-based broker Fox Davies Capital Limited;
- (v) The proposed shares will rank *pari passu* with existing full paid ordinary shares on issue; and
- (vi) Funds raised through any share issue undertaken will be used in conjunction with approved loan funds to fund the development of the company's Lerala Mine; continue exploration; pursue development initiatives and for working capital requirements.

The offer or invitation in relation to the issue of shares contemplated under this resolution, are intended to be by way of offers that do not need disclosure under section 708 of the Corporations Act 2001 and consequently would be excluded from the requirement to prepare a disclosure document under the Corporations Act. However, if in the event the offer(s) to subscribe for fully paid ordinary shares, subject to this mandate, cannot be satisfied under section 708 of the Corporations Act, then the company may elect to prepare a disclosure document and lodge and register if required, the disclosure document with the Australian Securities and Investments Commission under Part 6D 2 to the Corporations Act. If this occurs the company will make an appropriate announcement to the Australian Securities Exchange and the Botswana Stock Exchange advising of such a requirement.

Assuming this resolution is passed and the full mandate is placed, the company's issued capital will increase from 108,112,863 shares to 135,112,863 shares.

The Directors unanimously recommend that shareholders approve this resolution.



DiamonEx Limited
ABN 26 091 951 978

Please return your Proxy forms to:

Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000
Locked Bag A14, Sydney South NSW 1235 Australia
Telephone: (02) 8280 7454
Facsimile: (02) 9287 0309
ASX Code: DON
Website: www.linkmarketservices.com.au

APPOINTMENT OF PROXY

If you would like to attend and vote at the General Meeting, please bring this form with you. This will assist in registering your attendance.



X99999999999

I/We being a member(s) of DiamonEx Limited and entitled to attend and vote hereby appoint

A

the **Chairman of the Meeting**
(mark box)

☐

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the General Meeting of the Company to be held at 10:00am on Monday, 20 August 2007, at Level 1, 349 Coronation Drive, Milton and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

B

To direct your proxy how to vote on any resolution please insert ☒ in the appropriate box below.

For Against Abstain*

Resolution 1

Mandate to Issue up to 27 million Shares

☐☐☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

C

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the *Corporations Act 2001* (Cwlth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

DON PRX741



How to complete this Proxy Form

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am on 17 August 2007, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

- by posting, delivery or facsimile to DiamonEx Limited's share registry as follows:
DiamonEx Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: (02) 9287 0309
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.