

Appendix 3B

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

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

DIAMONEX LIMITED

ABN

26 091 951 978

We (the entity) give ASX the following information:

Part 1 - All issue

1	Class of securities issued or to be issued	Ordinary Shares
2	Number of securities issued or to be issued (if known) or maximum number which may be issued	13,520,000
3	Principal terms of the securities	As per existing ordinary fully paid shares
4	Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?	Yes
5	Issue price or consideration	\$0.31
6	Purpose of the issue	Continue development of the Lerala Diamond Mine and working capital
7	Dates of entering securities into uncertificated holdings or despatch of certificates.	20 August 2007
8	Number and class of all securities quoted on ASX	Number
		131,391,075
9	Number and class of all securities not quoted on ASX	Class
		Options exercisable at 35 cents on or before 29 December 2011
10	Dividend policy on the increased capital (interests)	Not Applicable

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the securities will be offered	
14	Class of securities to which the offer relates	
15	Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new issue documents	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
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	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements in full through a broker?	

Appendix 3B – New Issue Announcement

- 31 How do security holders sell part of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 Despatch date

Part 3 - Quotation of securities

34 Type of securities (tick one)

- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders
- 36 If the securities are equity securities, 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

Entities that have ticked box 34(b)

- 38 Number of securities for which quotation is sought
- 39 Class of securities for which quotation is sought
- 40 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?
If not, please state:
 - the date from which they do
 - the extent to which they participate for the next dividend, or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now

Number		Class	
- 42 Number and class of all securities quoted on ASX (including the securities in clause 38)

Number		Class	

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 the following to ASX.
 - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those securities should not be granted quotation.
 - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.
- 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.

Notice pursuant to subsection 708A(5)(e) of the Corporations Act 2001 (Cth) (Act)

1. Diamonex Limited advises that on 20 August 2007 it allotted and issued the following securities:
13,520,000 fully paid ordinary shares issued at 31 cents
2. As required by subsection 708A(6) of the Act the directors of the Company advise that:
 - (i) the Company issued the shares without disclosure to investors under Part 6D.2 of the Act;
 - (ii) this Notice is being given pursuant to subsection 708A(5)(e) of the Act;
 - (iii) as at the date of this Notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to the Company, and
 - (b) section 674 of the Act; and
 - (iv) as at the date of this Notice, the Company is not in possession of any excluded information as defined in subsections 708A(7) and 708A(8) of the Act.

Sign here:



Date: 20 August 2007

(Director/Company Secretary)

Print name: **PAUL CRAWFORD**