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10 November 2011

ASX ANNOUNCEMENT AUSTRALIAN SECURITIES EXCHANGE

AGREEMENT TO ACQUIRE SECHABA NATURAL RESOURCES (PTY) LIMITED

The Directors wish to announce that DiamonEx Limited (“DON” or the “Company”) has entered into a binding terms sheet (“Terms Sheet”) with Shumba Resources Limited (“Shumba”) to acquire all the shares in Sechaba Natural Resources (Pty) Limited (“Sechaba”).

DON has agreed with Shumba to acquire the shares in Sechaba for \$6,395,000 by the issue of 2,299,005,454 shares at an issue price of \$0.0028 per share.

Sechaba is a private company incorporated in the Republic of Botswana which has entered into agreements to acquire three coal exploration licences in Botswana (“Licences”), all of which are in the process of being transferred to Sechaba. Shumba, the vendor of Sechaba, is a company majority owned by Botswana citizens who will each be distributed, in specie, all or a majority of the shares being issued to Shumba.

The Licences cover around 750km² of exploration ground in central and north eastern Botswana with one of the Licences containing a JORCⁱ compliant resource of 968 million tonnes of coal (referred to in this announcement as the “Sechaba Project”).

The Sechaba Project covers an area 250km² and is located in the central region of Botswana northeast of the township of Serowe. More importantly, it is just 30km from Botswana’s coal fired power station, Morupule “A”, which has 90MW of installed capacity, and also Morupule “B” currently under construction and adding an additional 600MW.

The JORC Resource for the Sechaba Project is summarised below:

RESOURCE CATEGORY	AREA (m ²)	SEAM THICK (m)	CTIS (Mt)	GEOL LOSS %	TTIS (Mt)	ASH (%)	CV (MJ/kg)	TS (%)	VM (%)
Indicated Resources									
Morupule Main Seam	11	2.43	44	10	40	27.85	18.59	1.84	21.66
Taukome Bright	18	2.12	69	10	63	30.64	19.73	2.65	27.77
TOTAL INDICATED	29		113		103				
Inferred Resources									
Morupule Main Seam	62	2.96	302	15	257	31.33	17.34	1.72	20.61
Taukome Bright	176	1.97	553	15	470	34.95	18.16	2.50	26.24
TOTAL INFERRED	238		855		727				

Geological Loss = Geological Structural Elements, 5% Indicated, 10% Inferred + 5% Modelling Loss
ADUC = Air Dried Un-Contaminated

The Sechaba project contains two coal seams with a minimum depth to the upper seam of 32m and a maximum depth to 205m, and the lower seam with a minimum depth to 100m and a maximum depth to 244m.

The other two exploration licences cover around 500km² of area and which are known based on historical exploration data to contain coal although have not yet been explored sufficiently to determine whether a JORC compliant resource exists.

The Terms Sheet is subject to a number of conditions precedent including:

1. DON completing to its absolute satisfaction, a technical, legal and financial due diligence of Sechaba within three months of the date of the Terms Sheet;
2. Shumba completing to its absolute satisfaction, a legal and financial due diligence of DON within three months of the date of the Terms Sheet;
3. DON advancing, within five weeks of the date of the Terms Sheet, to Sechaba by way of loan secured against the Licences, \$750,000 repayable in the event that the acquisition of Sechaba does not complete;
4. DON obtaining the consent of its shareholders to the acquisition of Sechaba and the issue of shares to Shumba within six months of the date of the Terms Sheet;
5. The formal transfer of the Licences to Sechaba.

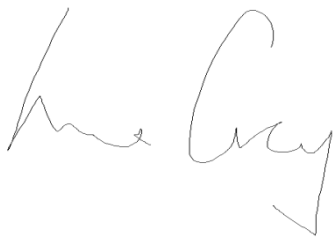
The Terms Sheet also provides that the acquisition will complete within two weeks of the completion of the last condition precedent which the Directors anticipate will be the consent of DON's shareholders. It is anticipated that a capital raising will also be undertaken as part of this transaction and contemporaneous with that an application to the ASX for DON's shares to be re-quoted.

As noted above the transaction will require the approval of the shareholders of DON. After the completion of satisfactory due diligence and the other preliminary conditions precedent shareholders will be provided with a detailed explanatory memorandum and accompanying experts' reports assessing the transaction. It is anticipated that subject to the amount of capital raised that at the completion of the transaction Shumba will hold approximately 60% of the issued shares of DON.

Further details of the transaction will be provided immediately following the execution of a detailed Share Purchase Agreement.

If for any reason a condition precedent is not satisfied, the Terms Sheet will terminate.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Gray', with a stylized, cursive script.

Mark Gray
Chief Executive Officer

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ⁱ Australian Joint Ore Reserves Committee

Competent Person's Statement:

In accordance with ASX requirements, the technical information contained in this announcement has been reviewed by Mr Alan Mitchell Clegg, BSc (Mining Eng), currently a director and an independent consultant to listed and unlisted resource development companies. Mr Clegg is a Professional Engineer and a fellow of the Southern African Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Minerals Resources and Ore reserves". Mr Clegg consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.
