



Dwyka
Diamonds
Limited

17 December 2003

The Manager
Company Announcement Office
Australian Stock Exchange Limited
Exchange Centre
20 Bond Street
Sydney NSW 2000

Dear Sir,

Re: Appendix 3B - New issue announcement, application for quotation of additional securities and agreement

Please find attached an Appendix 3B form for release to the market on behalf of Dwyka Diamonds Limited.

Yours faithfully
Dwyka Diamonds Limited

Grant Button
Company Secretary

Dwyka Diamonds Limited	ACN 060 938 552
Level 4, HPPL House	Postal Address
28 - 42 Ventnor Avenue	PO Box 368
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Tel: (61 8) 9324 2955	Fax: (61 8) 9324 2977

Appendix 3B

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

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

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

DWYKA DIAMONDS LIMITED

ABN

98 060 938 552

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,850,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares, which will rank equally with the current fully paid shares in the company, subject to the restrictions referred to in section 4 below. |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?	The shares rank equally in all respects other than as set out in this section.				
	<p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The shares will not be quoted on ASX or AIM, and may not be sold or otherwise dealt with until the later to occur of the following:</p> <p>(a) any loan in respect of those shares has been repaid in full; and</p> <p>(b) in respect of:</p> <p>(i) one third of the shares issued, 12 months after the date of the issue of the shares;</p> <p>(ii) another one third of the shares issued, 24 months after the date of the issue of the shares; and</p> <p>(iii) the remaining one third of the shares issued, 36 months after the date of the issue of the shares.</p>				
5	Issue price or consideration	\$0.52 per share				
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The shares were issue pursuant to the Dwyka Diamonds Share Plan, which was established to ensure that the company has appropriate incentives to continue to attract and retain the services of directors and employees of a high calibre.				
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	17 December 2003				
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="727 1608 997 1640">Number</th> <th data-bbox="997 1608 1276 1640">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="727 1640 997 1843">61,057,696</td> <td data-bbox="997 1640 1276 1843">Shares</td> </tr> </tbody> </table>	Number	+Class	61,057,696	Shares
Number	+Class					
61,057,696	Shares					

9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		2,850,000	Employee Shares
		2,000,000	Directors Options exercisable at \$1.47 each on or before 30 June 2006

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Whilst the Directors do not anticipate declaring a dividend in the foreseeable future, this is reviewed on an ongoing basis.
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Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible 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

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

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39 Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) 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

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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

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.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- 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.

Sign here:  Date: 17 December 2003
Company secretary

Print name: GRANT BUTTON

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+ See chapter 19 for defined terms.