DIAMONDEX
RESOURCES LTD.
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22 March 2004

VIA COURIER

Rita Becker
Licensing Administrator
Nunavut Water Board
P.O Box 119
"1 Water Street"
Gjoa Haven, NU
X0B 1J0

RE: 2003 ANNUAL REPORTS FOR DIAMONDEX RESOURCES LTD PEREGRINE (NWB2PER0305) AND HEEQOU (NWB2HEE0304)

Dear Ms. Becker:

Please find attached the annual reports for 2003 on Diamondex Resources Ltd's two currently active Nunavut Water Licenses. The reports summarize the 2003 activities on the Peregrine and Heeqou properties. We will inform the Nunavut Water Board of our future plans for 2004 once they have been established.

If you have any questions or comments regarding the reports, please feel free to contact Diamondex Resources Ltd.

Yours truly,
DIAMONDEX RESOURCES LTD.

Janet Strityczuk
Land Manager

S04-027

NWB2PER0305 – Peregrine Property

Diamondex Resources Ltd. presently has a temporary tent camp, equipped to accommodate 10-15 people, located on the Peregrine property and known as the "Peregrine Camp". The camp is used as a base camp for exploration efforts by Diamondex Resources Ltd. On the Peregrine property, and is located at UTM (nad83) Zone 12, 387600E and 7449400N. When not in use the camp is demobilized, leaving only tent floors for use in future years.

The 2003 summer exploration programs was based from the Peregrine Camp. During the program, Diamondex Resources Ltd. made no unauthorized discharges during this time, adhering to all regulations concerning water and environmental issues. There were no reportable fuel spills during the course of either exploration programs, and no amendments have been made to the Diamondex Resources Ltd. spill contingency plan submitted in 2002.

Water for the camp is drawn by mesh-covered hose, attached to a small pump, from the lake located directly to the west of camp, in to a large plastic water tank. Daily water usage is estimated to be 400-600 litres, and is used for cooking and washing. Camp grey water was deposited in a small land-based sump located at least 30 metres above any lake high water mark. Combustible wastes were burned using a burn barrel. Sewage is contained using one outhouse.

2003 Peregrine Exploration Summary

The 2003 exploration program on the Peregrine property was based out of the Peregrine camp. The camp was occupied from 23rd July through 4th August 2003, with 12-14 people staying at the camp throughout this time. Property-wide follow-up indicator mineral sampling and geophysical target evaluation were carried out on the Peregrine property during the 2003 summer program. A total of 252 till samples were collected. Samples were generally collected by two groups of two samplers on ground traverses, with helicopter support (Great Slave Helicopters – Hughes 500D). Most of the samples were taken to infill and follow-up results of the till sampling conducted in 2002. Several samples were taken specifically to test geophysical anomalies after they had been evaluated on the ground. The samples were cached at the Peregrine camp, and then transported to Yellowknife via twin otter aircraft. Ground evaluation of 50 geophysical targets was completed during this program. When visited, each target was described and follow up recommendations were made to evaluate its potential for further investigation.

Estimated water usage: 500 litres/day x 13 days = 6500 litres

Future Exploration Programs

Future exploration efforts such as ground geophysics on unexplained geophysical anomalies and subsequent drill testing remain, pending the results of the 2003 exploration program on the Peregrine property at this time. Further follow-up till sampling may be undertaken in the summer of 2004 to resolve anomalous indicator mineral results and to

further investigate geophysical anomalies. Diamondex Resources Ltd. will inform NWB of future plans for 2004 once they have been established.

Should drilling be planned for the 2004 exploration program, water usage requirements would increase. The sources of the water would vary depending on the location of the drill target, and the usage would increase or decrease depending on the length of the given drill hole. While water is continuously pumped during the drilling process, actual water usage during the drilling process is ~25% of the total pumped. The water that is not used, is discharged into self-contained ground sumps a minimum of 30 m from the high water level of any standing body of water or any running water. For example, a 200m long drill hole typically takes 72 hours to complete. With continuous water pumping at the rate of 2160 litre/hour, a total of 155,520 litres of water would be pumped, with only 38,880 litres of this water being consumed by the drilling process.

NWB2HEE0304 – Heeqou Property

Diamondex Resources Ltd. presently has a temporary tent camp, equipped to accommodate 10-15 people, located on the Heeqou property and known as the "Heeqou Camp". The camp is used as a base camp for exploration efforts by Diamondex Resources Ltd on the Heeqou property, and is located at UTM (nad83) Zone 12, 420772E and 7319366N. When not in use the camp is demobilized, leaving only tent floors for use in future years.

Water for the camp is drawn by mesh-covered hose, attached to a small pump, from the lake located directly to the north of camp, in to a large plastic water tank. Daily water usage is estimated to be 400-600 litres, and is used for cooking and washing. Camp grey water was deposited in a small land-based sump located at least 30 metres above any lake high water mark. Combustible wastes are burned using a burn barrel. Sewage is contained using one outhouse.

2003 Heeqou Exploration Summary

The 2003 exploration program on the Heeqou property was based out of the Peregrine camp, located ~120 km to the north on the Peregrine property. Field crews were flown by helicopter to and from the Heeqou property on a daily basis from the Peregrine camp to complete the program. The 2003 exploration program on the Heeqou property totalled three days, the 24th, 26th, and 31st July 2003. The Heeqou camp was not utilized for this program.

Property-wide follow-up indicator mineral sampling and minor surfical mapping were carried out on the Heeqou property during the 2003 summer program. A total of 100 till samples were collected. Samples were generally collected by two groups of two samplers on ground traverses, with helicopter support (Great Slave Helicopters – Hughes 500D). Most of the samples were taken to infill and follow-up results of previous till sampling. The samples were cached at the Heeqou camp, and then transported to

Yellowknife via twin otter aircraft. A single day of surficial mapping was completed to investigate iceflow directions property-wide.

Water usage: none

Future Exploration Programs

Future exploration efforts such as airborne and ground geophysical surveys, geophysical target evaluation, and subsequent drill testing remain, pending the results of the 2003 exploration program on the Heeqou property at this time. Further follow-up till sampling may be undertaken in the summer of 2004 to resolve anomalous indicator mineral results and to further investigate geophysical anomalies. Diamondex Resources Ltd. will inform NWB of future plans for 2004 once they have been established.

Should drilling be planned for the 2004 exploration program, water usage requirements would increase. The sources of the water would vary depending on the location of the drill target, and the usage would increase or decrease depending on the length of the given drill hole. While water is continuously pumped during the drilling process, actual water usage during the drilling process is ~25% of the total pumped. The water that is not used, is discharged into self-contained ground sumps a minimum of 30 m from the high water level of any standing body of water or any running water. For example, a 200m long drill hole typically takes 72 hours to complete. With continuous water pumping at the rate of 2160 litre/hour, a total of 155,520 litres of water would be pumped, with only 38,880 litres of this water being consumed by the drilling process.