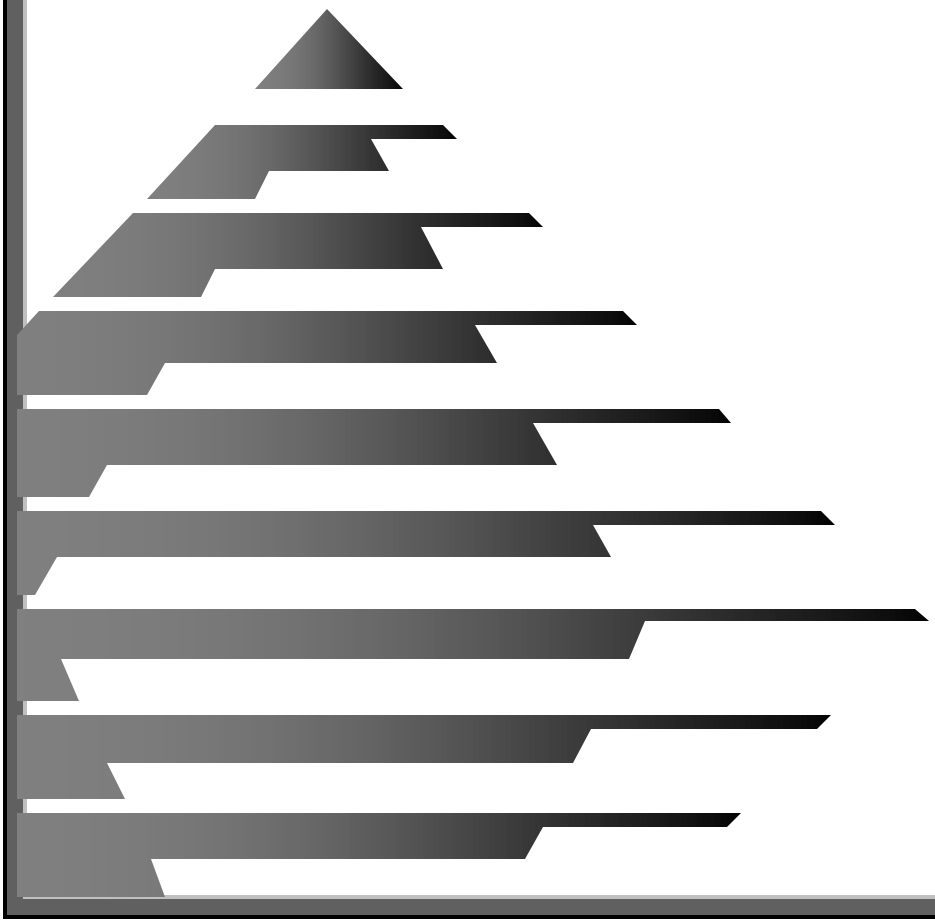
DIAMOND FIELDS
INTERNATIONAL LTD.

FIRST QUARTER REPORT
THREE MONTHS ENDING SEPTEMBER 30, 2000



Dear Shareholders:

During the first quarter ended September 30, 2000, Diamond Fields announced the positive results of the Sea Diamonds Project Feasibility Study and its decision to proceed with the project, subject to financing. The receipt of our feasibility study confirms our vision that Diamond Fields is now uniquely positioned to become the world's next producer of gem quality diamonds. The Sea Diamonds Project is located near Luderitz, Namibia.

FEASIBILITY STUDY HIGHLIGHTS

This report was prepared exclusively for Diamond Fields by AGRA Simons Limited, MRDI Canada, a division of AGRA, Seacore Limited, Dowding Reynard and Associates, Sue Lane and Associates, Diamond Tenders Belgium and other industry consultants were also retained to assist in the preparation of this detailed feasibility study.

PROJECT ECONOMICS

The base case for the Sea Diamonds Project consists of mining reserves and resources, over a seven-year mine life. The base case provides an after-tax internal rate of return (IRR) of 54% and a net present value (NPV) at a discount rate of 10% of US$31.2 million. Payback of capital is estimated to be 16 months from the commencement of mining operations.

Should only the probable reserves be considered, the mine life would be shortened to 5.8 years, and the project would yield an IRR of 46% and a NPV at a discount rate of 10% of US$22.8 million. The payback period in this case would be 18 months from the commencement of mining operations. Should carats resulting from the suspected sampling bias be added to the base case, the project would yield an IRR of 133% and a NPV of US$111.6 million.

Capital costs include all expenditures for detailed design and procurement of equipment, vessel chartering and contracting of facilities required to bring the Sea Diamonds Project into operation, and are estimated to total US$28.1 million (including US$2.0 million cash in working capital) over a twelve-month development period. Annual cash operating costs, based on mining an annual average of 873,000 m^3, are projected to be US$13.5 million before royalties, marketing and taxes.

MINING

Mining will involve the systematic exploitation of the Marshall Fork feature, followed by the Diaz Reef resources. Ore value, tailings disposal and numerous other geological and mining considerations influence the mining sequences. The mine plan incorporates a time provision for annual sampling in support of detailed mine planning, upgrade and correction of resource estimates (in light of the suspected sampling bias), and potential expansion of the resource base beyond the current estimate level.

MARKETING

There are several potential marketing options available to Diamond Fields including selling through De Beers' Diamond Trading Company (DTC), sales at tender, joint venture or agency agreement with one or more established dealers or direct sales through a company marketing organization. A formal decision on the marketing channel(s) will likely be made shortly before the commencement of production. The diamonds found on the Sea Diamonds Project consist of over 95% gem quality stones, which currently yield an average market price of US$150-200 per carat.

The recent publicity on conflict diamonds does not affect the Namibian diamond industry or Diamond Fields' planned operations. Diamond Fields does not, has not, and will not deal in conflict diamonds and fully supports the diamond industry's proposals to isolate diamond trade from conflict areas.

Diamond Fields' focus for this fiscal year will be securing project financing and meeting all the requirements of the study to become the world's next producer of gem quality diamonds. We believe that, based on the potential high profitability of the project combined with low capital costs, financing of the project is achievable. Management has been in negotiations with several international financial institutions regarding financing for the Sea Diamonds Project.

Francis J. Waldron
Chairman & CEO

Daniel D. Johnson
President

DIAMOND FIELDS INTERNATIONAL LTD.
Consolidated Balance Sheets

September 30, 2000 and June 30, 2000
(Prepared by management without audit)
(Expressed in Canadian Dollars)

	September 30, 2000 (Unaudited)	June 30, 2000 (Audited)
ASSETS		
CURRENT		
Cash	$ 1,538,131	$ 2,476,945
Accounts receivable	46,864	57,631
Diamond inventory	36,896	36,896
Prepaid expenses	77,956	77,956
	1,699,846	2,649,428
MINERAL PROPERTIES AND INTERESTS	10,893,872	10,642,893
CAPITAL ASSETS	637,422	641,922
	$ 13,231,140	$ 13,934,243
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 386,525	$ 720,021
SHAREHOLDERS' EQUITY		
Share capital		
Authorized - Unlimited number of common shares without par value		
Issued and outstanding - 51,831,750		
(June 30, 1999 - 51,831,750) shares	26,177,086	26,177,086
Deficit	(13,332,472)	(12,962,865)
	12,844,615	13,214,221
	$ 13,231,140	$ 13,934,242

DIAMOND FIELDS INTERNATIONAL LTD.
Consolidated Statements of Loss and Deficit

Three months ended September 30, 2000 and 1999
(Prepared by management without audit)
(Expressed in Canadian Dollars)

	2000	1999
OPERATING COSTS (including depreciation and depletion of $nil in 2000 and $1,322 in 1999)	8,395	19,306
ADMINISTRATIVE EXPENSES		
Accounting and audit	23,863	22,208
Consulting	10,214	17,684
Depreciation	4,500	3,662
Investor relations	31,322	70,118
Legal	2,195	9,129
Office	63,078	60,915
Regulatory	4,407	3,821
Salaries	248,959	183,225
Travel and accommodation	17,644	89,376
	406,182	460,137
OTHER INCOME		
Interest and other income	34,618	139,261
Foreign exchange gain	10,352	10,902
	44,971	150,163
NET LOSS FOR THE PERIOD	369,607	329,279
DEFICIT, BEGINNING OF PERIOD	12,962,865	11,491,124
DEFICIT, END OF PERIOD	$ 13,332,472	$ 11,820,403
NET LOSS PER SHARE	$ 0.01	$ 0.01
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (in 000's)	51,832	51,543

DIAMOND FIELDS INTERNATIONAL LTD.
Consolidated Statements of Changes in Cash Flows

Three months ended September 30, 2000 and 1999

(Prepared by management without audit)

(Expressed in Canadian Dollars)

	2000	1999
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Net loss	$ (369,607)	$ (329,279)
Items not involving use of cash		
Depreciation and depletion	4,500	4,984
Decrease (increase) in accounts receivable, inventory and prepaid expenses	10,767	(1,332,224)
Increase (decrease) in accounts payable and accrued liabilities	(333,496)	4,556,667
	(687,836)	2,900,148
FINANCING ACTIVITIES		
Share capital issued	-	26,330
INVESTING ACTIVITIES		
Expenditures on mineral properties and interests	(250,979)	(3,550,470)
Expenditures on capital assets	-	(12,322)
	(250,979)	(3,562,792)
INCREASE (DECREASE) IN CASH	(938,814)	(636,314)
CASH, BEGINNING OF PERIOD	2,476,945	9,308,999
CASH, END OF PERIOD	$ 1,538,131	$ 8,672,685
Supplementary Information:		
Interest received	$ 34,618	$ 149,721