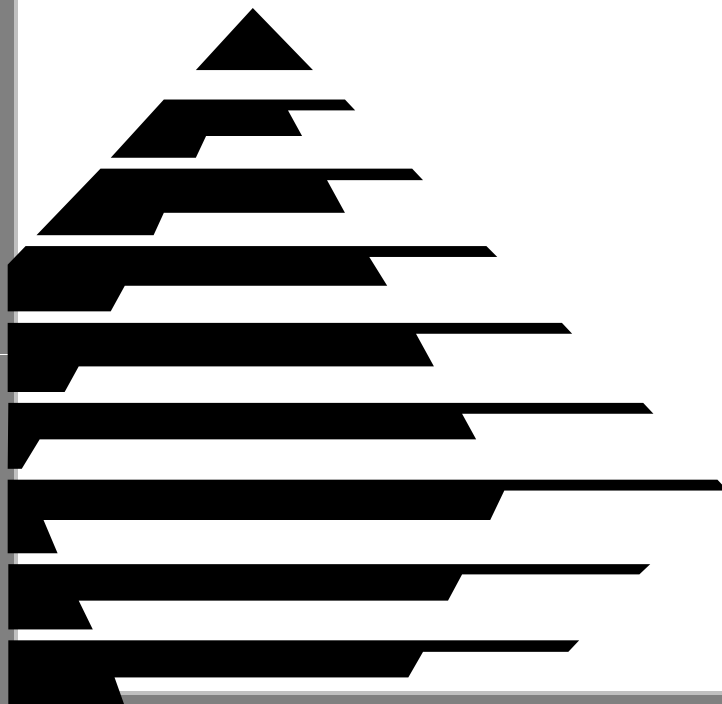




**SECOND QUARTER REPORT
SIX MONTHS ENDED
DECEMBER 31, 2000**



DIAMOND FIELDS INTERNATIONAL LTD.
Consolidated Balance Sheets

December 31, 2000 and June 30, 2000

(Prepared by management without audit)

(Expressed in Canadian Dollars)

	December 31, 2000	June 30,
	(Unaudited)	2000 (Audited)
ASSETS		
CURRENT		
Cash	\$ 893,295	\$ 2,476,945
Accounts receivable	41,065	57,631
Diamond inventory	36,896	36,896
Prepaid expenses	77,956	77,956
	1,049,212	2,649,428
MINERAL PROPERTIES AND INTERESTS	11,468,311	10,642,893
CAPITAL ASSETS	633,754	641,922
	\$ 13,151,277	\$ 13,934,243
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 640,485	\$ 720,021
SHAREHOLDERS' EQUITY		
Share capital		
Authorized - Unlimited number of common shares without par value		
Issued and outstanding - 51,853,470		
(June 30, 1999 - 51,831,750) shares	26,204,450	26,177,086
Deficit	(13,693,658)	(12,962,865)
	12,510,792	13,214,221
	\$ 13,151,277	\$ 13,934,242

DIAMOND FIELDS INTERNATIONAL LTD.

Consolidated Statements of Loss and Deficit

Six months ended December 31, 2000 and 1999

(Prepared by management without audit)

(Expressed in Canadian Dollars)

	2000	1999
DIAMOND SALES	\$ -	\$ 9,358
OPERATING COSTS (including depreciation and depletion of \$nil in 2000 and \$2,645 in 1999)	22,771	36,280
ADMINISTRATIVE EXPENSES		
Accounting and audit	24,331	25,908
Consulting	30,214	30,970
Depreciation	9,000	7,324
Financial advisory fees	-	49,908
Investor relations	48,610	104,287
Legal	17,250	57,956
Office	125,424	138,216
Regulatory	21,772	26,683
Salaries	493,986	365,393
Travel and accommodation	51,931	182,897
	822,516	989,541
OTHER INCOME		
Interest and other income	116,525	238,194
Foreign exchange gain	(2,031)	(52,903)
	114,494	185,291
NET LOSS FOR THE PERIOD	730,793	831,173
DEFICIT, BEGINNING OF PERIOD	12,962,865	11,491,124
DEFICIT, END OF PERIOD	\$ 13,693,658	\$ 12,322,297
NET LOSS PER SHARE	\$ 0.01	\$ 0.02
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (in 000's)	51,843	51,551

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

Six months ended December 31, 2000 and 1999

(Prepared by management without audit)

(Expressed in Canadian Dollars)

	<u>2000</u>	<u>1999</u>
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Net loss	\$ (730,793)	\$ (831,173)
Items not involving use of cash		
Depreciation and depletion	9,000	9,968
Decrease in accounts receivable, inventory and prepaid expenses	16,566	2,078
Increase (decrease) in accounts payable and accrued liabilities	(79,536)	1,803,137
	<u>(784,763)</u>	<u>984,010</u>
FINANCING ACTIVITIES		
Share capital issued	27,363	52,636
INVESTING ACTIVITIES		
Expenditures on mineral properties and interests	(825,418)	(5,301,414)
Expenditures on capital assets	(832)	(12,215)
	<u>(826,250)</u>	<u>(5,313,630)</u>
DECREASE IN CASH	(1,583,650)	(4,276,984)
CASH, BEGINNING OF PERIOD	2,476,945	9,308,999
CASH, END OF PERIOD	\$ 893,295	\$ 5,032,016
Supplementary Information:		
Interest received	\$ 56,121	\$ 254,730