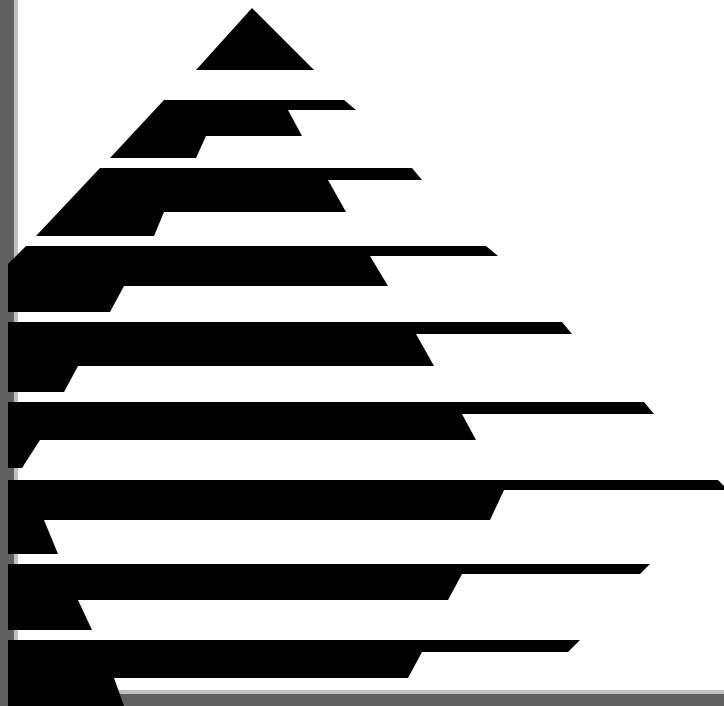




**THIRD QUARTER REPORT
NINE MONTHS ENDED
MARCH 31, 2001**



DIAMOND FIELDS INTERNATIONAL LTD.
Consolidated Balance Sheets

March 31, 2001 and June 30, 2000

(Prepared by management without audit)

(Expressed in Canadian Dollars)

	March 31, 2001	June 30,
	(Unaudited)	2000 (Audited)
ASSETS		
CURRENT		
Cash	\$ 3,357,655	\$ 2,476,945
Accounts receivable	29,557	57,631
Diamond inventory	36,896	36,896
Prepaid expenses	77,956	77,956
	<u>3,502,065</u>	<u>2,649,428</u>
MINERAL PROPERTIES AND INTERESTS	11,526,890	10,642,893
CAPITAL ASSETS	629,254	641,922
	<u>\$ 15,658,209</u>	<u>\$ 13,934,243</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 695,182	\$ 720,021
LOAN PAYABLE	3,095,900	-
	<u>3,791,082</u>	<u>720,021</u>
SHAREHOLDERS' EQUITY		
Share capital		
Authorized - Unlimited number of common shares without par value		
Issued and outstanding - 52,463,052		
(June 30, 2000 - 51,831,750) shares	26,686,335	26,177,086
Deficit	(14,819,208)	(12,962,865)
	<u>11,867,127</u>	<u>13,214,221</u>
	<u>\$ 15,658,209</u>	<u>\$ 13,934,243</u>

DIAMOND FIELDS INTERNATIONAL LTD.
Consolidated Statements of Loss and Deficit

Nine months ended March 31, 2001 and 2000

(Prepared by management without audit)

(Expressed in Canadian Dollars)

	<u>2001</u>	<u>2000</u>
DIAMOND SALES	\$ -	\$ 9,358
OPERATING COSTS (including depreciation and depletion of \$nil in 2001 and \$3,967 in 2000)	30,467	54,484
ADMINISTRATIVE EXPENSES		
Accounting and audit	28,964	27,958
Consulting	45,625	55,477
Depreciation	13,500	10,985
Financial advisory fees	272,522	49,908
Interest on loan payable	22,300	-
Investor relations	55,746	129,663
Legal	81,221	58,917
Office	180,947	203,597
Regulatory	36,272	35,529
Salaries	1,176,426	542,971
Travel and accommodation	93,552	239,721
	<u>2,007,074</u>	<u>1,354,726</u>
OTHER INCOME		
Interest and other income	142,865	326,730
Foreign exchange gain	38,334	(138,114)
	<u>181,199</u>	<u>188,615</u>
NET LOSS FOR THE PERIOD	1,856,343	1,211,236
DEFICIT, BEGINNING OF PERIOD	12,962,865	11,491,124
DEFICIT, END OF PERIOD	\$ 14,819,208	\$ 12,702,360
NET LOSS PER SHARE	\$ 0.03	\$ 0.02
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (in 000's)	51,922	51,561

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

Nine months ended March 31, 2001 and 2000

(Prepared by management without audit)

(Expressed in Canadian Dollars)

	<u>2001</u>	<u>2000</u>
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Net loss	\$ (1,856,343)	\$ (1,211,236)
Items not involving use of cash		
Depreciation and depletion	13,500	14,952
Decrease in accounts receivable, inventory and prepaid expenses	28,074	19,982
Increase (decrease) in accounts payable and accrued liabilities	(24,839)	396,974
	<u>(1,839,608)</u>	<u>(779,328)</u>
FINANCING ACTIVITIES		
Loan payable	3,095,900	-
Share capital issued	509,249	85,848
	<u>3,605,148</u>	<u>85,848</u>
INVESTING ACTIVITIES		
Expenditures on mineral properties and interests	(883,997)	(5,182,471)
Expenditures on capital assets	(832)	(12,215)
	<u>(884,829)</u>	<u>(5,194,687)</u>
INCREASE (DECREASE) IN CASH	880,711	(5,888,167)
CASH, BEGINNING OF PERIOD	2,476,945	9,308,999
CASH, END OF PERIOD	\$ 3,357,655	\$ 3,420,833
Supplementary Information:		
Interest received	\$ 81,890	\$ 338,689