

**DIAMONEX LIMITED  
AND CONTROLLED ENTITIES**  
ABN 26 091 951 978

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2008

	Note	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
		\$	\$	\$	\$	\$
<b>Economic Entity</b>						
<b>Balance at 1 July 2006</b>		9,340,389	(3,121,708)	(540,075)	-	5,678,606
Shares issued during the period	18	10,070,641	-	-	-	10,070,641
Loss attributable to members of entity		-	(2,129,881)	-	-	(2,129,881)
Translation of foreign controlled entities		-	-	(990,806)	-	(990,806)
Share based payment - employee share options expense		-	-	-	11,858	11,858
<b>Balance at 30 June 2007</b>		<b>19,411,030</b>	<b>(5,251,589)</b>	<b>(1,530,881)</b>	<b>11,858</b>	<b>12,640,418</b>
Shares issued during the period	18	12,762,073	-	-	-	12,762,073
Loss attributable to members of entity		-	(4,378,669)	-	-	(4,378,669)
Translation of foreign controlled entities		-	-	(5,017,469)	-	(5,017,469)
Share based payment - share options expense		-	-	-	174,086	174,086
<b>Balance at 30 June 2008</b>		<b>32,173,103</b>	<b>(9,630,258)</b>	<b>(6,548,350)</b>	<b>185,944</b>	<b>16,180,439</b>
<b>Parent Entity</b>						
<b>Balance at 1 July 2006</b>		9,340,389	(2,545,482)	-	-	6,794,907
Shares issued during the period	18	10,070,641	-	-	-	10,070,641
Loss attributable to members of entity		-	(1,638,034)	-	-	(1,638,034)
Translation of foreign controlled entities		-	-	-	-	-
Share based payment - share options expense		-	-	-	11,858	11,858
<b>Balance at 30 June 2007</b>		<b>19,411,030</b>	<b>(4,183,516)</b>	<b>-</b>	<b>11,858</b>	<b>15,239,372</b>
Shares issued during the period	18	12,762,073	-	-	-	12,762,073
Loss attributable to members of entity		-	(2,134,799)	-	-	(2,134,799)
Translation of foreign controlled entities		-	-	-	-	-
Share based payment - share options expense		-	-	-	174,086	174,086
<b>Balance at 30 June 2008</b>		<b>32,173,103</b>	<b>(6,318,315)</b>	<b>-</b>	<b>185,944</b>	<b>26,040,732</b>

The accompanying notes form part of these financial statements.