



## European Diamonds PLC

22 Grosvenor Square, London W1K 6LF, England  
Telephone: +44 (0) 20 7529 7502 Facsimile +44 (0) 20 7491 2244

Buddy James Doyle  
4009 Edinburgh Street  
St Burnaby  
British Columbia  
Canada

29 April 2005

Dear Buddy

I am writing to set out the basis on which I and my fellow directors wish you to become a non-executive director of the Company.

### **Role**

1. Your role will be that of a non-executive director of the Company and as such you will be required to attend at each meeting of the Board and committees of the Board to which you are appointed.

### **Fees and Expenses**

2. You will be entitled to receive directors fees of £5,000 (five thousand pounds) a year which will be paid monthly subject to the deduction of income tax and national insurance contributions pursuant to the Inland Revenue PAYE scheme. In addition you will be reimbursed all reasonable hotel, travelling, entertainment and other expenses properly incurred by you in the course of your duties (in accordance with the Company's regulations from time to time). To be entitled to reimbursement you must produce receipts for such expenses as required by the Company (acting reasonably).
3. You are not an employee and are not entitled to any rights or benefits to which an employee may be entitled whether by law or convention. You are not under any obligation to devote any particular amount of time to your duties and nothing prevents you from accepting other appointments so long as you keep the Company advised of the general nature of such appointments and no conflict of interest is likely to arise as a result of your acceptance of any other appointment.

## **Termination**

4. Your appointment may be terminated at any time by either party on three months written notice however your appointment shall terminate immediately should:-
- (a) you be convicted of any criminal offence (other than an offence under the Road Traffic Acts for which imprisonment is not a sanction) or been found guilty of any dishonesty or serious misconduct in each case whether during the performance of his duties or otherwise which in the opinion of the Board renders you unfit to continue as a director of the Company or which would be likely adversely to prejudice the reputation or interests of the Company or any company within the Group;
  - (b) you petition for a bankruptcy order or have a bankruptcy order made against you or take the benefit of any legislation for the relief of insolvent debtors or make any composition with your creditors or shall become prohibited by law from being a director or taking part in the management of the Company whether under the Directors Disqualification Act 1986 or otherwise;
  - (c) you fail or ceases to meet the requirements of any regulatory body whose consent is required to enable you to undertake all or any of your duties;
  - (d) any member of your immediate family make a profit arising out of or in connection with a transaction to which the Company or any company within the Group is a party without your disclosing such interest to the Company in writing and obtaining the prior written consent of the board;
  - (e) you reach the normal age for retirement of director (if any) specified in the Company's Articles of Association.

## **Following Termination**

5. On termination of your appointment for whatever reason you will immediately:
- (a) deliver up to the Company all documents, books, materials, records, correspondence, papers and information (on whatever media and wherever located) relating to the business of the Company, any magnetic discs on which information relating to the business is stored and any keys, credit cards and other property of the Company which may be in your possession or under your control and shall provide a signed statement that you have complied fully with the terms of this paragraph;

- (b) irretrievably delete any information relating to the business of the Company stored on any magnetic or optical disc or memory and all matter derived therefrom which is in your possession, custody, care or control outside the premises of the Company and shall produce such evidence of compliance with this sub-paragraph as the Company may require; and
- (c) resign your directorship and any other office or appointment held by you in the Company or any company within the Group without any claim for compensation or damages for loss of such office or appointment and the you hereby irrevocably appoints the Company his attorney to execute letters of resignation of such offices or appointments on your behalf.

### **Confidential Information**

- 6. You acknowledge that during the term of your appointment you will receive and have access to information confidential to the Company and any company within the Group including but not limited to customer information business plans, market research, financial data and forecasts, capital strategy and capital raising activities (proposed and ongoing) business methods, marketing strategies, tender and price sensitive information, feasibility figures and plans relating to contracts, (actual and proposed), details of actual and proposed contracts, requirements of business partners, technical data, know-how, information and operation manuals, plans for research, development, development projects of the Company or any company within the Group, information in respect of which the Company or any company within the Group is bound by an obligation of confidence to any third party and information notified to you as being confidential.
- 7. All right title and interest in and to the Confidential Information shall remain the exclusive property of the Company or, where appropriate the Group or any company within the Group and the you shall not both during the continuance of your appointment or at any time after the termination of your appointment directly or indirectly use, divulge, export or communicate to any person, firm, company or other organisation (and shall use all reasonable endeavours to prevent unauthorised publication or use or disclosure of) any Confidential Information or any of the Company's or company within the Group's trade secrets for any purpose whatsoever. This obligation shall be in addition to and not in substitution for any other express or implied duty of confidentiality owed by you to the Company or any company within the Group.
- 8. After the termination of your appointment the restrictions at paragraph 7 above shall not apply in respect of any Confidential Information:
  - (a) in the public domain otherwise than as the result of any unauthorised act or omission on your part;

- (b) which you are required by law to disclose, provided that you first notifies the Company in writing that he is required to disclose such Confidential Information.

Could you please arrange to have the enclosed copy of this letter to be signed (as a deed) and returned to me to confirm your acceptance of the appointment being offered on the above terms. The top copy of this letter is for you to retain for your records.

Yours sincerely,



Roy Spencer  
For and on behalf of  
European Diamonds PLC

I hereby accept the appointment as a non executive director of the Company on the terms set out above.

Signed: \_\_\_\_\_



Date: \_\_\_\_\_