



Mark Kolebaba, President of Diamonds North Resources on the Amaruk Property

Letter to Shareholders

This past year, 2008, was an extremely difficult year for most companies and their shareholders due to the global financial crisis. We saw swift and severe corrections in global stock markets and commodity prices that most investors have never seen before. I believe our business strategy and property portfolio will enable us to capitalize on unprecedented opportunities that arise from these events.

The Company remains committed to generating shareholder value through the discovery of an Ekati or Diavik size diamond deposit. We are confident our combination of **clarity, perseverance and diligence** will bring us success.

Amaruk: Amaruk remains one of Canada's top opportunities for a significant diamond discovery. Mineral chemistry across the property suggests high diamond potential; microdiamond data shows an anomalously high amount of carbon in the system and the property is host to kimberlites with size potential. The

Company is now focusing on testing targets to find kimberlites with high macrodiamond content. The Company is financed and has developed an effective and inexpensive exploration technique to follow through.

Innovation for Discovery: Those who invest in exploration companies understand the high-risk and high-reward nature of the business. Diamonds North Resources focuses on reducing financial and technical risks and is continually providing new opportunities for discovering a diamond mine.

Our technical innovation allows us to do a lot more exploration at very low costs. Rather than depend on traditional costly technology, we have adopted a cutting-edge, highly sensitive airborne survey technique which has proven to be more effective at locating kimberlites on Amaruk. Since the survey is less expensive, the Company is able to increase its chances for success by collecting more data to aid in discovery.

In addition, instead of using traditional expensive and time consuming core rigs for testing targets, we use a light-weight, reverse circulation percussion drill that is approximately one-fifth the cost and three times faster. This allows us to test more targets in a shorter period of time, again increasing our odds for discovery.

This innovative technology enables Diamonds North to deliver results faster and more cost effectively and provides shareholders with more opportunities to discover Canada's next diamond mine.

Maximizing Value: Diamonds North's large land position in Canada's under-explored north has been an incredible asset. Our systematic exploration approach and diligence has not only successfully identified land with high potential for diamonds but also for other commodities.

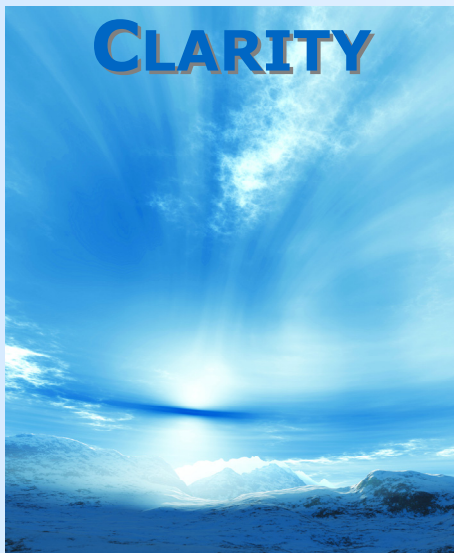
The Company has demonstrated a track record of successfully capturing value for our shareholders by identifying other commodity potential from our land position. Uranium assets were packaged together in the Uranium North spin-out and most recently the Company discovered a nickel prospect on Amaruk. As part of our ongoing commitment to maximize value for our shareholders, Diamonds North will continue to assess the Company's portfolio for all commodity potential while maintaining our focus on advancing our diamond projects.



Mobilizing on the Amaruk Property



Drilling on the Amaruk Property



I would like to acknowledge the efforts, dedication and hard work of the Diamonds North team; their common drive towards discovering Canada's next diamond mine will be instrumental in our continued success.

On behalf of the Board of Directors and the entire Diamonds North team, I sincerely thank you, the shareholders for your support in this venture and sharing in our determination to discover Canada's next diamond mine.

We are eager to initiate our 2009 exploration programs and look forward to reporting further developments on the Company's projects during the coming months.

Mark Kalebaba
President, CEO & Director

Amaruk

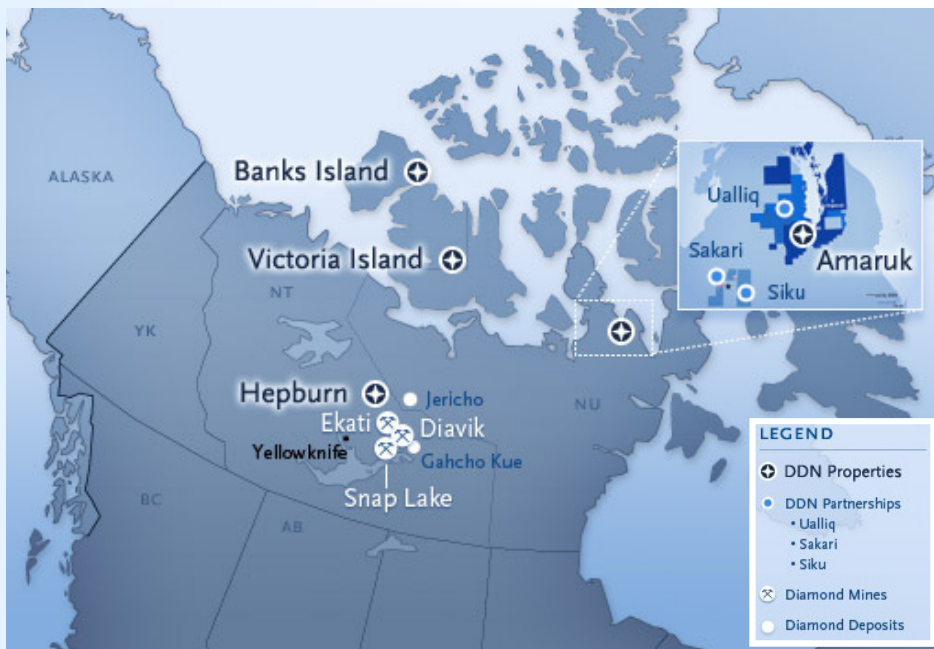
- Ownership:** 100% Diamonds North
- Location:** Eastern Nunavut
- Est. Size:** 1.4 Million Acres
- Opportunity:** Discover an Ekati/Diavik sized diamond deposit on a proven diamondiferous kimberlite field.

Hepburn

- Ownership:** 100% Diamonds North
- Location:** Northwest Territories
- Est. Size:** 1.3 Million Acres
- Opportunity:** Discover an Ekati/Diavik sized diamond deposit on an unexplored area of the Slave Province.

Banks Island

- Ownership:** 100% Diamonds North
- Location:** Northwest Territories
- Est. Size:** 1.2 Million Acres
- Opportunity:** Discover an Ekati/Diavik sized diamond deposit.



Contact Information

Nancy Curry
Tel: (604) 689-2010
Toll-Free: 1-866-802-2010
Fax: (604) 484-7143
Email: info@diamondsnorth.com
Website: www.diamondsnorth.com

Share Structure

Trading Symbol: DDN - TSX Venture
Shares Issued: ~ 75 million
Fully Diluted: ~ 86 million
Cash & Securities: ~ \$5.5 million



For a complete Annual Report and more details on our property portfolio, please contact us or visit our website.

The Company expressly warns readers not to rely on the information herein for investment or other related purposes. Accordingly, any use of this information is at your own risk and without liability to the Company. The information contained herein is not, and under no circumstances is to be construed as either a public or private offer or solicitation to purchase securities in the capital stock of Diamonds North Resources Ltd. The reader is referred to his/her professional investment advisor regarding investment or related decisions respecting the securities of the Company. Project QP's are listed in the news releases on the Company's website. © 2009 Diamonds North Resources Ltd All Rights Reserved