



FLINDERS DIAMONDS

Australian Stock Exchange Announcement

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KIMBERLITE PIPES LOCATED IN ADELAIDE HILLS

Flinders Diamonds Limited (FDL) has discovered at least two new kimberlite pipes, a known source rock for diamonds, as part of its ongoing diamond exploration program in the Adelaide Hills Project.

Stockwell kimberlites

As part of FDL's diamond exploration program northeast of Lyndoch, geological reconnaissance has discovered an exposed kimberlite in a creek bank in the vicinity of the small township of Stockwell on the Sturt Highway 120 km north of Adelaide.

The aerial photographic expression of this occurrence suggests a 'pipe-like' shape of at least three hectares in area, and there are four possible additional pipes on the same fault line. Thus a total of up to five kimberlite pipes may be present.

Mineralogical and geochemical analyses confirm the outcropping body as a kimberlite or possible lamproite, the known source-rocks for diamonds. Results of heavy mineral analysis are awaited. A 50 kg sample will be collected and assessed for micro-diamonds as an indication of macro-diamond potential.

Ian Ross kimberlite

Geological reconnaissance in the Tweedies Gully area in the Barossa Ranges four kilometres southeast of Lyndoch has found another kimberlite.

Future work

A full assessment of the new discoveries is under consideration. The program is likely to consist of initial location of other suspected kimberlites followed by an evaluation by micro-diamond determination of the diamond potential of all pipes located. Work is likely to include ground magnetic, gravity and geological surveys followed by drilling or trenching and bulk sampling to determine diamond contents.

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