



FLINDERS  
DIAMONDS

24 June 2004

The Manager  
Companies Announcements Office  
Australian Stock Exchange  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

In the Supreme Court of South Australia yesterday, the application by the Company for a stay of execution of the orders made by the Full Court in the proceedings between the Company and a group of its shareholders was adjourned to 16 August 2004. The stay previously granted by the Court expires at 5:00 pm today.

The first defendant to the Supreme Court proceedings, Tiger International Resources Inc, gave an undertaking to the Court that it would not deal with its shares in the Company until the earlier of 16 August 2004 or until the hearing and determination of the Company's application for special leave to appeal to the High Court. It also gave an undertaking that it would not requisition a meeting of the members of the Company until that date.

The second defendant to the Supreme Court proceedings, Mr Patric Barry also gave an undertaking to the Court that he would not deal with his shares in the Company until the earlier of 16 August 2004 or until the hearing and determination of the Company's application for special leave to appeal to the High Court.

The meeting requisitioned by Mr Barry on 15 August 2002 will, subject to any orders made by the High Court in its August 2004 sittings, be held in the week commencing 16 August 2004. Formal notice of that meeting will be sent to the Company's members in due course.

Subject to compliance with commercial terms of settlement which have been reached between the Company and the remaining three defendants to the Supreme Court proceedings, Mr Anthony Campbell and companies controlled by him, Flinders will not be prosecuting its appeal or the enforcement of its costs orders against those three defendants.

Dr Kevin Wills  
Managing Director

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