



FLINDERS
DIAMONDS

Australian Stock Exchange Announcement

End of legal proceedings against Tiger International and Mr Patric Barry

16 August 2004

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

The Company advises that it has settled its proceedings against Tiger International Resources Inc (Tiger) and Mr Patric Barry in both the Supreme Court of South Australia and in the High Court of Australia. This brings to an end all litigation with Tiger and Mr Barry which commenced on 11 September 2002.

Tiger and Mr Barry have consented to an assessment of the costs payable by them to the Company being allowed at \$200,000. These costs are payable by Tiger and Mr Barry as a result of the proceedings commenced by the Company in the Supreme Court of South Australia.

Tiger and Mr Barry have agreed to pay the \$200,000 to the Company within 60 days from 10 August 2004. Tiger and Mr Barry also have agreed to pay interest on the \$200,000, calculated at the rate provided in the Rules of the Supreme Court of South Australia, for the period from 10 August 2004 to when the payment is actually made. Tiger and Mr Barry have given an undertaking to the Supreme Court that until the \$200,000 plus interest is paid to the Company, except for the purpose of raising money to satisfy that debt, they will not in any way deal with their shares in the Company. Further, if the Company does not receive payment of the \$200,000 plus interest within 60 days from 10 August 2004, Tiger and Mr

Barry have agreed that a broker may sell on their behalf a sufficient number of the shares they hold in the Company, and to apply the proceeds of the sale to satisfy the debt.

As part of the settlement, Flinders discontinued its High Court proceedings against Tiger and Mr Barry. The parties have agreed to bear their own costs of those proceedings.

Following the previously announced settlement of the proceedings against Mr Anthony Campbell, Campbell Corporation Pty Ltd and Balance Tax Pty Ltd in both the Supreme Court of South Australia and in the High Court of Australia and subject to receiving payment of the \$200,000 plus interest from Tiger and Mr Barry, the settlement announced today brings to an end the Court proceedings which were commenced by the Company on 11 September 2002.

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