



FLINDERS
DIAMONDS

Australian Stock Exchange Announcement

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The Manager
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SHAREHOLDERS VOTE OVERWHELMINGLY TO KEEP EXISTING FLINDERS DIAMONDS BOARD

Flinders Diamonds Limited today held an extraordinary general meeting to discuss and vote on six resolutions originally proposed by shareholder Mr Patric Barry on 15 August 2002. The meeting was held at 136 Greenhill Road, Unley, South Australia, 5061, and commenced at 10:00 am.

The meeting had been called by notice sent to shareholders on 20 July 2004. The meeting was originally requisitioned by Mr Barry in 2002, and the resulting legal action is now a matter of history. The case resulted in declarations of breaches of the Takeovers Code and the Substantial Shareholder provisions of the Corporations Act. Shareholders can read more details of the case on the company's website.

Mr Barry's resolutions, which called for the appointment of Mr Lindsay Hay, Mr Adrian Lungan and Mr John Campbell as directors of the company and the removal as directors of Mr Ewan Vickery, Mr Robert Kennedy and any other director appointed since 15 August 2002 were soundly defeated.

Over 500 shareholders voted. Apart from votes of Mr Barry, Tiger International Resources Inc, and a former director Mr Peter Taylor, only 0.4% of the votes cast by other shareholders were in favour of the resolution. Mr Barry and his proposed candidates for the board positions did not attend the meeting or send an apology, to the annoyance of shareholders present. The only candidate who is a shareholder, Mr Lindsay Hay, did not vote.

After discussing each resolution, a vote on a show of hands unanimously defeated each resolution, however the Chairman called for a poll to ensure that all shareholders who had taken the trouble to submit a proxy would have their votes counted.

The poll was supervised by independent officers of Computershare Investor Services Pty Ltd. All proxies had been previously checked so that only valid proxies were counted. The results of the poll were declared as follows:

Resolution 1

Appointment of Mr Lindsay Hay as a director

- 22,801,047 votes in favour of the resolution
- 58,463,569 votes against the resolution

The Chairman declared the resolution lost.

Resolution 2

Appointment of Mr Adrian Lungan as a director

- 22,801,047 votes in favour of the resolution
- 58,443,569 votes against the resolution

The Chairman declared the resolution lost.

Resolution 3

Appointment of Mr John Campbell as a director

- 22,781,047 votes in favour of the resolution
- 58,463,569 votes against the resolution

The Chairman declared the resolution lost.

Resolution 4

Removal of Mr Ewan Vickery as a director

- 22,820,657 votes in favour of the resolution
- 58,324,959 votes against the resolution

The Chairman declared the resolution lost.

Resolution 5

Removal of Mr Robert Kennedy as a director

- 22,820,657 votes in favour of the resolution
- 58,324,959 votes against the resolution

The Chairman declared the resolution lost.

Resolution 6

Removal of any director appointed between 15 August 2002 and this meeting.

- 22,750,657 votes in favour of the resolution
- 58,420,959 votes against the resolution

The Chairman declared the resolution lost.

The Chairman made a short statement before closing the meeting.

"I take this opportunity to thank shareholders for the mandate they have given the board today. Shareholders can rest assured that your board will continue to focus on the diamond exploration program which we hope will result in finding a commercial diamond mine. I would also like to thank the staff and consultants to the company who have kept a remarkable focus on the exploration program while these matters were being dealt with."

The meeting closed at 10.58 am.



Dr Kevin Wills
Managing Director

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