



**FLINDERS  
DIAMONDS**

26 November 2004

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

Dear Sir

**Share Placement**

The Company has agreed to a placement to private investors of approximately 19.1 million shares at \$0.025 per share to raise approximately \$477,000 (before expenses) for working capital and to further the exploration program of the Company.

The Company will convene a special meeting of shareholders to ratify the placement and refresh the 15% limit prescribed by the ASX Listing Rules, giving the Company the flexibility to respond quickly to any further capital raising opportunities as and when the need arises. At the special meeting, shareholders also will be asked to approve an issue of options to the private investors that contributed the \$477,000 capital to the Company. Shareholders will receive a formal notice of meeting and explanatory memorandum in due course.

The placement is being managed by Rundle Capital Partners Ltd in conjunction with Baker Young Stockbrokers Ltd. The shares will be placed to sophisticated investor clients across a number of broking firms who have expressed a strong interest in supporting the current Flinders Diamonds exploration strategy.

For further information please contact:

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