



FLINDERS  
DIAMONDS

## Australian Stock Exchange Announcement

### **COMMENCEMENT OF TRENCHING AND COMMISSIONING OF AIRBORNE SURVEY FLINDERS RANGES PROJECT, SOUTH AUSTRALIA**

21 April 2005

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

#### **HIGHLIGHTS**

- *Commencement of next diamond trenching program in Flinders Ranges, SA*
- *Commissioning of a new technology ultra-detailed helicopter airborne magnetic survey to better identify kimberlite bodies*

#### **ACTIVITIES**

Flinders Diamonds Limited (ASX: FDL) has commenced the next stages of its Flinders Ranges diamond exploration program which recently located six new diamondiferous kimberlites.

#### **New Trenching Program**

A program of excavating trenches over widespread kimberlite targets in the Project area will commence today. A series of targets defined by detailed ground magnetic surveys are being tested in the vicinity of the areas where new kimberlites were discovered in February this year and which, by April, had been found to be diamondiferous. At least 20 new targets will be tested over a five day period.

This new area for diamondiferous kimberlites in the Flinders Ranges is located about 60 kilometres from Eurelia—the only other known cluster of diamondiferous kimberlites in South Australia. Any new kimberlites located will be sampled and processed for microdiamonds.

#### **New Airborne Survey**

FDL has elected to fly a new airborne magnetic survey over areas of the Flinders Ranges it considers most prospective for economic diamond deposits. As part of a commitment to developing new exploration techniques and applying new technology FDL will employ a recently designed helicopter-borne towed bird system. This allows slower flying speeds at lower altitudes without interference to the magnetic data from the aircraft. A consultant, highly experienced in such surveys, has been retained to oversee the survey. Flying is expected to commence late in May and new data will become available progressively from commencement.

The survey will use a state-of-the-art magnetometer system capable of sampling 50 times per second (less than 1 metre across the ground). The system is immune to power line noise and has an accuracy greater than 10 times that of currently used airborne magnetometers. In addition a highly accurate digital terrain model will be produced by using a combination of laser altimeter and post processed differential GPS.

FDL has successfully targeted new areas as a result of identification of kimberlites from regional Government survey data. The new system produces a thirty-fold increase in data density, which will better define magnetic kimberlites in these new areas.

**Dr Kevin Wills**  
Managing Director

The information in this report has been compiled by Dr K J A Wills who is a Fellow of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. He has a minimum of 5 years experience in the types of activities being reported.

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