



FLINDERS
DIAMONDS

Australian Stock Exchange Announcement

FLINDERS DIAMONDS COMMENCES HIGH TECH HELIMAG SURVEY

28 June 2005

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

HIGHLIGHTS

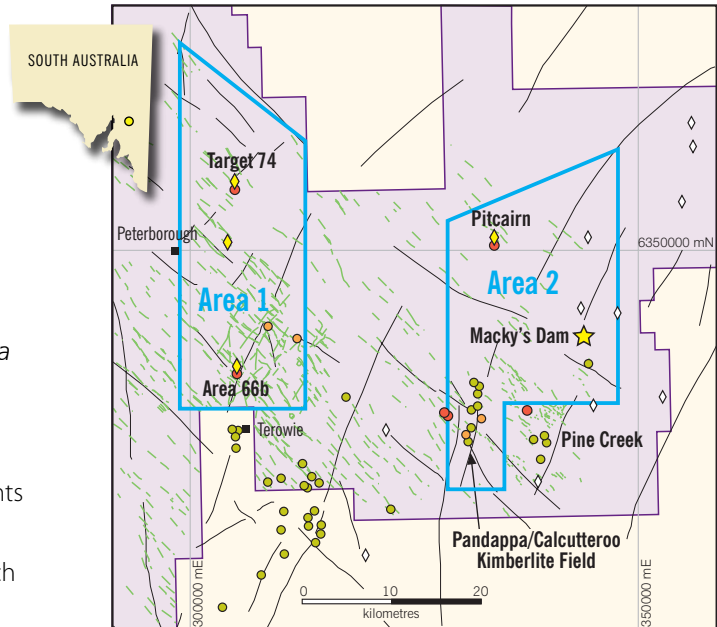
Flinders Diamonds today commenced a high resolution helimag survey in the Peterborough area of the central Flinders Ranges in South Australia.

Commencement of Helimag Survey

Selected areas in the Flinders Ranges Project tenements will be subject to detailed scrutiny for kimberlite targets by a new high-resolution helimag survey which commenced today. A photograph of the Robinson R22 helicopter conducting the survey is shown on Figure 1. Survey areas are shown in Figure 2. Flying will commence on Area 2 near Pine Creek. The survey is using state-of-the-art magnetometer and laser altimeter equipment to take readings at one metre intervals across the ground, representing a thirty-fold increase in data density compared with conventional surveys. This will allow fast and accurate definition of new kimberlites in the Pine Creek and Peterborough areas, where recent trenching has established the presence of a new diamondiferous kimberlite field.



Figure 1 Robinson R22 helicopter.



Previous Explorers

- Kimberlites (non diamondiferous)
- ◆ Diamondiferous kimberlite
- ◆ Diamond location unsourced
- Interpreted structures

FDL Results

- Kimberlites (non diamondiferous)
- Kimberlites discovered April/May 2005
- ◆ Diamondiferous kimberlite
- Kimberlite targets
- Proposed Helimag 100m spacing survey

Figure 2 Location of Helimag Survey.

Up to 10,000 line kilometres of aeromagnetic data will be acquired over the next few weeks. The improved survey system produces information within 24 hours of actual flying, meaning field follow-up can commence whilst the survey is still in progress. The survey is being conducted by a South Australian contractor, and will be supervised by a highly experienced consultant geophysicist.

Diamond Analyses

FDL has been informed by its laboratory that diamond results on 14 new kimberlite samples from the Flinders Ranges that were discovered in April and May are now expected prior to 5 July.

Dr Kevin Wills
Managing Director

For further information please contact: Phone: 1300 559 564 Mobile: 0419 850 997 Email: kwills@flindersdiamonds.com

Flinders Diamonds Limited
ABN 46 091 118 004
www.flindersdiamonds.com

20 Boskenna Avenue
Norwood
South Australia 5067

PO Box 3126
Norwood
South Australia 5067

telephone 61 8 8362 5900
facsimile 61 8 8362 5966
email info@flindersdiamonds.com