



FLINDERS
DIAMONDS

FLINDERS DIAMONDS LIMITED

ASX RELEASE

21st April 2006

On the 17th January 2006 the Company announced a one for one non-renounceable rights issue and a share placement at \$0.015 per share with a free attaching (FDLOA) option.

The rights issue closed on Friday 24th February 2006 and the company issued to existing shareholders 39,247,380 ordinary shares raising \$588,710.70.

The shortfall of the rights issue and the share placement has been closed today, fully subscribed and no further shares or options will be issued under these offers.

The Company will issue 162,552,620 shares raising \$2,438,289.30 through the shortfall and 80,000,000 shares raising \$1,200,000 through the placement. The company expects these shares will be issued on Monday 24th April. Holding statements will be sent out on Thursday 27th April.

Total funds raised by the rights issue and placements are \$4.227 million.

Part of the monies raised will be applied to our Flinders Ranges diamond exploration program with focus on testing targets from the current Helimag survey and bulk sampling. Funds will also be applied to the Hamersley project in Western Australia in which Flinders Diamonds has an alliance with De Beers Australia Exploration Limited.

Richard W C Willson
Company Secretary