



FLINDERS
DIAMONDS

Australian Stock Exchange Announcement

FLINDERS SHAREHOLDERS TO RECEIVE PRIORITY OFFER IN NEW URANIUM IPO

24 May 2006

The Manager
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Australian Stock Exchange
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Summary

Flinders Diamonds Limited (FDL) has given its consent to allow Maximus Resources Limited (MXR) to farm-out its non-diamond mineral rights in the Billa Kalina Project to MXR's wholly-owned subsidiary Eromanga Uranium Resources Pty Ltd (EPL).

MXR has agreed to sell all of the issued shares in EPL to the new uranium explorer Eromanga Uranium Limited (ERO) conditional upon MXR shareholder approval and ERO completing a successful initial public offering (IPO). FDL's diamond rights remain unchanged.

Due to FDL's shareholding in MXR, ERO has agreed to allocate FDL's shareholders a position to take up shares in ERO's IPO, details will be announced when the ERO prospectus has been finalised.

Billa Kalina Joint Venture

The Billa Kalina Project consists of five exploration licences covering 4,084 square kilometres located approximately 70 kilometres northwest of the Olympic Dam Mine in South Australia.

The area was originally acquired by FDL as part of its diamond exploration program on the Gawler Craton. In 2005, FDL sold the non-diamond mineral rights for vendor shares in MXR as part of its IPO.

MXR has entered into a farm-out agreement with EPL whereby EPL can earn 50% equity in the non-diamond mineral rights by the expenditure of \$3 million over a maximum of six years.

FDL's diamond rights are not affected and EPL has agreed to accept the terms of the original agreement between MXR and FDL.

Sale of Eromanga Uranium Resources Pty Ltd

MXR has agreed to sell all of the issued shares in EPL to ERO in exchange for the issue of vendor shares in ERO. This is conditional on MXR shareholders approving the transaction and ERO successfully completing its IPO.

ERO will be primarily focused on exploration for and development of economic resources of uranium.

A prospectus for the IPO will be made available when the shares are offered. Anyone who wishes to acquire shares

will need to complete the application form that will accompany the prospectus.

ERO will be led by the highly experienced team of Robert Kennedy (Non-executive Chairman), Kevin Lines (Managing Director), Ewan Vickery and Kevin Wills (Non-executive Directors). Richard Willson is the Company Secretary.

Priority Offer to Flinders Diamonds Limited Shareholders

As part of the sale agreement of EPL, ERO has agreed to offer MXR shareholders a position in its IPO. As a shareholder in MXR, FDL will receive a priority to take up shares in ERO's IPO. It has been agreed this priority offer will be passed onto FDL shareholders effectively allocating all FDL shareholders a position in the IPO.

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