



FLINDERS
DIAMONDS

ASX RELEASE

21 June 2007

General Manager
Companies Announcements Office
Australian Securities Exchange
20 Bridge Street Sydney NSW 2000

Dear Sir / Madam,

ISSUE OF SHARES PURSUANT TO THE RIGHTS ISSUE
(Refer Appendix 3B dated 1 May 2007)

Flinders Diamonds are pleased to,

1. Announce 109,101,211 ordinary fully paid shares pursuant to the Rights Issue prospectus were allotted today, 21 June 2007.
2. Confirm that securities have been entered into uncertified holdings today, 21 June 2007.
3. Confirm that issuer sponsored statements and CHES confirmation advices will be despatched to security holders on Monday 25 June 2007.
4. Confirm that there are now 595,550,919 ordinary fully paid (listed) shares on issue.
5. Confirm that there are 381,653,978 listed options with an exercise price of 10 cents and expiry date of 29 September 2008 on issue.
6. Confirm that there are 4,025,000 unlisted options with an exercise price of 1.7 cents and expiry date of 20 March 2012 on issue.

We are now working on placing the shortfall of \$4,528,182 with brokers from whom we have had a great deal of interest and we expect to place most of the shortfall in the coming month.

The company is now in a strong position to continue its exploration program, including

- the ongoing Heli-mag survey in the Flinders Ranges area
- testing of targets identified during the Heli-mag survey
- new work on Flinders Island and on the Gawler Craton
- purchase of a Dense Media Separation Bulk Sampling Plant
- further work on the Hamersley project in Western Australia

Yours faithfully,

Richard W C Willson
Company Secretary

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