

FLINDERS DIAMONDS LIMITED

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Media Release

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FIRST S.A. DIAMOND TARGET

TO BE DRILLED NEXT MONTH

Flinders Diamonds Limited says it expects to next month commence drilling its first diamond target on the Company's flagship Springfield Basin project in South Australia.

The drill hole will target kimberlitic indicators at the base of the Springfield Basin identified after completion by Flinders Diamonds last week of a seismic survey over the area, 30 kilometres south of Hawker in the Flinders Ranges.

"Preliminary assessment of the seismic results suggests the main target to be at a depth of about 480 metres," Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

"While earlier gravity work had indicated the likely location of kimberlites, the seismic results have enabled the Company to pinpoint the deepest part of the Springfield Basin where our modelling predicts kimberlites to be present," Dr Wills said.

"The results have also provided the first picture of the structure of the Basin showing dips and structures consistent with previous mapping.

"We also expect additional targets for drilling to be identified at the nearby Boolcunda Basin from further processing of the seismic results."

To Flinders Diamonds knowledge, the survey was the first time seismic has been used in Australia to identify potential diamond targets.

The Springfield Basin target will be the first diamond drill hole to be undertaken by Flinders Diamonds on any of its tenements in South Australia, the Northern Territory and Western Australia, since the Company listed on the Australian Stock Exchange in February this year.

FOR FURTHER INFORMATION: Please contact

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