NEWS

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FLINDERS DIAMONDS INCREASES

ACREAGE AT KEY PROSPECTS

Flinders Diamonds Limited has increased its exploration acreage at the Company's flagship prospects in South Australia.

Recent tenement acquisitions and applications will add 1,016 square kilometres of prospective diamondiferous tenements to Flinders Diamonds exploration areas when they are granted.

Two of the new tenements - Radford Creek (352 km²) and Wonoka (316 km²) - are northeast of Port Augusta and close to the Company's Springfield Basin project, the subject of Flinders Diamonds' main seismic and exploration activity.

A third tenement, Mount Barker (337 km²), located between Birdwood and Mannum is northeast of the Company's Echunga prospects in the Adelaide Hills - host to some of the State's oldest diamond discoveries.

The fourth new tenement, Copley (11 km²) is near Leigh Creek in the State's Far North and was applied for to further evaluate a potential kimberlite resulting from a South Australian Mines Department hole drilled within the area's coal leases in 1995.

"The new licence acquisitions and applications cover a total of 10 discrete areas of terrain prospective for diamond deposits," Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

"The new Springfield areas host three diamond locations and detailed drainage indicator mineral sampling will be undertaken to explore for the diamond source."

Flinders Diamonds will spend $362,000 on exploration work at Springfield during the December quarter, focusing particularly on the testing of eight kimberlite targets.

FOR INTERVIEWS AND FURTHER INFORMATION: Please contact

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