
NEWS

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FLINDERS DIAMONDS IN RIGHTS ISSUE **TO FUND EXPANDING EXPLORATION**

A non-renounceable rights issue to raise up to \$3 million has been announced by listed explorer, Flinders Diamonds Limited.

Proceeds from the issue will be used to fund the Company's expanding exploration program in three states.

"We have 17 kimberlite pipe targets at a 'drill ready' stage and propose to test at least 14 of these in the forthcoming December quarter," Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

"The targets have been defined from recent work so proceeds from the issue will enable the Company to push ahead in the immediate future with its search for economic diamond deposits in SA, WA and the NT," Dr Wills said.

The 17 drill targets are located across six locations in four project areas, including Springfield and Boolcunda near Port Augusta, Skeleton Flat in the Kimberleys and acreage in the central and Hamersley regions of Western Australia.

Under the offer terms, eligible shareholders will receive one new fully paid ordinary share at an issue price of 5 cents per share for each ordinary share held, with a free accompanying option convertible at 10 cents each prior to five years after issue.

The record date for the offer is Friday 22 August, 2003 with a prospectus to be distributed to shareholders on Wednesday 27 August, 2003. The offer opens on Friday 29 August, 2003 and closes on Tuesday 23 September, 2003.

Dr Wills said the non-renounceable rights issue is not underwritten and any shortfall would be placed at the discretion of Directors. If closed fully subscribed, it would raise \$3.05 million. Flinders Diamonds has 61 million ordinary shares on issue.

Investors wishing to take part in the issue need to purchase their shares before Friday 15 August, 2003.

FOR FURTHER INFORMATION: Please contact

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