
NEWS

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21 August, 2003

PRIVATE PLACEMENT BOOSTS EXPLORATION

BUDGET FOR FLINDERS DIAMONDS

Flinders Diamonds Limited has topped up its exploration budget by \$142,500 ahead of its non-renounceable rights issue to raise up to a further \$3 million for its planned drilling program.

The funds were raised with a placement to private investors of 2.85 million ordinary shares at five cents each with attaching 10 cent options exercisable by 29 September, 2008.

"We have a strong forward exploration program and the placement will allow an early start on this schedule, most likely at our flagship Springfield project near Port Augusta in South Australia and our first drilling at Skeleton Flat in Western Australia," Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

The Company has announced revised dates for the rights issue with shareholders registered on the Flinders Diamonds' share registry by next Friday, 29 August 2003, eligible to participate.

The prospectus will be mailed to shareholders on Wednesday, 3 September, with the offer opening on Friday 5 September and closing on Monday, 29 September, 2003.

The offer is a one-for-one pro-rata non-renounceable offer of approximately 61 million new shares at an issue price per new share of 5 cents (each with an attaching free option to subscribe for a further share at 10 cents to be exercised on or before 29 September 2008) to raise up to approximately \$3 million.

Flinders Diamonds has 17 kimberlite pipe targets at a 'drill ready' stage and proposes to test at least 14 of these in the December quarter.

FOR FURTHER INFORMATION: Please contact

Dr Kevin Wills Flinders Diamonds Limited (08) 8362 5900 / 0419 850 997

Kevin Skinner Field Public Relations (08) 8232 1355 / 0414 822 631

issued through

FIELD BUSINESS SERVICES PTY LTD ACN 008 222 311 ABN 74 008 222 311

ADELAIDE - 201 Hutt Street, SA 5000 Ph: (08) 8232 1355 Fax: (08) 8232 1356

SYDNEY - Level 4, Suite 409, 185 Elizabeth Street, NSW 2000 Ph: (02) 9264 4433 Fax: (02) 9264 3433

admin@fieldpr.com.au

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