

NEWS

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MORE GOOD W.A. SAMPLE NEWS

FOR FLINDERS DIAMONDS

Flinders Diamonds Limited - which last month announced a new diamond find at its Hamersley Project in Western Australia - today reported further high diamond potential from its latest processing of drill samples.

The Company and its joint venturer, Prenti Exploration Pty Ltd (each with 50% interest) also advised that they had applied for an additional exploration licence to cover vacant ground in the Hamersley Project and “to protect possible extensions”.

“Following the 0.3mm diamond found last month, we have recovered additional diamond indicator minerals from further processing of percussion drill samples from the Hamersley Project in the Pilbara Craton,” Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

The Hamersley Project contains three kimberlite pipe targets - Cadeuceus, Iraklis and Vancelot - which were partially tested in 2002 by a Rio Tinto Exploration-Prenti joint venture.

“Flinders Diamonds has been recently testing selected samples for diamond indicator minerals to see if they contained anything unexpected - and they did,” Dr Wills said.

“Results of recent work have confirmed that samples from two previous reverse circulation percussion (RCP) drill holes in the Cadeuceus breccia body contain diamond indicator minerals with chemical compositions suggesting a high diamond potential in their parent kimberlite,” Dr Wills said.

“It is currently thought likely the breccia body samples analysed represent either the strongly weathered and ferruginous tops of diamondiferous kimberlite pipes or a volcanic mixture of kimberlite and iron formation on the margin of a diamondiferous kimberlite pipe.”

Dr Wills said Further diamond indicator analysis, electron microprobe analysis and micro-diamond determinations were under way on the samples.

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“Additional geological mapping, rock sampling and geophysical interpretation are planned, and further drilling of all three targets is planned as soon as the Prospecting Licences over the Iraklis and Vancelot targets are granted,” he said.

“This is likely to occur early in the 2004 dry season. The next stage of drilling will involve accessing suitable sites and deeper holes with core drilling so that the nature of the fresh breccia bodies can be determined.”

The discovery last month of the 0.3mm diamond at the Hamersley project was the second Flinders Diamonds project to contain a new diamond find.

In May this year, the Company located diamond and associated pyrope garnets at its Boolcunda prospect in South Australia.

Flinders Diamonds joined Prenti to explore the Hamersley Project in May this year in a 50-50 joint venture.

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