
NEWS

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RAPID RISE IN DISCOVERY RATE
LIFTS SA' s DIAMOND PROSPECTS

South Australia's prospects for commercial diamond mining have lifted after one of the most successful exploration programs in an area in the State's mid-north.

Listed explorer, Flinders Diamonds Limited (ASX code: "FDL") announced today that 10 new kimberlites – the host rock for potential commercial diamond yields – had been discovered in a three week drilling and trenching program conducted last month.

"This is an extremely rapid rate of discovery for kimberlites and is an indication that Flinders Diamonds' enhanced exploration modelling and field work is now generating the necessary volume of targets needed to increase the prospects of a commercial diamond discovery," the Company's Managing Director, Dr Kevin Wills, said today.

"Significantly, the average width of the kimberlite dykes intersected in last month's program was about two metres," Dr Wills said.

"This is wider than those previously intersected in Flinders Diamonds' work at the Eurelia project to the northwest of the latest discoveries and is more than sufficient for a development should economic grades be discovered.

"In South Africa, the average width of kimberlite dykes being mined at that country's six most significant operations, is only 60-80 centimetres.

"The latest results also include Flinders Diamonds' discovery of its first kimberlite pipe within the Flinders Ranges so that is particularly heartening."

Kimberlites come in three shapes – *dykes* (thin vertical sheets); *sills* (thin horizontal sheets) and *pipes* (vertical cylinders) – but it is only the quality and concentration of diamonds within any of these types of kimberlite which determines commerciality.

Dr Wills said Flinders Diamonds would now undertake a more detailed 100-metre spacing airborne magnetic survey of the more prospective areas of the Company's tenements stretching between Peterborough and Port Augusta.

"We are confident this aerial work will enable the identification of many additional kimberlites to build on the outstanding February results – with any new targets to then be confirmed with detailed ground magnetic surveys."

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