

---

# NEWS

---

• RELEASE •

---

FOR IMMEDIATE RELEASE  
Thursday 31 March 2005

## FLINDERS DIAMONDS SIGNS EXPLORATION SWAP

### AGREEMENT WITH FORTESCUE METALS

Flinders Diamonds Limited (ASX code: "FDL") has signed an agreement to swap exploration and mining development rights with Fortescue Metals Group over some tenements in the Pilbara region of Western Australia.

"This agreement is a logical extension of the current Pilbara region diamond and iron ore exploration activities of Flinders Diamonds and Fortescue respectively," Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

Under the agreement announced today, Flinders Diamonds and Prenti Exploration Pty Ltd – its joint venture partner in the WA tenements – will receive a royalty payment for any iron ore mined by Fortescue Metals on four of Flinders Diamonds' Pilbara leases.

The four licences – E47/ 1011, 1013, 1016 and 1306 - total 294 square kilometres scattered generally to the north and west of Wittenoom. These tenements are now regarded by Fortescue as part of that Company's White Knight project.

In return, Flinders Diamonds has been granted exploration access to eight Fortescue Metals' tenements - *E47/1333, E47/1334, E47/1352, E47/1371, E47/1372, E47/1398, E47/1399, E47/1436 (all under application)* - totalling 1,527 square kilometres in which to expand its search for diamonds.

While Flinders Diamonds would receive the benefit of any iron ore production by Fortescue Metals, the Company is not required to pay a reciprocal royalty on any diamond production it might undertake.

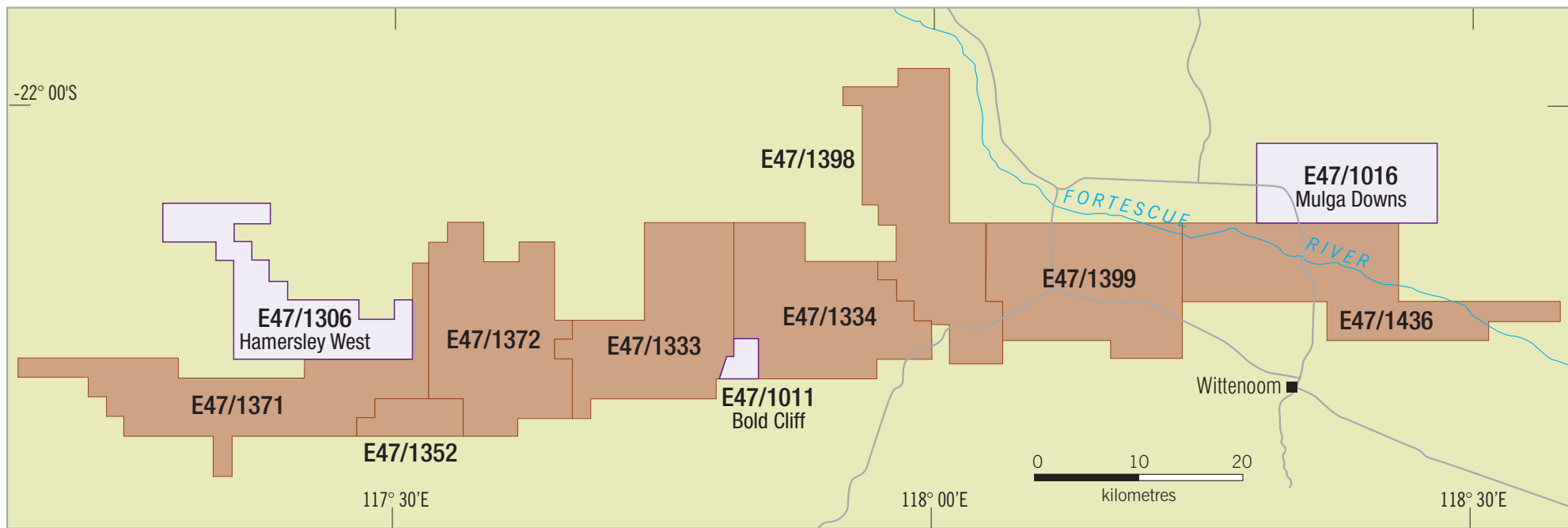
For Fortescue, the agreement involves areas with known iron ore potential that are adjacent to that company's proposed rail route to Port Hedland for its lead Chichester Range iron ore projects.

#### **MEDIA CONTACTS:**

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

**Kevin Skinner**  
**Field Public Relations**  
**(08) 8234 9555 / 0414 822 631**

issued through  
**FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311**  
231 South Road, MILE END SA 5031  
Ph: 08 8234 9555 Fax: 08 8234 9566  
admin@fieldpr.com.au



Hamersley Project - Tenements in agreement with Fortescue Metals Group.