
NEWS

• RELEASE •

FOR IMMEDIATE RELEASE
Tuesday 6 June 2006

NEW S.A. DIAMOND PIPE DISCOVERIES

An immediate test for the presence of macro diamonds near Terowie in South Australia's mid north is to be undertaken following the discovery in the area of two new kimberlite pipes – the dominant host rock structure for the precious stones.

ASX-listed Flinders Diamonds Limited announced today that the two pipes at least 100 metres across had been given immediate priority as part of the Company's previously scheduled bulk sampling program in the province over June and July.

The two pipes - one of which has been outlined and one intersected - were discovered over the past fortnight during trenching operations by Flinders Diamonds at its 100%-owned 48-hectare Franklyn target, 11 kilometres east of Terowie in EL 3427.

As well as the pipes, the Company said results of its trenching and geological interpretation suggested there were two larger pipes nearby under shallow sedimentary basins.

"Kimberlite pipe structures are the preferred diamond host rock for commercial mining and the decision to focus our exploration initiatives around assessing the diamond potential of the Franklyn target has begun to yield results," Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

"However, considerable further exploration needs to be undertaken before we have a true picture of commercial potential at Franklyn," Dr Wills said.

The two confirmed pipes have been called Franklyn 1 and 2. The two suspected pipes, Franklyn 3 and 4, will be further explored.

Dr Wills said Franklyn 1 was about 100 metres by 60 metres in size and based on the size of airborne magnetic anomalism, Franklyn 2, which had been intersected in one trench, could be as much as 200 metres by 100 metres in size.

"Ahead of any drilling, we have commenced a detailed ground magnetic survey over the entire Franklyn Target and a gravity survey is also planned as this will provide strong evidence about the presence and location of any additional kimberlite pipes," Dr Wills said.

MEDIA CONTACT:

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

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

Kevin Skinner

Field Public Relations

(08) 8232 1355 / 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