



FLINDERS  
DIAMONDS

FLINDERS DIAMONDS LIMITED

ACN 091 118 044

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**NOTICE OF ANNUAL GENERAL MEETING 2006**

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Notice is hereby given that the Annual General Meeting of Flinders Diamonds Limited (“**Company**”) will be held at 136 Greenhill Road Unley, SA, on Thursday 30<sup>th</sup> November 2006 at 11:00am (Adelaide time).

**AGENDA**

**ORDINARY BUSINESS**

**1. Financial Statements and Reports**

To receive and consider the Company’s financial statements and independent audit report for the year ended 30 June 2006.

**2. Remuneration Report**

To adopt the Remuneration Report contained in the Directors Report for the period ended 30 June 2006. *Note – the vote on this resolution is advisory only and does not bind the directors or the company.*

**3. Directors Remuneration**

To set at \$300,000 the maximum level of Non-Executive Directors remuneration.

**4. Election of a Director**

Mr Ewan John Vickery retires as a Director in accordance with the Company’s Constitution and being eligible, offers himself for re-election.

**5. Appointment of Auditors**

Following the resignation of PKF Chartered Accountants, to appoint Grant Thornton Chartered Accountants as auditors for the company.

The Chairman will address the meeting and the Managing Director will give a presentation on the company's activities.

At the conclusion of the meeting there will be tea and coffee served and you are invited to stay and chat with the board and other shareholders.

## PROXIES

- A shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and vote on the shareholder's behalf. If the shareholder is entitled to cast two or more votes at the meeting, the shareholder may appoint up to two proxies to attend and vote on the shareholder's behalf.
- If a shareholder appoints two proxies, each proxy must be appointed to represent a specified proportion or number of the shareholder's votes. Absent this specification, each proxy will need to exercise half the votes.
- A proxy need not be a shareholder of the Company.
- To appoint a proxy, a proxy form must be signed by the shareholder or the shareholder's attorney duly authorised in writing. If the shareholder is a corporation, the proxy form must be signed in accordance with section 127 of the *Corporations Act 2001* (Cth).
- A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy form must be deposited at the share registry of the Company, Computershare Investor Services Pty Ltd, located at, Level Five, 115 Grenfell Street Adelaide SA 5000 or at the Company's registered office, 62 Beulah Road (PO Box 3126), NORWOOD, SA 5067, or by facsimile to the Company on 61 8 8362 5966 not later than 48 hours before the commencement of the meeting.
- Shareholders who forward their proxy forms by fax must make available the original executed form of the proxy for production at the meeting, if called upon to do so.

By order of the Board



Richard W C Willson  
**Company Secretary**

Dated this 30<sup>th</sup> Day of October 2006



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# Flinders Diamonds Limited

ABN 46 091 118 044

Mark this box with an 'X' if you have made any changes to your address details (see reverse)

# Proxy Form

### All correspondence to:

Computershare Investor Services Pty Limited  
GPO Box 1903 Adelaide  
SA 5001 Australia  
Enquiries (within Australia) 1300 556 161  
(outside Australia) 61 3 9415 4000  
Facsimile 61 8 8236 2305  
www.computershare.com

## Appointment of Proxy

I/We being a member/s of Flinders Diamonds Limited and entitled to attend and vote hereby appoint:

the Chairman  
of the Meeting  
(mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Flinders Diamonds Limited to be held at 136 Greenhill Road, Unley, SA, 5061 on 30th November 2006 at 11:00 am and at any adjournment of that meeting.

### IMPORTANT: FOR ITEM 3 BELOW



If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Item 3 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the Item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your vote on Item 3 and your vote will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3.

Voting directions to your proxy - please mark

to indicate your directions

	For	Against	Abstain*
2. Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Directors Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Re-election of E J Vickery as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Appointment of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## Appointing a second Proxy

I/We wish to appoint a second proxy

Mark with an 'X' if you wish to appoint a second proxy.

AND

%

OR

State the percentage of your voting rights or the number of securities for this Proxy Form.

## PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/Sole Director and  
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

F D L

5 P R

PJ42



# How to complete the Proxy Form

## 1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

## 3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

## 4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

## 5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at [www.computershare.com](http://www.computershare.com).

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 11.00 am on 30 November 2006. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### Documents may be lodged:

IN PERSON	Registered Office - 62 Beulah Road, Norwood, South Australia 5067 Share Registry - Computershare Investor Services Pty Limited, Level 5, 115 Grenfell Street, Adelaide SA 5000 Australia
BY MAIL	Registered Office - PO Box 3126, Norwood, South Australia 5067 Share Registry - Computershare Investor Services Pty Limited, GPO Box 1903, Adelaide SA 5001 Australia
BY FAX	Registered Office - 61 8 8362 5966 Share Registry - 61 8 8236 2305