



FLINDERS  
DIAMONDS

3 August 2007

The Manager  
Companies Announcements Office  
Australian Securities Exchange  
20 Bridge Street SYDNEY NSW 2000

Dear Sir / Madam,

ISSUE OF SHARES PURSUANT TO THE SHORTFALL OF THE RIGHTS ISSUE  
(Refer Appendix 3B dated 1 May 2007)

Flinders Diamonds is pleased to announce,

1. 291,978,993 ordinary fully paid shares pursuant to the prospectus were allotted on 2 August 2007.
2. Confirm securities were despatched into the uncertificated accounts on 2 August 2007.
3. Confirm that issuer sponsored statements, CHES confirmation advices will be despatched to security holders on 2 August 2007.
4. Confirm that there are now 887,529,912 ordinary fully paid (listed) shares on issue.
5. Confirm that there are 381,653,978 listed options with an exercise price of 10 cents and expiry date of 29 September 2008 on issue.
6. Confirm that there are 4,025,000 unlisted options with an exercise price of 1.7 cents and expiry date of 20 March 2012 on issue.

Yours faithfully,

Richard W C Willson  
Company Secretary