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AUSTRALIA'S FIRST SEISMIC EXPLORATION

FOR DIAMONDS TO COMMENCE NEXT WEEK

Australia's first use of seismic surveys in diamond exploration will be pioneered next week by Flinders Diamonds Limited

The Company announced today that it would commence a seismic survey on Monday next week (April 15, 2002) at its Springfield project, 30 kilometres south of Hawker in South Australia's Flinders Ranges.

"To our knowledge, this is the first time seismic surveys have been used anywhere in Australia in diamond exploration," Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

"Historically, exploration for diamonds has focused on indicative kimberlitic features on the surface," Dr Wills said.

"The use of seismic has become feasible for our exploration because the Company has adopted the specific exploration strategy of using a Global Emplacement Model (GEM) to locate diamondiferous kimberlites at depth," he said.

"It is anticipated that the seismic survey commencing next week will pinpoint the deepest part of the Springfield and Boolcunda Basins in the Springfield project area, for drill testing either late this month or early in May."

Flinders Diamonds listed on the Australian Stock Exchange in February after raising \$3.35 million in an Initial Public Offering.

The Company has since commenced activities on its two most prospective projects – the Springfield site and its Flinders' G2 project 50 kilometres east of Minotaur's Prominent Hill discovery in South Australia's far north.

Dr Wills said initial work on both exploration sites had been promising.

“A gravity survey at the Springfield project to outline drill targets has been completed,” he said.

“The results have been imaged and indicate the deepest part of the Springfield Basin which is likely to coincide with the location of an undiscovered diamondiferous kimberlite”.

“These basins are thought to represent in-filled volcanic craters formed by kimberlite volcanic eruptions during the Permian period about 250 million years ago.”

G2 potential for base metal and gold drill testing

At Flinders Diamonds’ G2 project, a geological review has identified several combined gravity and magnetic anomalies for potential base metal and gold drill testing.

“Previous explorers have drill tested some of these anomalies as base metals or coal targets to depths of between 150 metres and 1,500 metres but the holes had generally not hit basement, although those drilled for coal were not designed to,” Dr Wills said.

“Flinders Diamonds has engaged a geophysical consultant to provide modelled depths to basement prior to selection of any areas requiring new gravity surveys and selection of possible drill targets,” he said.

Dr Wills said work on programs for Flinders Diamonds’ Skeleton Flat, Adelaide Hills and Strangways projects had also commenced.

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