
NEWS

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FLINDERS DIAMONDS MOVES TO 75% INTEREST

IN FLAGSHIP SPRINGFIELD PROJECT

Flinders Diamonds Limited (FDL) has achieved its objective of securing a 75% interest in its flagship Springfield diamond project in South Australia.

The Company announced today it had completed an additional expenditure of \$100,000 to meet the total of \$1.25 million required to be spent on exploration work to gain 75% ownership in the promising Springfield tenements between Port Augusta and Hawker.

Flinders Diamonds had previously held a 71% interest ahead of the latest \$100,000 expenditure.

The 75% stake was stated by Flinders Diamonds ahead of its ASX listing in February this year, as a key objective for 2002 under its joint venture agreements covering the Springfield project.

Under the agreements, the Company has similarly moved to 75% ownership of two of its four Adelaide Hills tenements.

"We plan to resume exploration drilling at Springfield by October this year," Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

"This is four months later than scheduled but is necessary to allow the Company to complete formal tenement agreements on the Springfield and Adelaide Hills projects with our joint venture partner, the Initial Licence Holders (ILH) group," Dr Wills said.

"An independent arbitrator, Adelaide QC, Mr Tim Anderson, has been appointed to assist the Joint Venture to clarify some of the detail in the agreements. The Arbitration findings are expected to be completed within two months to allow an immediate resumption of exploration work in October," Dr Wills said.

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