
NEWS

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ADELAIDE HILLS DISCOVERY FIRST

KIMBERLITES FOR FLINDERS DIAMONDS

Listed explorer, Flinders Diamonds Limited (FDL), has discovered its first kimberlite pipes, the known source rock for diamonds.

Two kimberlites have been located by the Company near Angaston and Lyndoch as part of its Adelaide Hills exploration program.

"Work is at an early stage yet and a full assessment of the discoveries will be required to test their potential to host diamonds," Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

"Nonetheless, it is a very exciting and encouraging outcome for such a young explorer," Dr Wills said.

"The program to prove up the kimberlites will consist of initial location of other suspected pipes followed by evaluation of all pipes discovered."

The kimberlites are the first such confirmed discoveries by Flinders Diamonds since it listed on the ASX in February, 2002. The Company has a range of advanced kimberlite targets at its flagship Springfield project near Port Augusta in South Australia, and at several sites in Western Australia.

Not all kimberlites host diamonds but they are the only host rock for the gemstone other than opportunities from alluvial discoveries.

Stockwell kimberlites

One of the discoveries announced today was located as exposed kimberlite rock in a creek bank, during geological reconnaissance in the vicinity of Stockwell on the Sturt Highway, 120 kilometres north of Adelaide.

Dr Wills said aerial photographic expression of this occurrence suggested a 'pipe-like' shape of at least three hectares in area, and there appeared to be four additional pipes on the same fault line.

Mineralogical and geochemical analyses had confirmed the outcropping body as a kimberlite or possible lamproite, the known source rocks for diamonds.

"We still need to await the results of heavy mineral analysis," Dr Wills said.

"Flinders Diamonds plans to extract a 50 kilogram sample next week which will then be assessed for micro-diamonds as an indication of the kimberlite's diamond potential."

Ian Ross kimberlite

Another kimberlite has been confirmed by geological reconnaissance in the Tweedies Gully area, four kilometres southeast of Lyndoch.

Future work

Dr Wills said a full assessment of the new discoveries was now under consideration.

"Work is likely to include ground magnetic, gravity and geological surveys followed by drilling or trenching and bulk sampling to determine the diamond potential of these two new zones," he said.

The Company's other diamond exploration programs include the Springfield/ Boolcunda project northeast of Port Augusta, with particular attention on the Eureka prospect in the southeast corner of the project area, and in Western Australia, at Skeleton Flat in the Kimberley region and Twin Swamps in the Hamersley Ranges.

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