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# NEWS

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### FLINDERS DIAMONDS WIDENS S.A.

#### EXPLORATION STRATEGY

Flinders Diamonds Limited (“FDL”) – which last year discovered diamonds in South Australia and Western Australia – today announced an agreement to acquire new exploration areas near Terowie in South Australia’s mid north.

The move is in addition to the Company’s recent success in locating three new kimberlite dykes – the potential host rock for diamonds – at its Eurelia prospect, part of the Springfield project to the northwest of Terowie.

The Company announced today it had entered an option agreement to acquire three exploration licences in the Nackara area east of Terowie as part of a strategy to intensify its focus on discovering commercial diamond deposits in the State.

At least 30 known kimberlites and 12 diamond locations, have already been identified on the Nackara acreage from historic exploration over the area.

The two year option agreement with Novec Pty Ltd, Amona Mining and Exploration Pty Ltd and Mr John Simnovec, covers exploration licences 2723, 2977 and 3225.

“In addition to current work by the Simnovec-related interests, future exploration opportunities for Nackara have emerged as a result of significant initiatives by Primary Industries and Resources South Australia (PIRSA) to boost the area’s exploration,” Flinders Diamonds’ Managing Director, Dr Kevin Wills, said today.

“Interpretation of PIRSA data in the Nackara area has enabled possible locations of kimberlite bodies to be identified in the vicinity of positive diamond indicator mineral results,” Dr Wills said.

“The local geological map sheet has also been reworked to enable a much better understanding of the region’s geology, and as a result, directly locating several new kimberlites which now need to be sampled for diamonds.

“The results of recent PIRSA studies on the distribution of diamond indicator minerals (DIMs) in kimberlite fields will also now allow these results to be applied for the first time as a new exploration tool for the Terowie kimberlites,” Dr Wills said.

The option agreement announced today coincides with additional applications by Flinders Diamonds for diamond-prospective ground in the broader Jamestown area to the southwest of Terowie.

These applications have expanded Flinders Diamonds' exploration assets to an area of more than 24,400 square kilometres throughout South Australia.

"Our interpretation has identified three major regional northwest trending kimberlite dyke swarms within this acreage which broadly stretches southeast in a corridor from Port Augusta to Jamestown," Dr Wills said

"From north to south, they have been named the Eurelia, Peterborough and Jamestown Swarms," Dr Wills said.

"Within the Jamestown Swarm alone, there are more than 100 interpreted kimberlite dykes.

"We are now planning a rapid evaluation of these previously unsampled kimberlites via microdiamond analysis."

Dr Wills said Flinders Diamonds was also modifying its main exploration technique.

"The data base established by Flinders Diamonds over the past two years has now matured to a point where we can increasingly move away from diamond indicator mineral sampling to a greater application of geophysics, particularly airborne and ground magnetics," Dr Wills said.

"Geophysics is better able to enhance the scope and pace of future exploration successes on what we regard as very promising South Australia diamond acreage," he said.

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