
NEWS

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DIAMONDS FOUND BY FLINDERS

IN SA'S MID NORTH

Diamonds have been discovered in a new exploration program on pastoral land north of Peterborough in South Australia's mid north.

ASX-listed Flinders Mines Limited (formerly Flinders Diamonds Limited) announced today that ten diamonds had been identified in adjacent soil surface samples in an area seven kilometres northeast of Peterborough.

"The results are the most significant soil diamond results known to the Company in South Australia," Flinders Mines' Managing Director, Dr Kevin Wills, said today.

"The only other area of similar soil diamonds in South Australia and known to the Company is on Flinders Island where we are also exploring," Dr Wills said.

"Considerable work, including verification of the results, will be necessary before the true significance of the discovery is known," he said.

"What is exciting about the discovery is that the diamonds are at surface, and are contained within four sites clustered together no more than one and a half kilometres apart.

"The gems include four macro diamonds (above half a millimetre in size) and six microdiamonds, with one site yielding five of the precious stones from a breccia (a rock containing angular fragments) located within the magnetic anomaly," Dr Wills said.

"This frequency and scattering in such a close-spread exploration footprint provides us with significant confidence to progress more detailed ground investigations.

"Initially, we expect this work to include ground magnetics, auger soil sampling and geological sampling to delineate the extent of the new diamondiferous zone, ahead of a likely trenching or drilling program."

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FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311

231 South Road, MILE END SA 5031

Ph: 08 8234 9555 Fax: 08 8234 9566

admin@fieldpr.com.au

The surface sampling was undertaken within EL 3692 over magnetic targets interpreted by a helimag survey conducted by Flinders Diamonds late last year over the surrounding Nackara diamond target area.

Previous reports from the area had reported kimberlite (one of the possible host rock sources for diamonds) and diamond indicator minerals in the adjacent Nackara Creek.

Flinders Mines has been exploring the Flinders Ranges area in South Australia for diamonds since mid 2004, and has identified 105 kimberlites (one of the host sources for diamonds), 26 of which, before today's announcement, have carried diamonds.

MEDIA CONTACTS

Dr Kevin Wills
Flinders Mines Ltd
0419 850 997

Kevin Skinner
Field Public Relations
(08) 8234 9555 / 0414 822 631