
NEWS

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For immediate release
Thursday 6 September 2007

AUSTRALIA'S LARGEST TALC PRODUCER IN

NEW S.A. SEARCH WITH FLINDERS DIAMONDS

Australia's largest talc producer, Luzenac Australia Pty Ltd, has signed an agreement with Flinders Diamonds Limited and Maximus Resources Limited to explore for the industrial mineral in South Australia's lower mid north.

The agreement – between the talc producer, and ASX listed and Adelaide-based Flinders Diamonds – provides for Luzenac to take any commercial discovery through to an operating talc mine.

Luzenac – which approached Flinders Diamonds about the exploration proposal - is a 100% owned subsidiary of Rio Tinto Limited. The Company is Australia's main talc producer through its Three Springs operation located 330 km north of Perth in Western Australia.

"Luzenac's main focus for drilling and metallurgical work is near the Truro talc deposit located about 80 km northeast of Adelaide," Flinders Diamonds' Managing Director, Dr Kevin Wills, said today.

This area forms the northwest corner of, EL 3064, over which Flinders holds diamond and industrial minerals rights, and which Luzenac will now have the exclusive right to explore for talc. Base metal and gold rights to EL 3064 are held by Maximus Resources Limited which is also a signatory to the agreement. Any consideration will be shared in the proportions 75% Flinders and 25% Maximus.

"If a mine is developed, Flinders will benefit from a 1% net smelter return royalty from any talc production," Dr Wills said.

The talc mineralisation in the Truro area is contained within altered Cambrian marbles. Talc has a wide variety of industrial and cosmetic uses with numerous specific properties needing to be tested. Its main determinants of grade are purity and colour.

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