
NEWS

• RELEASE •

FOR IMMEDIATE RELEASE

15 December 2008

FLINDERS MINES ENDS 2008 PILBARA DRILLING ON AN UPBEAT NOTE

The first intensive drilling program on Flinders Mines Limited's Hamersley iron ore project in the Pilbara region of Western Australia has been completed, with results exceeding expectations across the 112 square kilometre project.

Flinders Mines (ASX: "FMS") today announced the completion of drilling at four of the five target areas of its 100% owned Hamersley licence E47/882, which is sandwiched between Rio Tinto's new Caliwingina North iron ore discovery and Fortescue Metals Group's Serenity iron project.

All four areas yielded thicker than expected intersections of iron ore mineralisation in shallow Channel Iron Deposits (CID) and Detrital Iron Deposits (DID), with the extent of mineralisation in two areas – Areas C and E – elevated by more than 50% from original expectations, to over 6 square kilometres in each.

Flinders Mines has been releasing weekly drilling reports on exploration progress at the Hamersley project for the past 15 weeks, which have given shareholders a detailed "explorer's eye view" of the \$8 million exploration program. The final weekly report for 2008, Number 16, will be released on Wednesday 17th December.

"In addition to the main CID and DID deposits, in Area D we have discovered significant zones of Bedded Iron Deposit in the basement beneath the CID. This contains high grade mineralisation of over 60% iron, with less than 2% silica and less than 2% alumina," Flinders Mines' Managing Director, Dr Kevin Wills, said.

The Company has completed a total of 301 drill holes for a total of 15,039 metres, but is still waiting for up to 4,460 of a total of 7,859 assay results – all of which must be plotted and interpreted before an initial Inferred Resource figure can be estimated for the Hamersley project.

The Inferred Resource will build upon the latest Exploration Target of between 692 and 779 million tonnes at 50-65% iron, announced at Flinders Mines' Annual General Meeting in November. The Exploration Target was partly conceptual and further exploration may or may not lead to an estimated Mineral Resource.

issued through

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

“Although the final numbers will probably not be known until mid-March, we are confident that they will add up to a very significant direct shipping grade iron resource,” Dr Wills said.

The Hamersley resource is also likely to be augmented by the addition of significant tonnages of lower grade iron ore, which can be “beneficiated” to upgrade the iron content and reduce their silica and alumina content to acceptable levels.

MEDIA CONTACTS

Dr Kevin Wills
Flinders Mines
0419 850 997

Ralph Johnstone
Field Public Relations
(08) 8234 9555 / 0424 917 973

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Dr K Wills who is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Wills is an employee of Flinders Mines Limited. He has more than five years relevant experience in the style of mineralisation and types of deposit under consideration and consents to inclusion of the information in this report in the form and context in which it appears. He qualifies as a Competent Person as defined in the 2004 Edition of the “Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves”.

issued through

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