
NEWS

• RELEASE •

FOR IMMEDIATE RELEASE
Tuesday 27th April 2010

2010 DRILLING PROGRAM UNDER WAY ON

FLINDERS' FLAGSHIP PILBARA IRON ORE PROJECT

The 2010 drilling program is under way aimed at further expanding and improving the current resource base at the flagship Pilbara iron ore project of Flinders Mines Limited (ASX code: "FMS").

Flinders said Heritage and WA Department of Mines approval had already been obtained for the 2010 program which included a minimum of 700 reverse circulation (RC) drill holes for 35,000 metres.

As previously reported, the Company's Pilbara resource being considered in the current Pre-feasibility Study (PFS) being undertaken by Worley Parsons, is focussing mainly on the project's Delta deposit.

"This 2010 drilling program now under way is designed to increase the tonnage of higher quality zones for the PFS by extending Indicated category resources outside of the Delta deposit," Flinders' Managing Director, Dr Kevin Wills, said today.

"The new campaign is testing both open intersections and higher grades from existing drilling or areas completely untested by drilling," Dr Wills said.

"A first phase will initially drill these areas to Inferred status and establish if they contain higher quality material. The areas which do will then be drilled to a more detailed density to increase the higher quality Indicated Resource tonnage."

Flinders has secured two RC drill rigs from McKay Drilling and a third RC rig from Boart Longyear, with drilling started on the Delta South area to complete the Indicated Resource at Delta.

A minimum of 700 drill holes has been planned for 35,000m, although the final number will depend on initial results and the number of areas requiring Indicated status drilling.

Dr Wills said there was a paucity of drilling data within many of the proposed drilling areas which had been chosen for drilling because they have open mineralisation, nearby grades of interest or are completely untested.

“The work currently being carried out under the PFS has highlighted specific high-priority mineralised zones which may provide a DSO product or a saleable product through minor processing,” he said.

“The specific mineralisation targeted is the Channel Iron Deposit (CID), at the base of the channel, and the usually underlying Bedded Iron Deposit (BID) material.”

(Note: Direct Shipping Ore (DSO) is ore that can be mined and cheaply treated by simple crushing screening and blending to produce a product with an overall grade for iron and other elements that is suitable for direct export.)

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QUALIFYING STATEMENTS

Terminology

The information relating to the terms “iron ore”, “exploration target” and “direct shipping ore” should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004) and therefore the terms have not been used in this context.

JORC Statement

The information that relates to the drilling data and geological interpretations is based on information compiled by Nick Corlis who is a Member of The Australian Institute of Geoscientists and who is Exploration Manager of the Company. The information that relates to the Mineral Resource Estimate has been compiled by Mr Stephen Godfrey of Golder Associates Pty Ltd. Mr Godfrey is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Both Mr Godfrey and Mr Corlis have sufficient

experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Godfrey and Mr Corlis consent to the inclusion of their information in this report in the form and context in which it appears.

Forward-Looking Statements

This release may include forward-looking statements. These forward-looking statements are based on Flinders Mines Limited’s expectations concerning future events. Forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside the control of Flinders Mines Limited and the Company makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

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