



The Manager
Companies Announcements Office
Australian Securities Exchange
20 Bridge Street SYDNEY NSW 2000

WEEKLY DRILLING REPORT

HAMERSLEY PROJECT, WA



HIGHLIGHTS

Hamersley Tenement E47/882 Flinders Mines Limited (FMS) 100%

- *Two new rigs performing well.*
- *21 reverse circulation (RC) holes completed for a total of 1,747 m.*
- *FMS now has 100% ownership of E47/882.*

This announcement by FMS is the first in a series of weekly announcements to describe the drilling progress at its Hamersley Project in Western Australia. It is anticipated that weekly announcements will continue until inferred resources are announced at the end of the 2008 calendar year. The announcements will take the form of a template to ensure the information is concise and consistent. Note that over the initial weeks there may be some minor modifications to the format as FMS endeavours to provide the most appropriate layout.

Drilling Statistics

Table 1 Completed drillholes in each area.

Target Area	No of holes	Metres Drilled
Area A	0	0
Area B	0	0
Area C	0	0
Area D	0	0
Area E	21	1,747
Total	21	1,747

Number of samples sent for assay	366
Number of assays received	141
Number of samples awaited	225
List of new iron ore intersections in week	Table 2
List of received assayed intersections in week	Table 3

Drilling Activity

- Drilling is progressing well with two new drill rigs now onsite and actively drilling.
- One of the rigs will soon be moved to commence drilling in Area D. The second rig will continue drilling in Area E until archaeological clearance is completed for Areas A, B and C.
- Assessment is currently underway to determine the need for a third rig.
- Drill planning underway for E47/1560.

Approvals

- Planning for second archaeological clearance of Areas A, B and C is well underway. This clearance was awaiting completion of the campsite to accommodate the clearance team, to maximise the time onsite.

Tenements

FMS has recently passed a total of \$2 million expenditure on the Prenti JV tenements and is therefore entitled to 100% ownership. Prenti Exploration Pty Ltd will convert to a 5% net profit royalty.

Drilling Intersections

Table 2: List of new iron ore intersections in week (assays awaited).

Hole ID	From (m)	To (m)	Interval (m)	From (m)	To (m)	Interval (m)
	Possible Mineralisation			Strongly Mineralised		
HWB1	None					
HWB3	48	>84	36	nyi		
HRC8	51	101	50	52	62	10
HRC10	None					
HRC11	51	76	20	62	66	4
HRC12	50	76	26	59	63	4
HRC13	52	108	56	80	98	18
HRC14	50	114	64	82	101	19
HRC15	40	124	84	49	59	10
HRC15				106	114	8
HRC16	6	32	26	nyi		
HRC17	18	30	12	nyi		
HRC18	22	54	32	38	44	6
HRC19	42	67	25	58	64	6
HRC20	51	121	70	62	66	4
HRC20				84	92	8
HRC25	39	59	20	nyi		
HRC26	17	37	20	nyi		
HCR27	7	18	11	nyi		
HRC28	19	51	32	40	50	10

nyi not yet identified, assays necessary.

Table 3: List of RC drillhole intersections (assays received).

Hole ID	From (m)	To (m)	Interval (m)	Fe %	Target Area
No assays received this week					

NB: These intersections are based on an Fe cut-off grade of 50% and a maximum internal dilution of 2m.
Analysis via XRF fusion at SGS Laboratories.
LOI – Loss on ignition



Drilling at Area E, Hamersley Project, 20 August 2008.

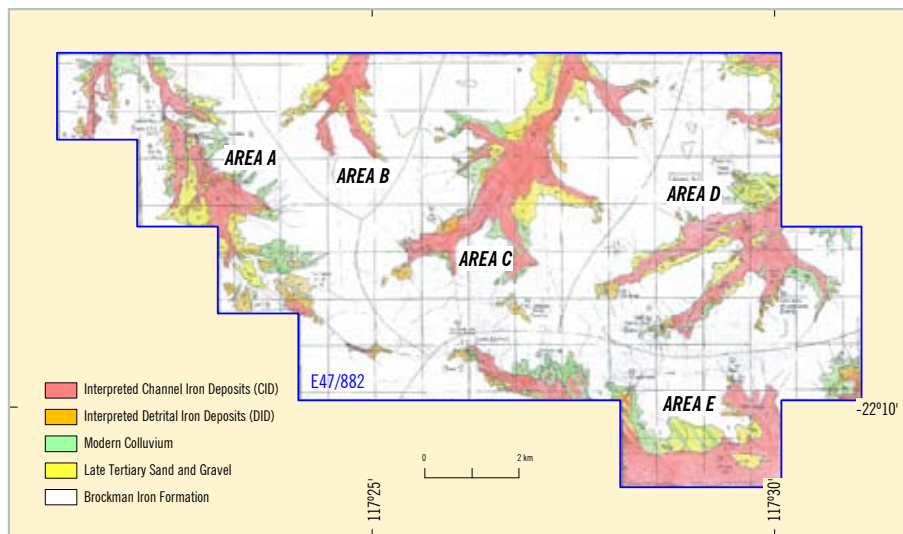


Figure 1 Hamersley E47/882 showing the location of Target Areas.

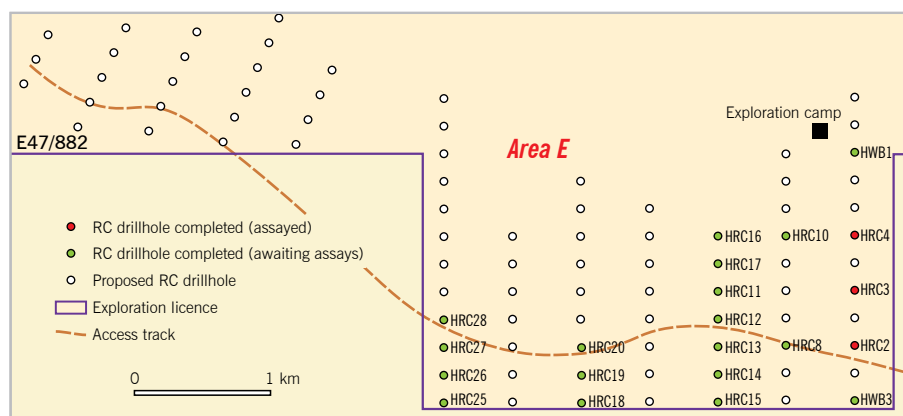


Figure 2 Proposed and completed RC drilling in Area E.

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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".