



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

WEEKLY

IRON ORE DRILLING REPORT – No. 5

HAMERSLEY PROJECT, WA



HIGHLIGHTS

HAMERSLEY TENEMENT E47/882 Flinders Mines Limited (FMS) 100%

- Higher iron grades in drilling results from Areas D and E.
- Excellent drilling results for first hole from Area D — confirms shallow depth and estimated mineralised thicknesses in excess of the initial Exploration Target.
- Archaeological clearance complete for all proposed drilling on E47/882.

EXERCISING OF FMSOA OPTIONS

- Today, 29 September 2008, is the expiry date for FMSOA Options which are exercisable at 10 cents each before 5:00 pm Central Standard Time. This report has been prepared earlier than normal so that option holders have all up-to-date information to enable decisions on exercising of options.

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	17	623
Area E	42	2,959
Total	59	3,582

Note: This table includes previously reported numbers.

Number of samples sent for assay	1991
Number of assays received to date	386
Number of samples awaited	1605

Note: This list includes previously reported numbers.

List of new iron ore intersections in week Table 2

List of received assayed intersections in week Table 3

Drilling Activity

- Flinders Mines Limited's Hamersley Iron Ore Project in WA comprises five target areas: Areas A, B, C, D and E (see Figure 1).
- Since weekly Report 4, released on 25 September 2008, an additional 6 holes have been drilled and 148 assays representing 296 metres of drilling have been received from four holes in Area E and one hole in Area D.
- The most recent results are particularly encouraging because the average iron grade is in excess of 57.8 % for the intersection from Area D and three of the four intersections from Area E. All four holes have at least one assay result of greater than 60.0 % iron, with the 22 metre intersection in drill hole HRC34 including 6 metres at 61.1 %.
- Once sufficient earthworks preparations have been made in Areas B and C a drill rig will be mobilised as soon as possible with the aim of confirming the presence of channel iron deposit (CID) mineralisation in these areas.

Area E

- Excellent drilling results have been returned for four drill holes in Area E (see Table 3). These four holes are contiguous over 600m across the channel and are located at the western end of Area E. The depth to mineralisation is between 12 and 22 metres with thicknesses of between 6 and 22 metres.
- Infill drilling has continued in Area E. This drilling is improving the geological knowledge and confidence in the location of CID. This will allow for the commencement of geological modelling in preparations for developing an inferred resource for Area E.

Area D

- Encouraging results have been returned for the first drill hole from Area D. The intersection thickness is 22 metres from a depth of 22 metres. This confirms the shallow nature and thicknesses in excess of the initial Exploration Target.
- Drilling has continued in Area D with another four holes completed in the south western headwater area. This shows that the zone of

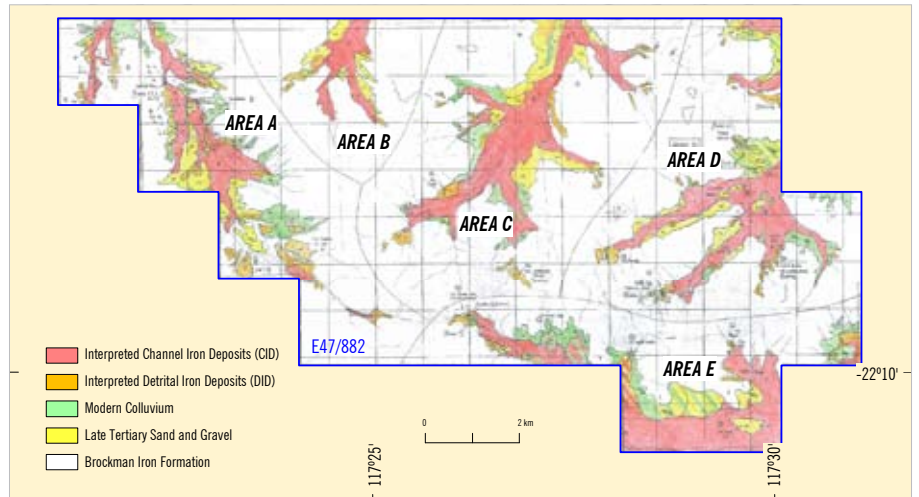


Figure 1 Hamersley E47/882 showing the location of Target Areas.

CID mineralisation extends at least 2 km along the channel. The CID intersections in the headwaters, as demonstrated in drill hole HRC219, are shallow and exceed the Exploration Target thickness estimate of 8.0m.

Tenements

Nothing to report.

Approvals

Archaeological clearance for areas A, B and C has been completed. Earthworks have commenced in Area C and will continue unabated until all access tracks and drill sites have been prepared in Areas A, B and C.

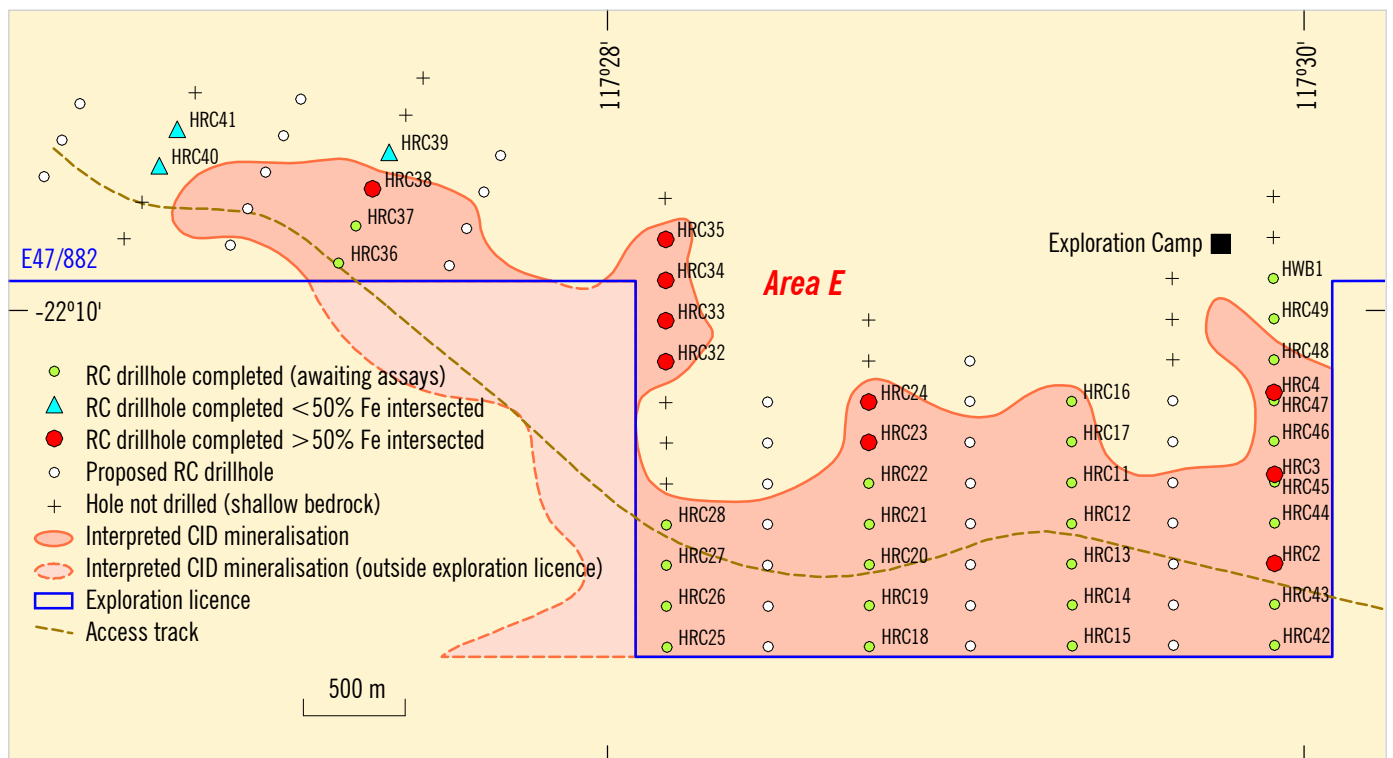


Figure 2 Proposed and completed RC drilling in Area E.

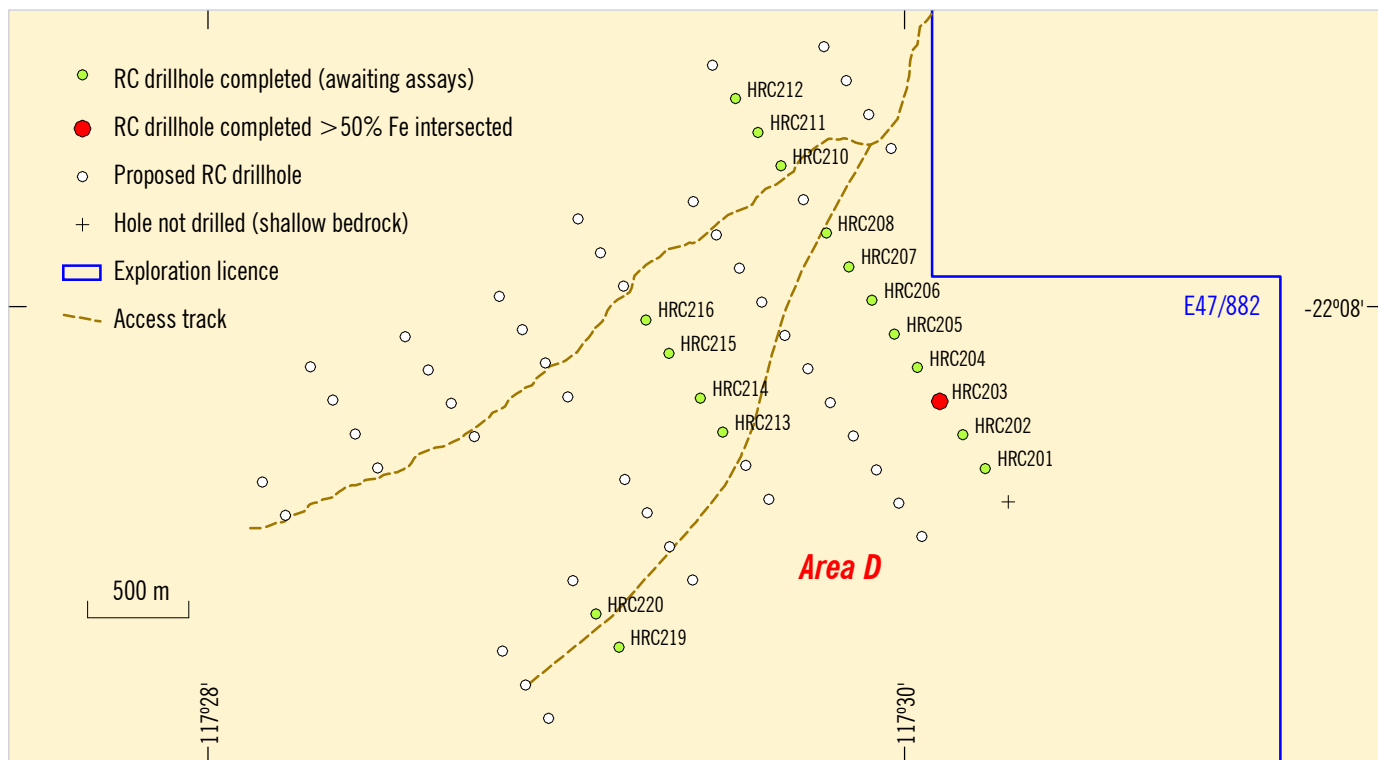


Figure 3 Proposed and completed RC drilling in Area D.

Drilling Intersections

Table 2: List of visually estimated mineralised iron intersections recorded during the week (assays awaited).

Hole ID	From (m)	To (m)	Interval (m)
HRC48	50	54	4
HRC49	NI		
HRC215	NI		
HRC216	22	28	6
HRC219	8	28	20
HRC220	NI		

NI - Not identified.

Dr Kevin Wills
MANAGING DIRECTOR
29 September 2008

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

Hole ID	From (m)	To (m)	Interval (m)	Fe %	Al ₂ O ₃ %	SiO ₂ %	P %	LOI %	Target Area
HRC32	22	30	8	52.3	4.2	16.3	0.038	4.1	Area E
HRC33	20	26	6	59.1	4.4	8.0	0.039	2.1	Area E
HRC34	16	28	12	58.1	3.8	9.1	0.060	2.4	Area E
including	22	28	6	61.1	2.1	6.4	0.072	2.2	Area E
HRC35	12	34	22	58.4	4.1	4.2	0.098	7.2	Area E
HRC203	14	16	2	50.3	5.5	19.5	0.037	2.4	Area D
	22	44	22	57.8	5.3	9.2	0.043	2.0	Area D
including	38	44	6	60.8	3.8	6.3	0.065	1.9	Area D

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 of ignition.

For further information please contact:

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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".