



The Manager  
 Companies Announcements Office  
 Australian Securities Exchange  
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WEEKLY

# IRON ORE DRILLING REPORT – No. 6

## HAMERSLEY PROJECT, WA



### HIGHLIGHTS

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

- *Infill drilling to 500 by 200 metre spacing has commenced in Areas D and E.*
- *An additional 15 holes for 936 metres were drilled during the week.*
- *Drilling results in Areas D and E continue to define encouraging intersections of thicker than expected channel iron deposit (CID) mineralisation.*
- *Earthworks are close to completion in Area C and will allow for commencement of drilling.*

## 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	25	1,069
Area E	49	3,449
Total	74	4,518

Number of samples sent for assay	2,295
Number of assays received	386
Number of assay results awaited	1,909

*Note: This table includes previously reported numbers.*

### 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 5, released on 29 September 2008, an additional 15 holes have been drilled.

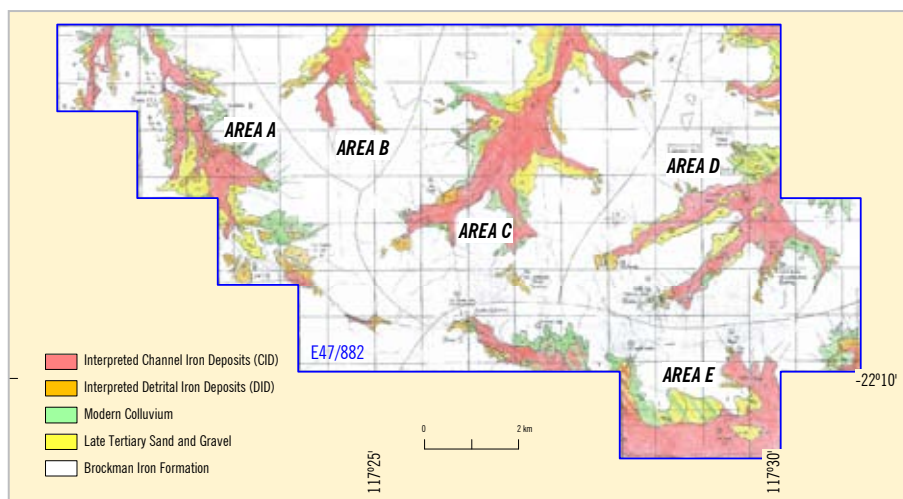
The drilling in both Areas D and E is very encouraging as the drilling continues to intersect good CID mineralisation over thicker than expected intervals. The extent of this mineralisation continues to increase with infill drilling.

Infill drilling is continuing in Area E at a greater rate using the drilling knowledge gained in the first pass drilling.

*This announcement by FMS is the sixth 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.*

List of new iron ore intersections in week Table 2

List of received assayed intersections in week Table 3



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

## Drilling Intersections

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

Hole ID	Visual estimate		
	From (m)	To (m)	Interval (m)
HRC59	26	32	6
HRC60	32	46	14
HRC61	38	50	12
HRC62	24	46	22
HRC63	36	58	22
HRC64	24	48	24
HRC65		NI	
HRC204A	22	38	16
HRC208A	20	48	28
HRC217A	20	32	12
HRC222	14	48	34
HRC223		NI	
HRC224	18	30	12
HRC225	6	24	18
HRC226	20	48	28

NI = Not identified.

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

Hole ID	From (m)	To (m)	Interval (m)	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	P (%)	LOI (%)	Target Area
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No assays received this week.

NB: These intersections are based on an Fe cut-off grade of 50%, with no top cut, and a maximum internal dilution of 2%. Analysis via XRF fusion at SGS Laboratories. LOI = Loss of ignition.

### Area E

Drilling in Area E continues to exceed expectations (Figure 2). Visual estimates (Table 2) show iron mineralisation on the northern side of the channel is consistent over several drill lines. This style of mineralisation consists of hematitic pisolites which exhibit good grades and low deleterious elements. The mineralisation is near the surface at the western end of the channel and deepens to around 20–30 m depth over 3 km down the channel. The mineralisation continues to be of good thicknesses, based on this week's drilling, with three holes (HRC62, 63, 64) intersecting CID mineralisation over widths of greater than 20 m.

Infill drilling in Area E may be completed within two weeks allowing ample time to receive assays and complete an Inferred Resource for Area E prior to year's end.

### Area D

The drilling in Area D (Figure 3) has confirmed that the mineralisation style intersected in the western parts of Area E is also present in Area D. Excellent thicknesses have been returned with HRC222 (Figure 4) intersecting 34 m of CID mineralisation from a depth of 14 m. The depth to the top of mineralisation in Area D continues to be at a maximum depth of around 20 m.

Three of the holes drilled this week are redrills of existing sites (HRC204A, 208A, 217A). Some holes drilled early in the program proved very difficult to complete and were abandoned. An improvement in drilling knowledge and trialing of alternate equipment has allowed for the re-entry and successful completion of these holes.

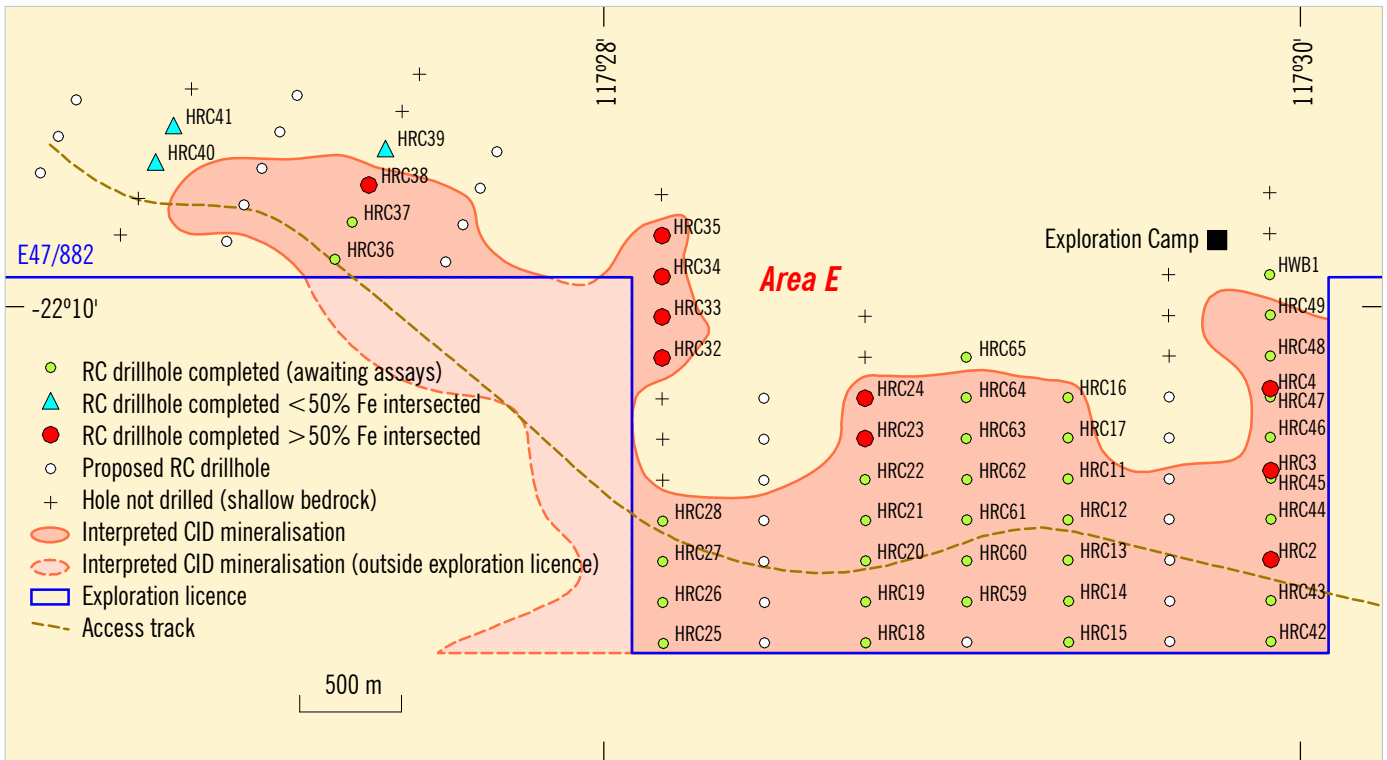


Figure 2 Proposed and completed RC drilling in Area E.

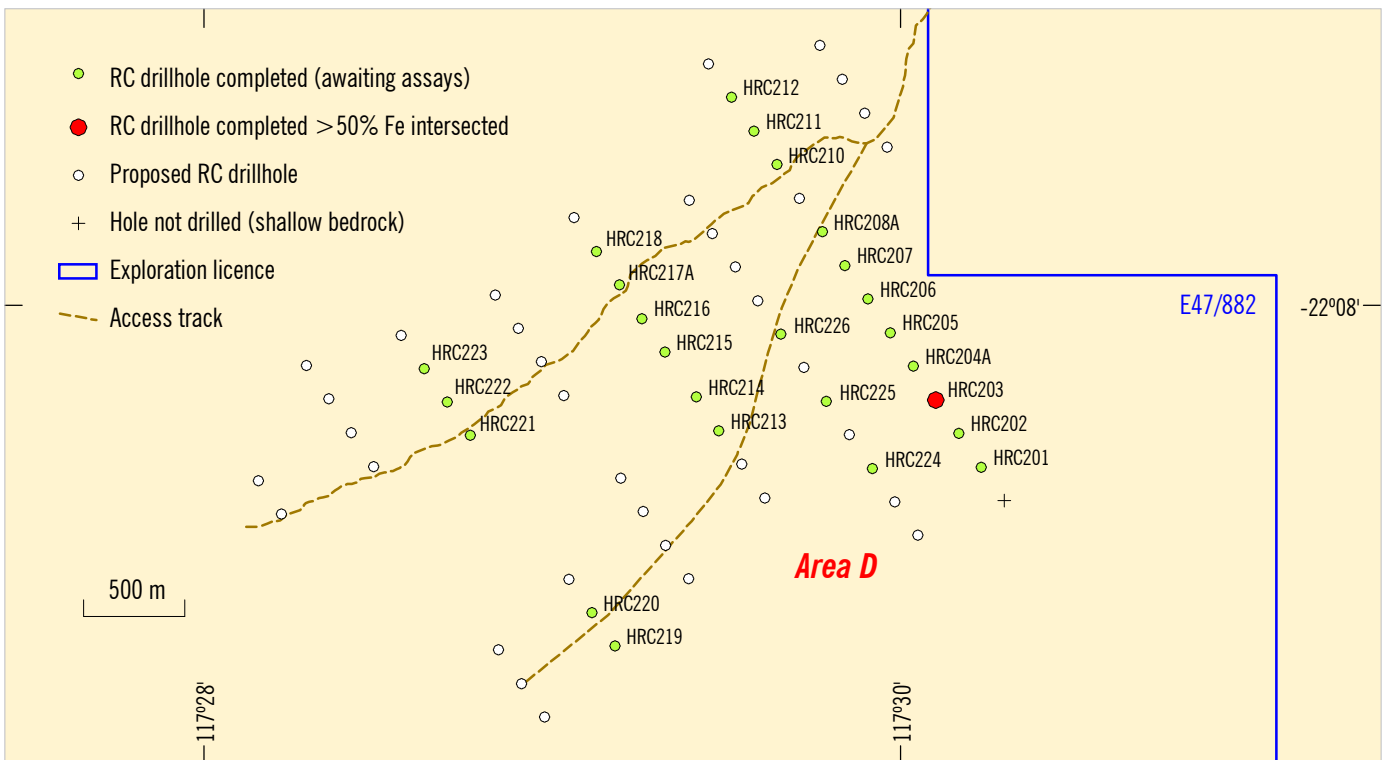


Figure 3 Proposed and completed RC drilling in Area D.

### Logistics

Earthworks have continued in Area C to allow drilling to commence in the next one to two weeks. A water bore will need to be drilled and commissioned in Area C to provide water for drilling prior to commencing any exploration holes.

A third reverse circulation drill rig has been contracted to commence at the project. Two of the rigs onsite will be universal rigs capable of drilling diamond holes, which are important for geological knowledge and metallurgical testwork. Mobilisation has been delayed for a few days on the third rig as diamond drilling equipment will be loaded onto this rig before mobilisation. This rig is anticipated to commence mobilisation to site within the next two weeks.

### Tenements

Nothing to report.

Dr Kevin Wills

MANAGING DIRECTOR

8 October 2008



Figure 4 Iron mineralisation from 20-40 m in drillhole HRC222.

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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".*