



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

WEEKLY

# IRON ORE DRILLING REPORT – No. 8

## HAMERSLEY PROJECT, WA



### HIGHLIGHTS

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

- An additional 19 holes for 908 metres were drilled during the week.
- Drill results confirm geological model.
- Drilling in Area C due to commence next week.
- Infill drilling in Areas D and E confirms the extent and thickness of the mineralisation in preparation for Inferred Resource calculations.
- Third drill rig mobilised to site to commence initial diamond drilling work prior to reverse circulation 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	49	1,967
Area E	80	4,789
Total	129	6,756

Number of samples sent for assay	3,673
Number of assays received	721
Number of assay results awaited	2,952

Note: This table 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 7, released on 15 October 2008, an additional 19 holes have been drilled and 335 assays from eight holes have been returned. A delay in the reporting of assays from the laboratory was the reason for this weekly report being a day late. In future, depending on the receipt of assays, the weekly report may not be released on the same day each week.

The third drill rig has mobilised to site and is expected to commence drilling next week. This is a universal drill rig capable of both

*This announcement by FMS is the eighth 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.*

# Drilling Intersections

diamond and reverse circulation drilling.

The most recent drilling in both Areas D and E, continues to concentrate in the headwater parts of the channel. This infill drilling is being carried out to increase the number of mineralised intersections across the relatively narrow parts of the channel. This is required to enable an inferred resource to be calculated. The drilling in Area E is close to completion and the rig in this area will be moved to Area C towards the end of the week.

## Area E

Drilling results received for 8 holes in Area E (Table 3). The drilling results confirm the geological model which predicts the deep channel iron deposit (CID) mineralisation intersected on the eastern margin to begin to thin towards the west. These results are not likely to be used in the resource calculations due to elevated silica concentrations. Regardless, given the thin nature of the intersections they are likely to have a minimal impact on the resource calculations. These results in no way detract from the excellent hematitic pisolite mineralisation intersected in the west of Area E, which is shallow, thick and consistent in its distribution. Further, the drilling in Area D indicates that the majority of intersections are also hematitic pisolite mineralisation, and the geological model for Areas A, B and C infers more of the same in these areas.

Drilling in Area E is returning shallow, thick intersections in the central parts of the channel. Visual estimates for holes HRC84 and HRC93 returned intersections of 38m from 6m and 40m from 12m, respectively.

Some of the holes have returned visual estimate intersections of less than ten metres of mineralisation or no visual indications of iron mineralisation. These results are expected as the margins of the channel are delineated in preparation for resource modelling.

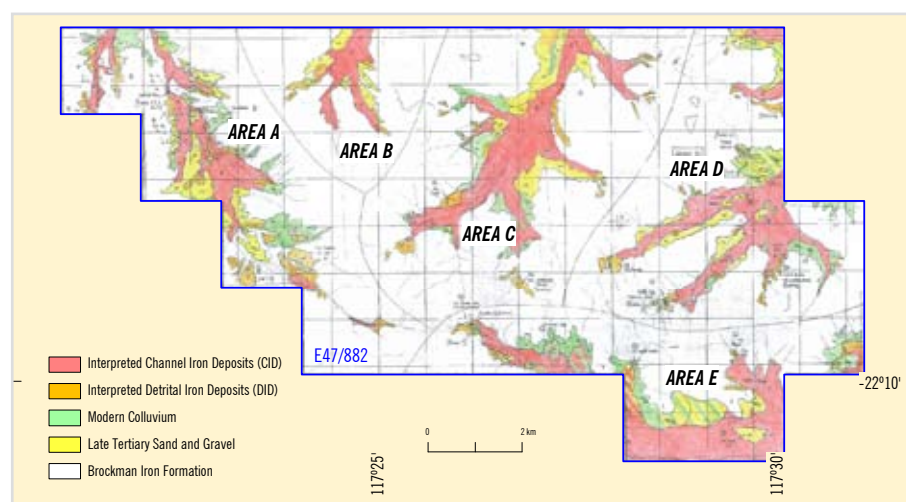
## Area D

Drilling in Area D has encountered some difficult drilling conditions. The drilling

**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)
HRC081	8	20	12
HRC082		NI	
HRC083		NI	
HRC084	6	44	38
HRC085	12	38	26
HRC086	4	6	2
HRC087		NI	
HRC088		NI	
HRC089	6	16	10
HRC090	6	32	26
HRC091	12	16	4
HRC092		NI	
HRC093	12	52	40
HRC094	10	38	28
HRC095	6	28	22
HRC096		NI	
HRC097		NI	
HRC241	4	14	10
HRC242	6	12	6
HRC243	6	14	8
HRC244	8	20	12
HRC245A	4	24	20
HRC246	10	20	10
HRC247	18	36	18

NI = Not identified.

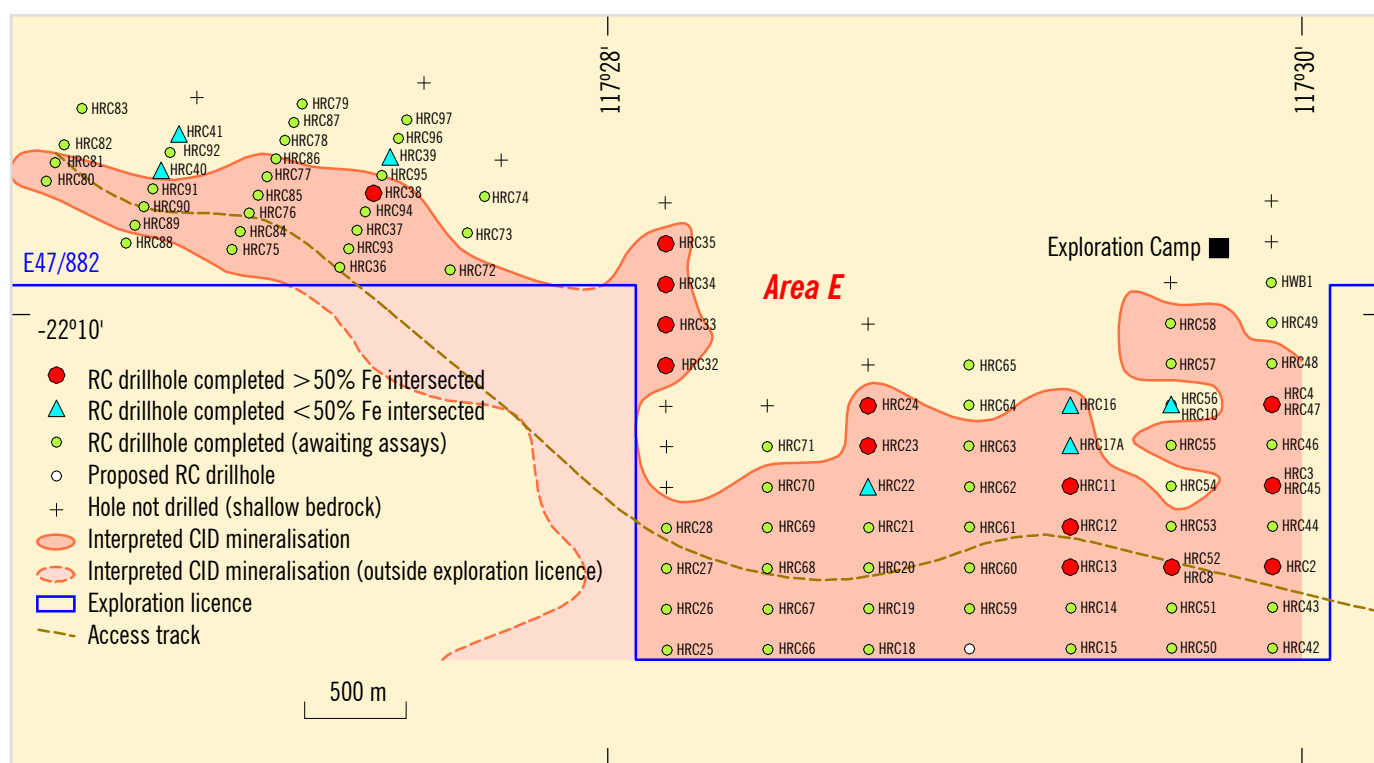


**Figure 1 Hamersley E47/882 showing the location of Target Areas.**

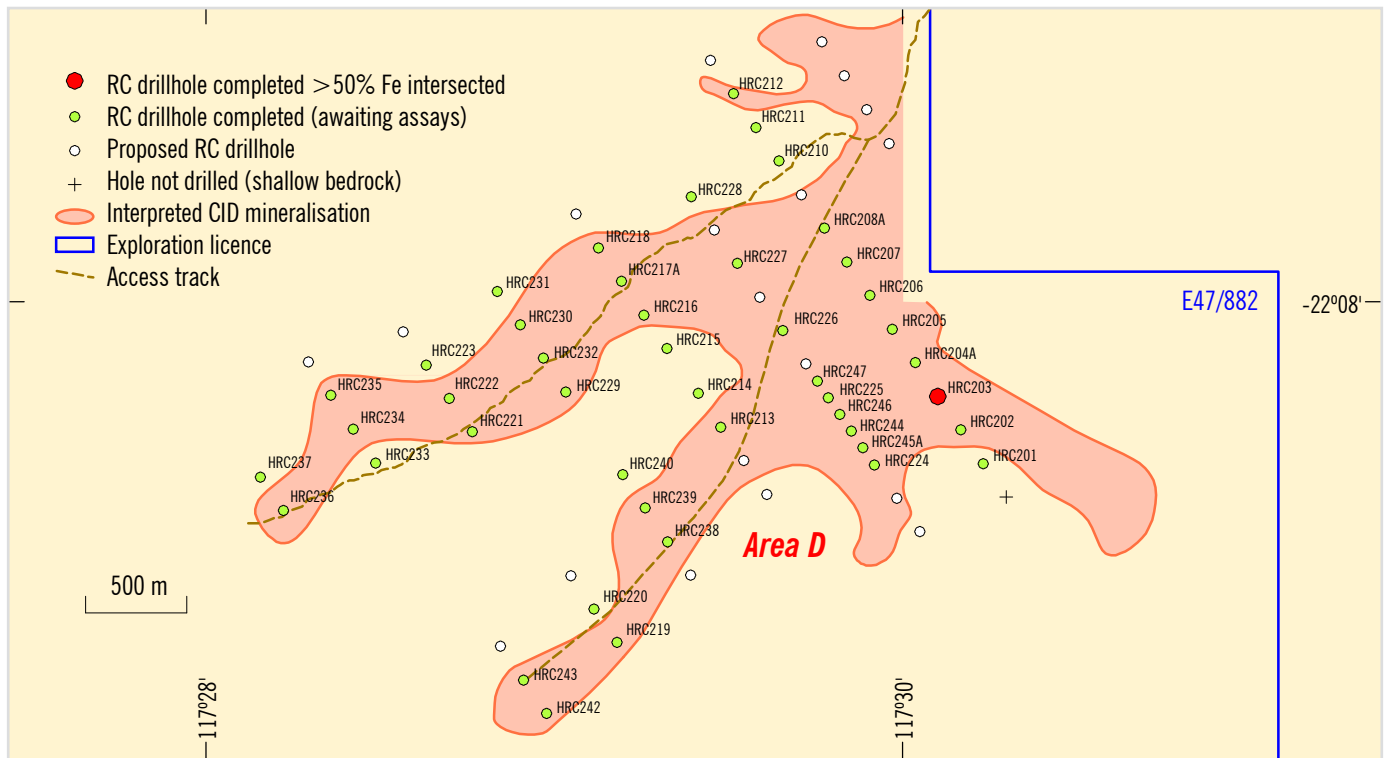
**Table 3: List of RC drillhole intersections (assays received).**

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
HRC8	50	54	4	52.2	5.1	12.8	0.05	7.4	Area E
	60	62	2	50.8	4.5	13.6	0.08	9.5	
HRC10	Subgrade								Area E
HRC11	36	44	8	52.3	5.2	13.7	0.05	5.5	Area E
HRC12	62	64	2	50	5.1	12.1	0.11	11.2	Area E
HRC13	64	66	2	52.9	6.0	8.2	0.08	10.4	Area E
HRC16	Subgrade								Area E
HRC17A	Subgrade								Area E
HRC22	Subgrade								Area E

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



**Figure 2 Proposed and completed RC drilling in Area E.**



**Figure 3** Proposed and completed RC drilling in Area D.

rate is expected to increase when the drill rig is moved into the headwaters to commence infill drilling. The thickness of the intersections continues to impress, with 6 of the 8 drill holes intersecting thicknesses greater than the exploration target estimate of 8m.

### Logistics

The drill rig from Area E will be transported to Area C later in the week. This rig will initially commence the drilling of a bore to be used for drilling fluids and then start drilling of the exploration holes at a 500m by 200m drill spacing.

The third drill rig will initially drill between 3 and 6 diamond holes to allow the calibration of downhole density of the core extracted and comparing it to the geophysical data. The density is important for determining tonnages in the resource calculations.

A new access route into Area A from the south has been proposed, due to poor ground conditions of the existing track from the north. Approvals for this track will commence immediately to allow ample time to complete earthworks for sufficient drilling prior to the end of the year. The earthworks contractor will use the existing northern

access track to commence clearing of the drill lines and drill pads in preparation for access via the proposed southern access track.

### Tenements

Nothing to report.

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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".*