



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

WEEKLY

# IRON ORE DRILLING REPORT – No. 14

## HAMERSLEY PROJECT, WA



### HIGHLIGHTS

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

- An additional 27 holes for 1,170 metres were drilled during the week
- Thick intersections from shallow depths returned from Area D and E, based on assay results
- Bedded Iron Deposit (BID) mineralisation identified in the Target Areas which may increase the Exploration Target estimate
- Drilling in Areas B and C continues to return intersections in excess of the current Exploration Target thickness estimate based on visual estimates
- Drilling is on target to complete Areas B, C, D and E to Inferred Resource status by the end of 2008

## Drilling Statistics

Table 1 Completed Reverse Circulation drillholes in each area.

Target Area	No of Holes	Metres Drilled
Area A	0	0
Area B	18	676
Area C	46	2,212
Area D	67	2,717
Area E	95	5,553
Total	226	11,158

### 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 13, released on 25 November 2008, an additional 27 RC holes have been drilled for 1,170m. A total of 872 assays were received for 19 holes in Areas D and 17 holes in Area E. Drilling is on target to complete drilling in Areas B, C, D and E to Inferred Resource status by the end of the 2008 drilling program.

### Area E

Diamond drilling continued on HDD4 and was at a depth of 59.1m at week's end. The diamond drilling is providing invaluable geological information.

Laboratory results were received for 17 holes in Area E. The drilling continues to

*\*Note: These exploration targets are reported according to Clause 18 of the JORC Code. This means that the potential quantity and grade is conceptual in nature and that considerable further exploration, particularly drilling, is necessary before any Identified Mineral Resource can be reported. It is uncertain if further exploration will lead to a larger, smaller or any Mineral Resource.*

Number of samples sent for assay	6,703
Number of assays received	2,399
Number of assay results awaited	4,304

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

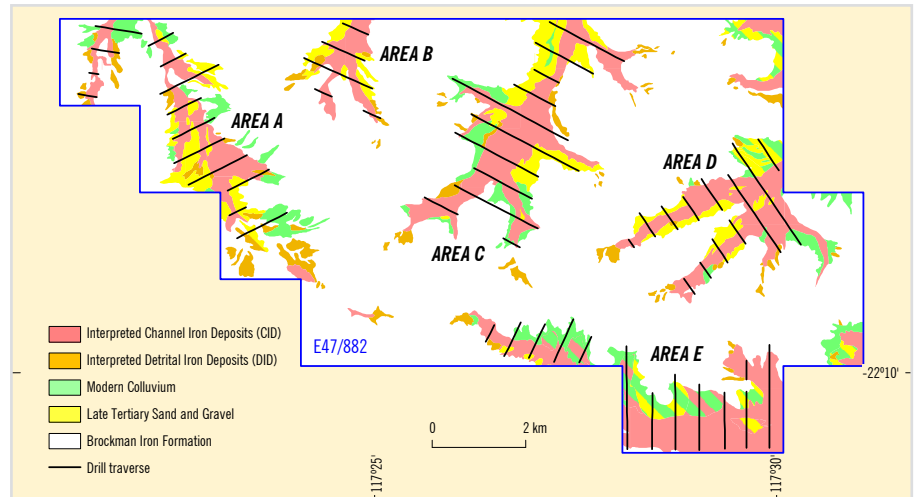
confirm the geological model. Channel Iron Deposit (CID) is dominant along the southern and eastern parts of Area E with a change to Detrital Iron Deposit (DID) in the north and towards the west in the channel headwaters. DID mineralisation is generally shallow and thick and the channel remains deep for almost its entire length; HRC80 is located on the westernmost line in Area E and intersected 26m at 54.7% iron from 6m.

**Area D**

Laboratory results were returned for 19 holes in Area D. The intersected thickness of DID mineralisation continues in excess of the updated Exploration Target estimate of 15m. Seven of these holes intersected DID thicknesses of 28m or greater, with HRC226 intersecting 40m at 54.2% iron.

These results are from a variety of locations in Area D, exhibiting the consistent mineralisation throughout the entire channel in the Target Area (Figure 5). Many of the intersections of greater than 20m include mineralisation with concentrations of alumina and silica of direct shippable ore (DSO) quality.

Drilling during the week has



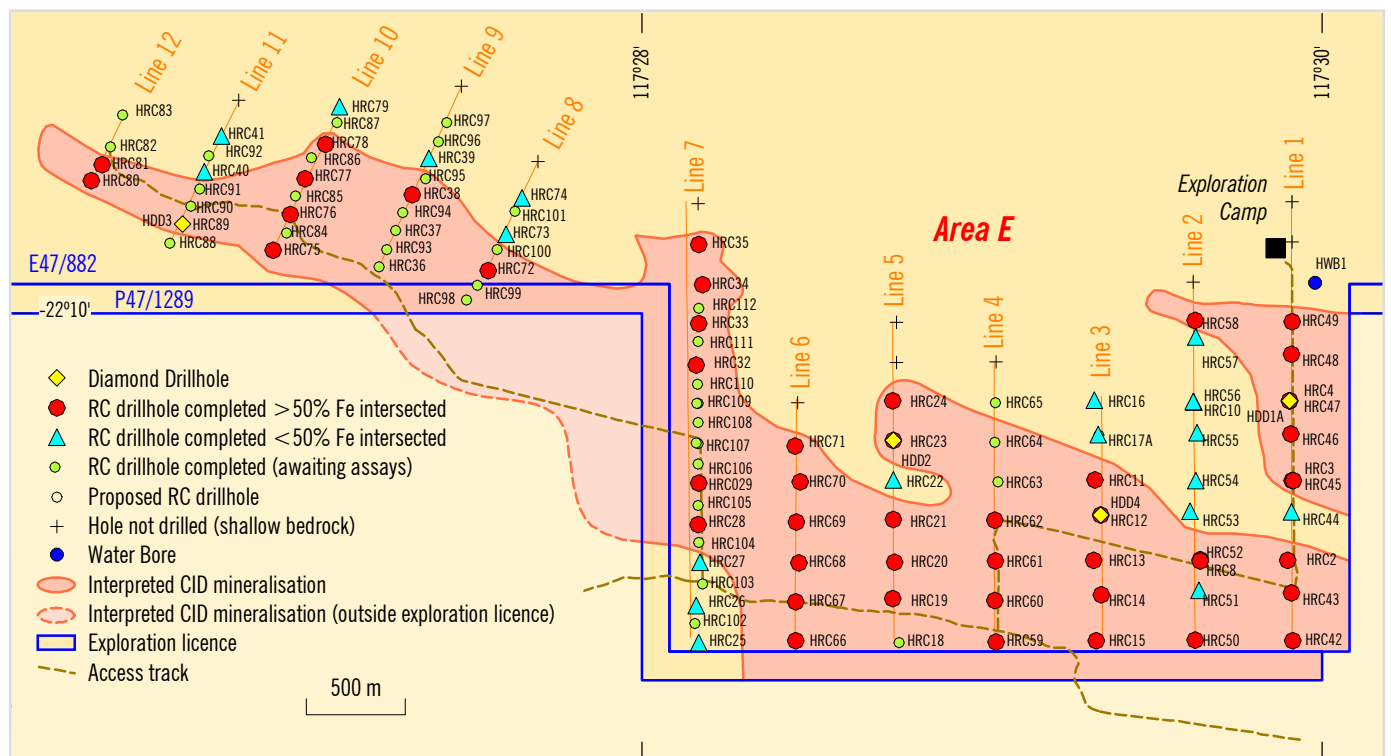
**Figure 1** Hamersley E47/882 showing the location of Target Areas.

confirmed the presence of relatively extensive Bedded Iron Deposit (BID) mineralisation beneath the DID mineralisation. The BID extends over the entire northern margin of Area D and has also been noted in the southern tributary. BID has also been identified in Areas B, C and E.

BID mineralisation is typically characterised by high iron concentrations and low alumina and silica. For example, HRC235 intersected 16m of BID at 61.0% iron, 1.1% alumina and 1.7% silica. The BID mineralisation in HRC235 is located

directly below 20m of DID at 62.2% iron. The BID mineralisation was not initially identified and several holes will require extension to complete drilling through the entire BID mineralised zone.

The BID mineralisation has not been considered in any of the Exploration Target estimates and is expected to realise an increase in the Exploration Target size.



**Figure 2** Current Diamond drilling and completed RC drilling in Area E.

# 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)	Target Area
HPRC0420	10	16	6	B
HPRC0421	NI			B
HPRC0422	8	24	16	B
HPRC0423	6	24	18	B
HPRC0424	NI			B
HPRC0349	10	14	4	C
HPRC0350	4	8	4	C
HPRC0351	14	22	8	C
HPRC0352	12	30	18	C
HPRC0353	12	24	12	C
HPRC0354	NI			C
HPRC0355	NI			C
HPRC0356	6	8	2	C
HPRC0357	8	10	2	C
HPRC0358	8	24	16	C
HPRC0359	6	34	28	C
HPRC0360	10	24	14	C
HPRC0361	NI			C
HPRC0362	NI			C
HPRC0363	4	14	10	C
HPRC0364	10	22	12	C
HPRC0365	12	22	10	C
HPRC0366	6	12	6	C
HPRC0367	10	14	4	C
HPRC0368	8	16	8	C
HPRC0369	10	28	18	C
HPRC0370	2	4	2	C

NI = Not identified.

**Table 3: List of significant 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
HPRC0059	28	56	28	56.2	3.2	9.1	0.094	7.3	E
incl	30	38	8	61.4	2.9	3.5	0.075	5.5	E
HPRC0066	40	48	8	54.3	4.1	10.8	0.066	7.2	E
HPRC0067	42	56	14	51.7	5.6	11.2	0.053	8.7	E
incl	42	48	6	55.8	4.3	7.8	0.061	8.0	E
HPRC0068	46	58	12	57.2	3.4	6.0	0.075	8.5	E
	64	76	12	55.5	4.2	7.0	0.196	8.9	E
HPRC0069	44	58	14	54.5	5.1	7.7	0.073	8.8	E
HPRC0070	24	30	6	56.4	3.1	5.5	0.071	10.9	E
HPRC0071	8	10	2	50.5	2.4	16.7	0.103	8.5	E
HPRC0072	22	36	14	55.2	5.3	10.9	0.044	4.1	E
HPRC0075	8	36	28	56.3	3.8	8.0	0.071	7.5	E
HPRC0076	22	38	16	54.6	7.6	9.6	0.040	3.7	E
HPRC0077	8	30	22	53.7	5.3	10.7	0.054	6.9	E
HPRC0078	0	2	2	52.7	6.2	8.6	0.059	9.9	E
HPRC0080	4	30	26	54.7	6.6	10.8	0.038	3.2	E
HPRC0081	8	26	18	55.1	6.0	8.4	0.095	6.6	E
HPRC0204A	22	40	18	53.8	5.6	13.9	0.043	3.0	D
HPRC0208A	54	66	12	55.6	3.6	6.1	0.130	10.3	D
HPRC0217A	16	44	28	57.3	3.9	8.93	0.079	4.9	D
incl	28	36	8	61.0	4.0	5.02	0.071	3.0	D
HPRC0222	10	48	38	54.6	5.9	12.36	0.044	3.0	D
incl	40	48	8	59.4	4.5	7.30	0.052	2.4	D
HPRC0224	10	40	30	55.5	4.4	10.05	0.064	5.7	D
HPRC0225	14	26	12	53.0	4.5	16.02	0.043	2.6	D
HPRC0226	26	66	40	54.2	4.8	11.71	0.073	5.4	D
incl	52	66	14	59.7	2.2	3.64	0.131	8.8	D
HPRC0227A	28	60	32	55.4	5.5	10.73	0.065	3.9	D
incl	40	52	12	59.3	6.0	5.96	0.064	2.6	D
HPRC0230A	8	22	14	54.7	5.5	10.82	0.048	5.1	D
HPRC0231	0	2	2	54.5	5.9	8.79	0.079	6.7	D
HPRC0232	16	20	4	50.2	6.5	17.57	0.054	3.6	D
	28	32	4	50.4	7.7	15.25	0.037	4.0	D
	40	50	10	58.2	3.7	8.45	0.073	4.1	D
HPRC0234	10	42	32	56.8	4.7	9.03	0.073	4.3	D
incl	26	40	14	58.8	3.9	6.62	0.085	4.8	D
HPRC0235	6	42	36	61.7	1.4	4.67	0.112	5.2	D

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

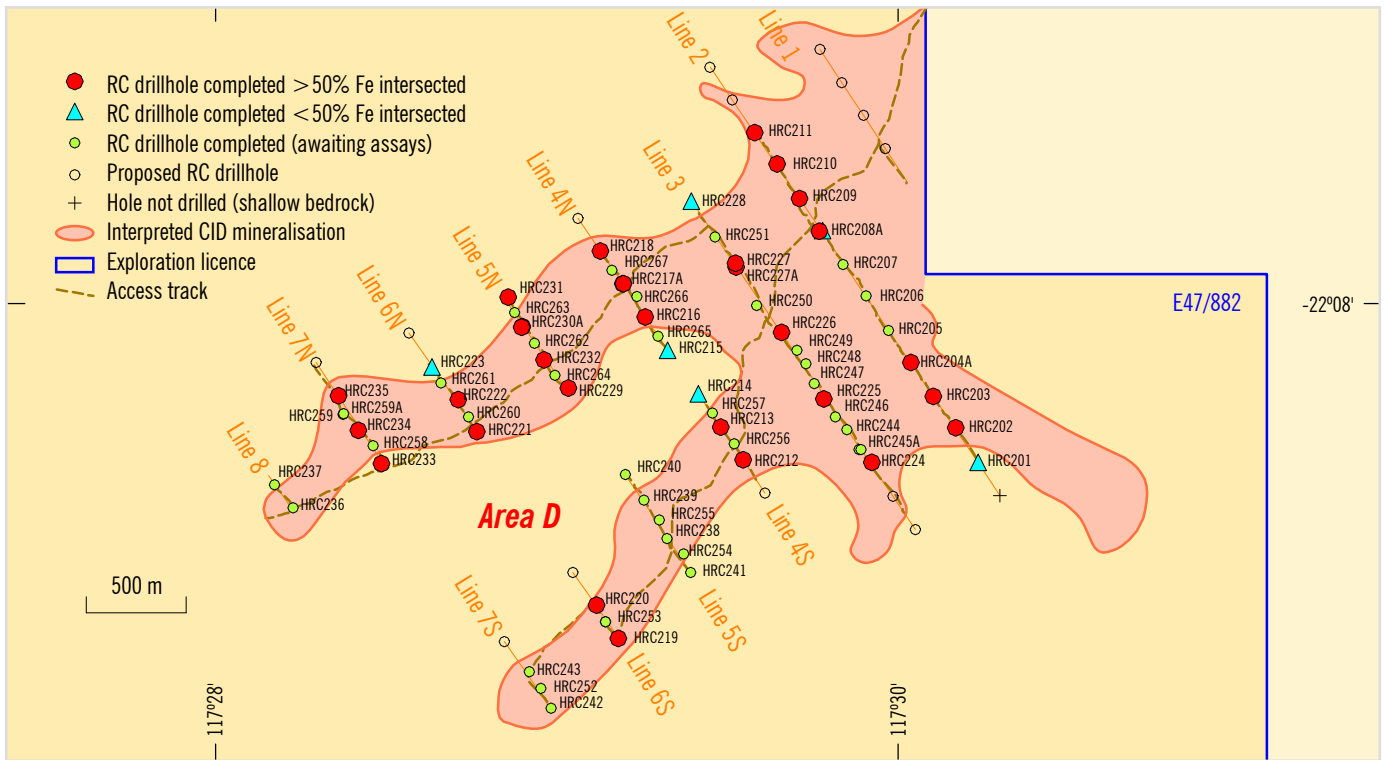


Figure 3 Proposed and completed RC drilling in Area D.

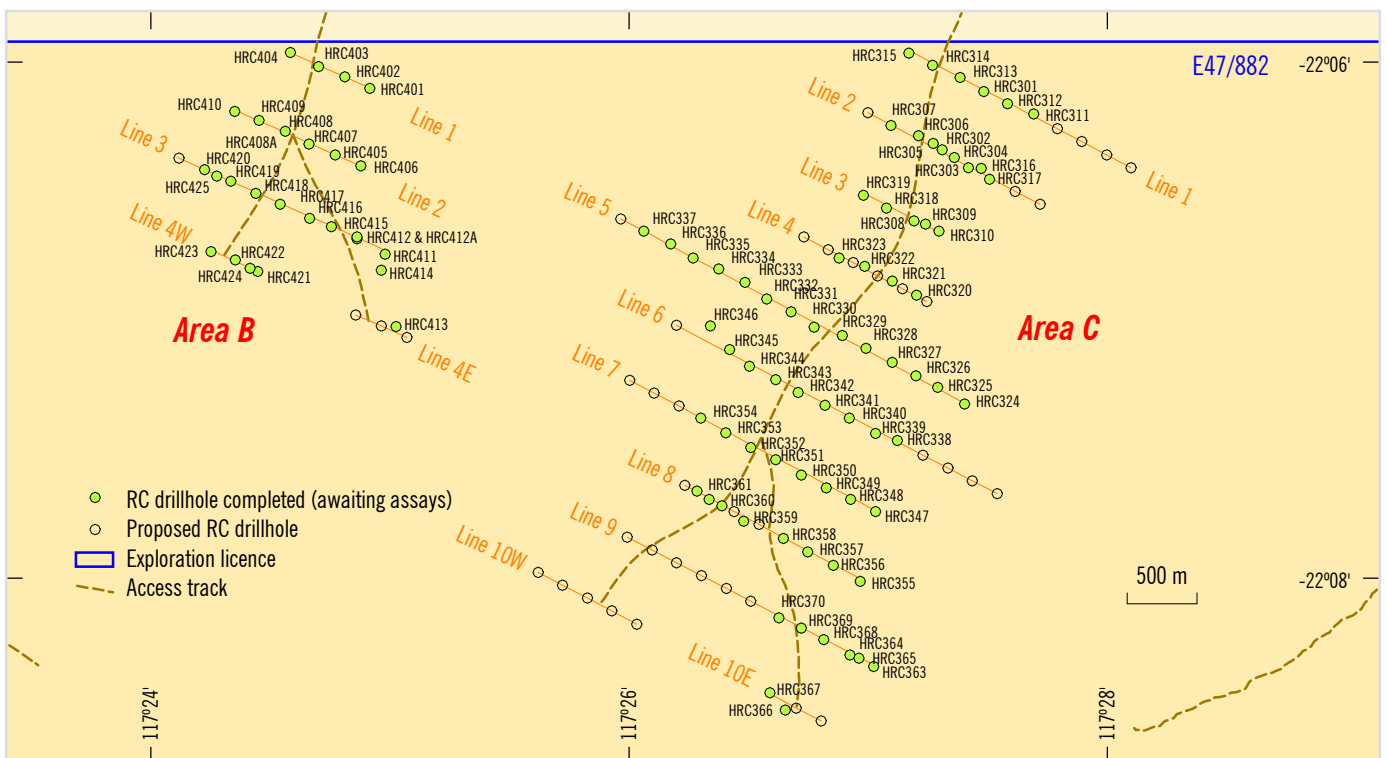


Figure 4 Proposed and completed RC drilling in Areas B and C.

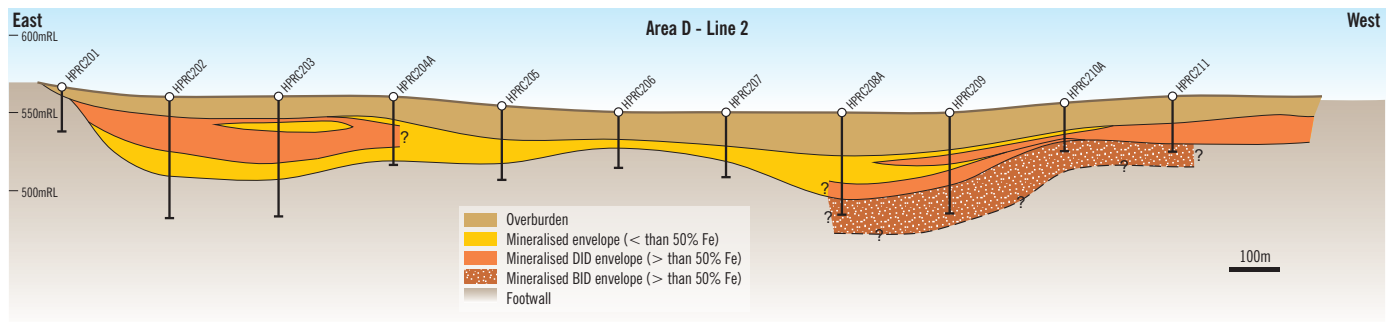


Figure 5 Area D schematic cross section looking SW (Note: vertical exaggeration).

### Area C

A total of 22 holes were completed in Area C this week. Drilling concentrated in the headwaters of the channel but still continues to intersect good thicknesses of mineralisation, with 9 of the holes intersecting a thickness of 10m or greater. Phase one (500m by 200m) drilling is close to completion and infill drilling will shortly commence to 500m by 100m in areas that require better resolution to attain Inferred Resource status. The drill rig in Area C is anticipated to remain in Area C until the completion of the drilling programme in December 2008.

### Area B

Phase one drilling (500m by 200m) in Area B is close to completion. Two of the five holes drilled intersected over 15m of mineralisation at a depth of 8m or less. The drill rig currently drilling in Area B will complete infill drilling to 500m by 100m in the coming week and then commence several extensions of existing drill holes in Areas D and E to complete drilling of the BID mineralisation.

### Tenements

Nothing to report.

**Dr Kevin Wills**

MANAGING DIRECTOR

3 December 2008

#### For further information please contact:

Kevin Wills

on 08 8132 7950

or 0419 850 997

Duncan Gordon – Investor Relations

on 08 8232 8800

or 0404 006 444

Email: [kwills@flindersmines.com.au](mailto:kwills@flindersmines.com.au)

*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".*