



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

WEEKLY

# IRON ORE DRILLING REPORT – No. 16

## HAMERSLEY PROJECT, WA



### HIGHLIGHTS

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

- 2008 Drilling concluded with results exceeding expectations
- Drilling campaign completed 301 holes for 15,038m
- Drilling in Areas B,C,D and E yielded thicker than expected intersections in shallow Channel Iron Deposits (CID)
- Bedded Iron Deposit (BID) mineralisation, which is a source of high grade direct shipping ore, now confirmed in three of the Target Areas, with an area of over 1.3km<sup>2</sup> in Area D
- A further 4460 assay results are awaited and expected to be available by February 2009

## Drilling Statistics

Table 1 Completed Reverse Circulation drillholes in each area.

Target Area	No of Holes	Metres Drilled
Area A	0	0
Area B	34	1,208
Area C	103	5,027
Area D	67	3,011
Area E	97	5,793
Total	301	15,039

### 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 15, released on 10 December 2008, an additional 14 RC holes (and 16 hole extensions) have been drilled for 1,210m. A total of 659 assays were received for 3 holes in Area C, 20 holes in Area D and 5 holes in Area E. The significant results are presented in Table 3.

This is the last drilling report for 2008. Reports will commence again in late January 2009.

### Area E

Two additional holes were drilled in Area E, infilling between existing holes. Five hole extensions were drilled in existing drill holes where mineralisation may extend below the bottom of hole.

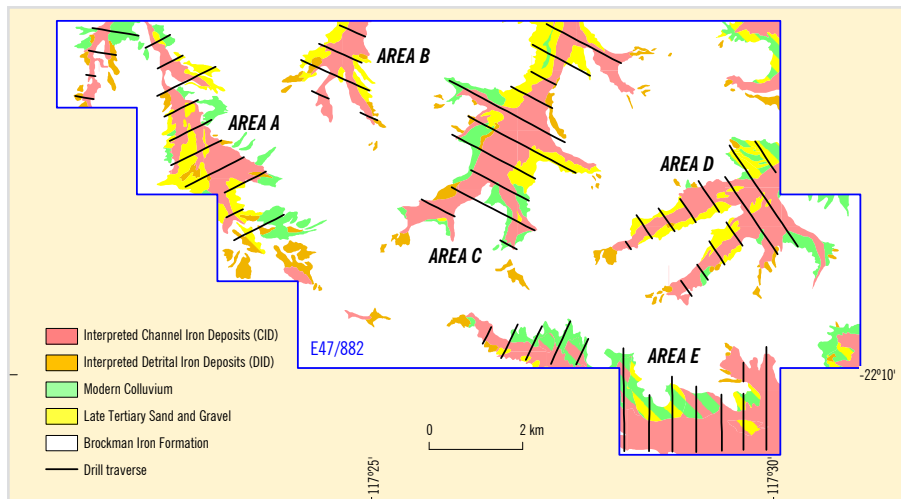
*\*Note: These exploration targets are reported according to Clause 18 of the JORC Code. This means that the potential quantity and grade is conceptual in nature and that considerable further exploration, particularly drilling, is necessary before any Identified Mineral Resource can be reported. It is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

Number of samples sent for assay	7,859
Number of assays received	3,399
Number of assay results awaited	4,460

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



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

Laboratory results were received for 5 holes in Area E. These holes are all from the western headwaters and intersect Detrital Iron Deposit (DID) mineralisation. Infill holes HRC110 to 112 on Line 7, intersected variable thicknesses of mineralisation.

**Area D**

Nine existing drill holes were extended where mineralisation may exist below the end of hole.

Laboratory results were received for 20 holes in Area D. These holes are from a

variety of locations in Area D. HRC240 has identified a new zone of Bedded Iron Deposit (BED) mineralisation, intersecting 34m at 56.8% iron from 14m, including 18m at 58.5% iron of BED.

Based on assay results to date, there are twelve holes in Area D which have intersected BED mineralisation. The BED is located on the flanks of the channels (Figure 3) and is generally intersected at shallow depths. An estimate of the areal extent of the BED mineralisation in Area D is 1.3km<sup>2</sup>.

**Area C**

A total of 12 infill RC drill holes and 2 extensions were completed in Area C this week. Excellent thicknesses were intersected at shallow depths (Table 2).

The first results were received for Area C this week. All three holes were drilled to develop a groundwater bore. Drill hole HRC302 intersected 14m of BID mineralisation at 60.0% iron, within a 24m intersection at 58.1% iron. This confirms the presence of BID mineralisation in Areas C, D and E.

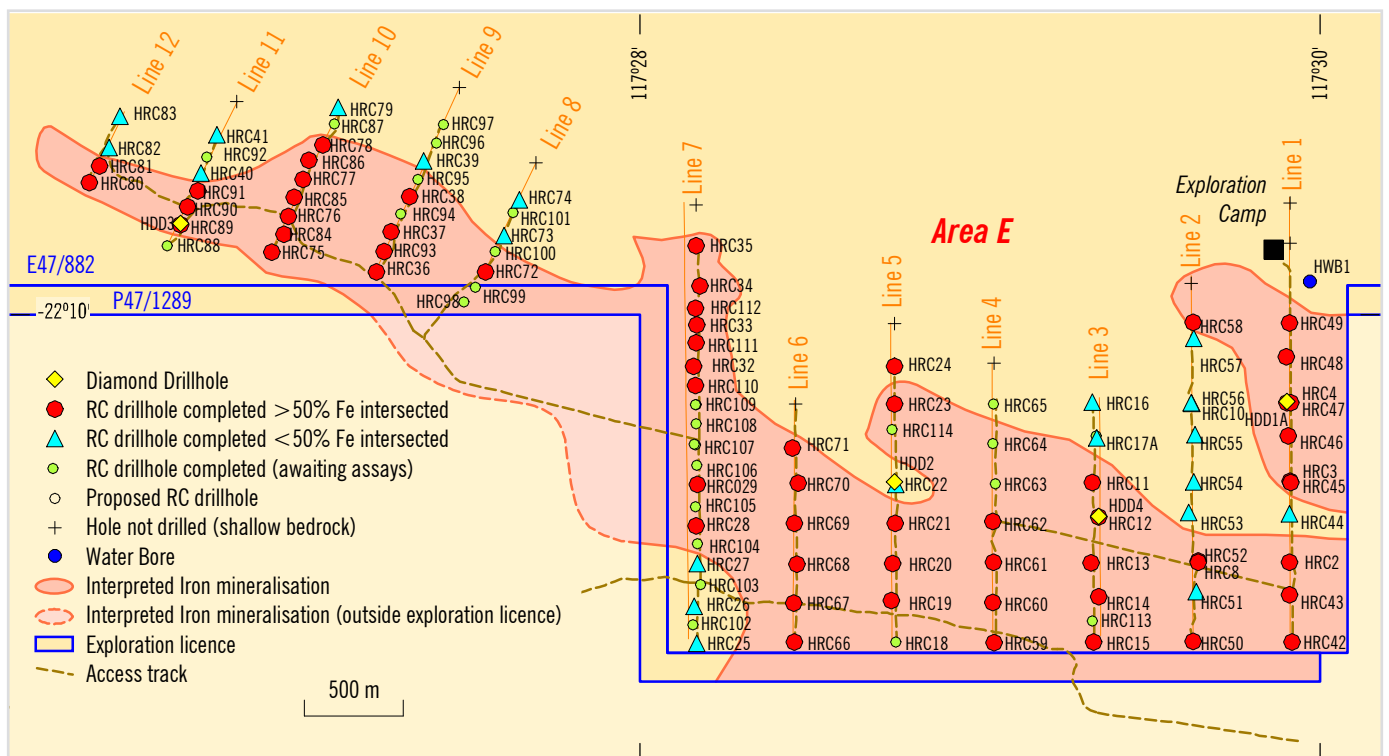
**Tenements**

Nothing to report.

**Dr Kevin Wills**

MANAGING DIRECTOR

17 December 2008



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

# Drilling Intersections

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

Hole ID	Visual estimate			
	From (m)	To (m)	Interval (m)	Target Area
HRC48 ext	54	60	6	E
HRC113	36	46	10	E
HRC211 ext	36	40	4	D
HRC500	26	40	14	C
HRC501	12	38	26	C
HRC502	22	44	22	C
HRC503	14	46	32	C
HRC504	6	22	16	C
HRC504A	6	24	18	C
HRC505	12	16	4	C

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
HRC110	26	34	8	54.7	4.5	12.1	0.050	4.7	E
HRC111	16	28	12	52.8	4.1	14.6	0.053	5.2	E
HRC112	20	34	14	56.1	4.0	11.0	0.060	3.9	E
HRC236	8	28	20	57.8	2.9	5.9	0.164	8.0	D
HRC238	14	40	26	51.9	6.5	13.9	0.045	4.5	D
HRC239	12	46	34	54.4	3.8	13.0	0.068	4.7	D
HRC240	14	48	34	56.8	2.6	6.1	0.114	9.6	D
incl	28	46	18	58.5	2.4	2.5	0.137	11.2	
HRC241	8	30	22	55.3	2.8	10.8	0.085	6.9	D
HRC248	20	26	6	51.6	4.1	18.8	0.050	2.6	D
	38	60	22	53.8	5.0	11.2	0.078	6.5	
HRC249	26	32	6	50.3	5.1	19.4	0.052	3.1	D
HRC249A	24	28	4	51.1	4.8	19.3	0.051	2.3	D
HRC250	28	30	2	50.5	6.2	17.8	0.052	2.7	D
	36	72	36	54.3	4.6	11.0	0.110	6.0	
incl	54	66	12	59.7	2.2	4.5	0.162	7.4	
HRC251	16	30	14	57.1	3.2	6.2	0.098	8.7	D
HRC252	6	20	14	54.1	6.9	10.6	0.050	3.8	D
HRC254	16	40	24	58.2	4.9	8.2	0.053	2.9	D
HRC255	18	38	20	55.3	5.3	11.1	0.049	3.5	D
HRC256	30	52	22	55.7	4.5	7.7	0.102	7.4	D
HRC258	10	34	24	57.2	3.8	8.7	0.072	4.7	D
HRC259	8	24	16	60.8	3.2	7.0	0.058	1.9	D
HRC260	10	38	28	56.4	4.2	11.8	0.054	2.4	D
HRC301	58	64	6	51.4	5.8	11.1	0.093	8.8	C
HRC302	36	60	24	58.1	4.0	5.4	0.121	6.6	C
incl	44	58	14	60.0	2.5	2.9	0.154	8.0	
HRC303	8	18	10	54.0	3.0	9.9	0.082	9.6	C

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.

