



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

WEEKLY

IRON ORE DRILLING REPORT – No. 18

HAMERSLEY PROJECT, WA



HIGHLIGHTS

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

- *No assays received this week*
- *Technical interpretation continues in preparation for Inferred Resource estimation*
- *A summary of recent exploration results will be released on 29 January 2008, in the company's fourth 2008 quarterly report*

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

Number of samples sent for assay	8,167
Number of assays received	5,288
Number of assay results awaited	2,879

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 17, released on 21 January 2008, no further assays have been received.

Inferred Resources

The geological model for Area D is close to completion in preparation for Inferred Resource estimation. Modelling for Area E will commence within the next week. Modelling of Areas B and C will commence as soon as assays are returned.

The modelling has refined the location and magnitude of the Bedded Iron Deposit (BID) mineralisation.

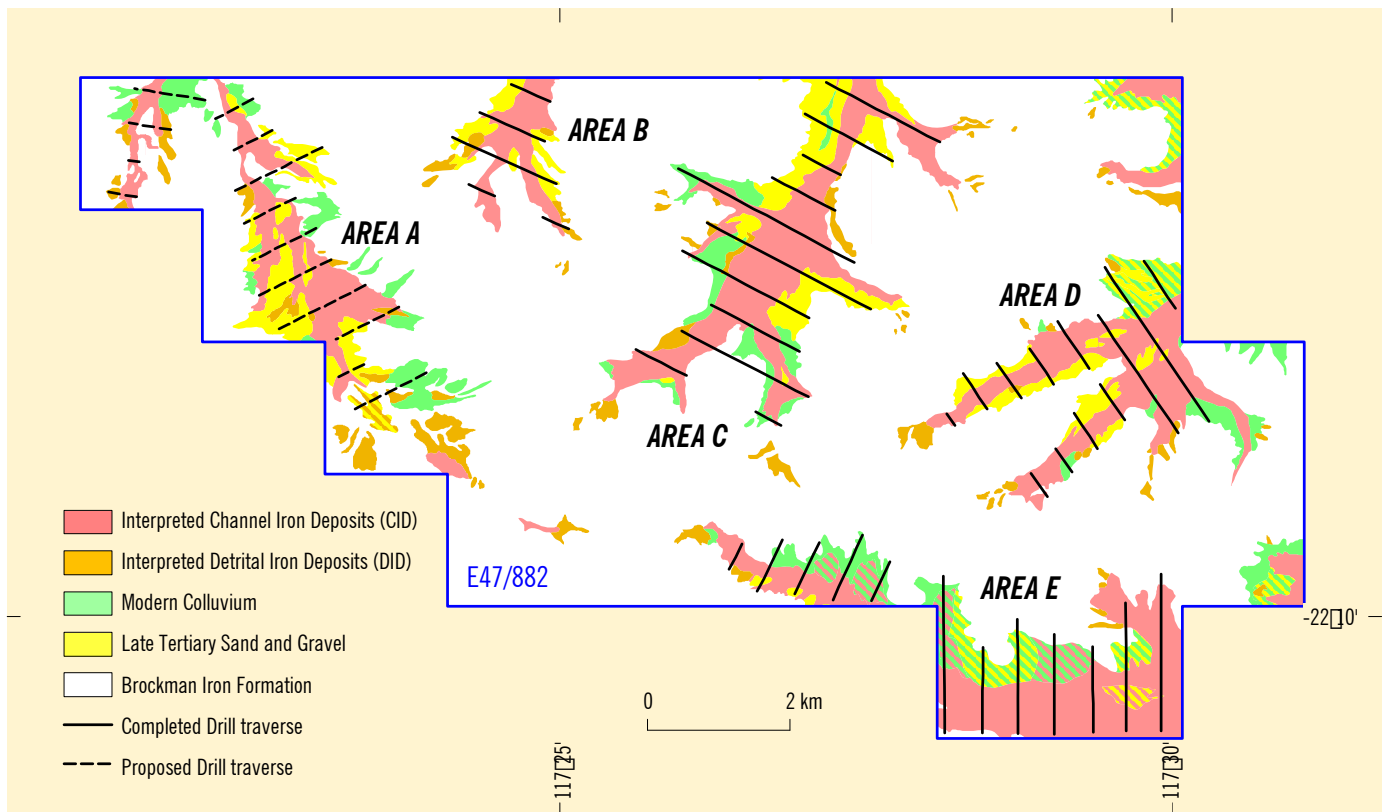


Figure 1 Hamersley E47/882 showing the location of Target Areas.

Summary of Recent Activities

A summary of recent exploration results will be released on 29 January 2008, in the company's fourth 2008 quarterly report.

Dr Kevin Wills
 MANAGING DIRECTOR
 28 January 2009

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

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".