The Manager
Companies Announcements Office
Australian Securities Exchange
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WEEKLY

IRON ORE DRILLING REPORT – No. 23

HAMERSLEY PROJECT, WA

HIGHLIGHTS

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

- *All assays received for 2008 exploration drilling program*
- *Extension holes in Area D reinforce significant thicknesses of BID mineralisation at shallow depths*
- *Increase in the extent of BID mineralisation based on geological interpretation*
- *All data and geological interpretations sent to Golder and Associates for resource estimation*
- *Beneficiation test work to be released in Report No. 24, with Inferred Resource estimate before the end of March*

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	8,167
Number of assay results awaited	0

Note: This table includes previously reported numbers.

List of significant assayed intersections received in week Table 2

Flinders plan to release Report No. 24 on the 25 March 2009, providing information on the beneficiation test work. The combined Inferred Resource estimate is still planned to be released in a separate announcement prior to the end of March 2009.

Inferred Resources

Preliminary geological wireframes created by Golder & Associates for Area D are currently being reviewed. Golder are currently creating resource wireframes for Area E.

Data and geological interpretation for Areas B and C have been sent to Golder & Associates for resource estimation.

The extent of Bedded Iron Deposit (BID) mineralisation is more extensive than first thought, based on the geological interpretation carried out for the resource estimates. BID thickness is variable and best developed in Area D.

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).

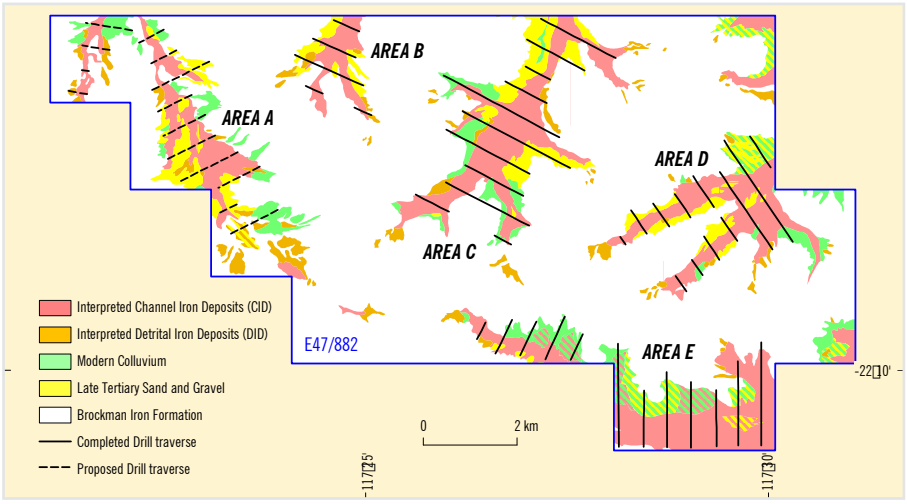

Figure 1 *Hamersley E47/882 showing the location of Target Areas.*

Within the last fortnight, all remaining assays have been received. In total, 7 hole extensions in Area E, 4 hole extensions in Area D, 36 holes in Area C and 1 hole in Area B. Some of the significant results are presented in Table 2.

Area E

During the drilling for CID mineralisation several holes were stopped in BID mineralisation, which was not recognized at the time of drilling. Consequently, extensions to these holes were drilled towards the end of the drilling program.The extent of recently recognized BID mineralisation at Area E is shown in Figure 2.

Assays were received for 7 hole extensions in Area E. The majority of these had no or very little effect on the extent of the existing mineralisation. The exceptions to this were holes HRC44 and HRC48 (Figure 2). HRC44 intersected 20m of CID mineralisation at 52.8% iron from 80m below the surface. The extension of HRC48 intersected a further 8m of mineralisation. The total intersection of CID in this hole has been increased to 32m at 53.2% iron from 30m below the surface.

Area D

Assays were received for 4 hole extensions in Area D. In hole HRC235 (Figures 3 & 4), a further 12m of BID mineralisation was intersected at 61.0% iron, 1.0% alumina and 4.8% silica. Together with the previously reported results, the total combined CID/BID intersection for this hole becomes 48m at 61.5% iron, 1.3% alumna, 4.7% silica and 5.6% LOI, from a depth of 6m from surface. Due to drilling difficulties this extension also finished in mineralisation and remains open at depth. Similarly, an extension for an adjacent hole, HRC259, has increased the reported intersection by 34m. The combined CID/BID intersection for this hole becomes 50m at 60.4% iron, 2.7% alumna, 5.2% silica and 4.7% LOI, from 8m. Figure 4 shows significant CID and BID mineralisation that remains open to the north. Following up these open zones of BID mineralisation will be an early priority in the 2009 exploration program. Assays for the extension of HRC267 have also increased the reported intersections of BID mineralisation by an additional 12m at 61.2% iron.

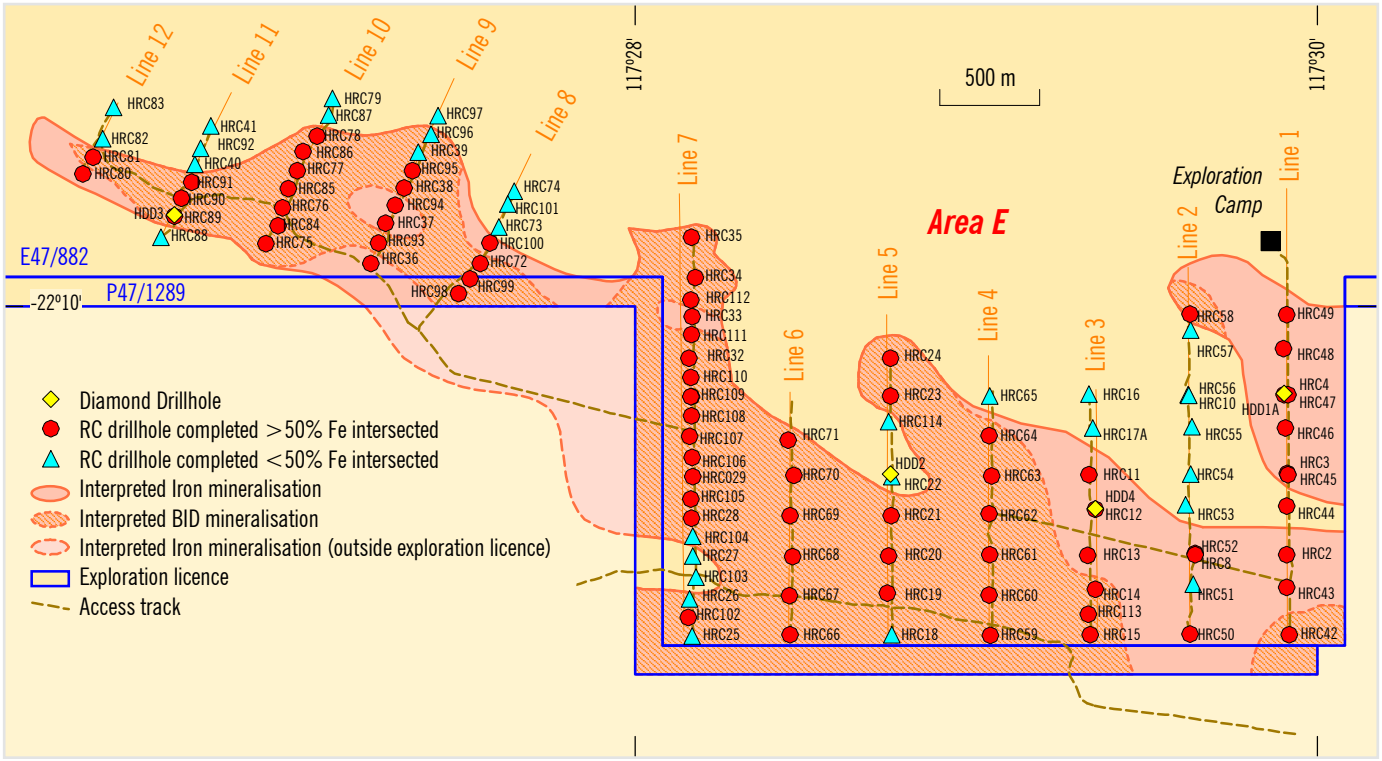

Figure 2 *Completed RC drilling in Area E.*

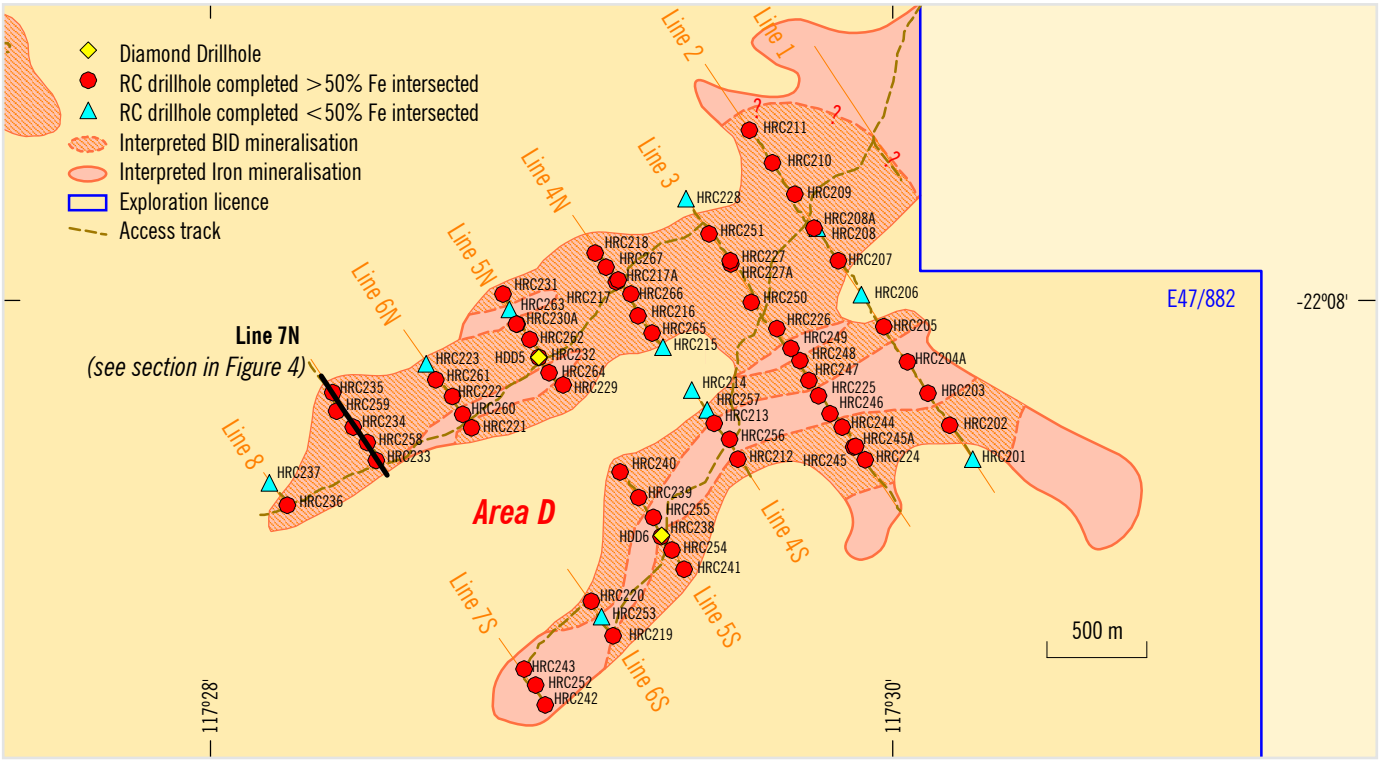

Figure 3 *Completed RC drilling in Area D.*

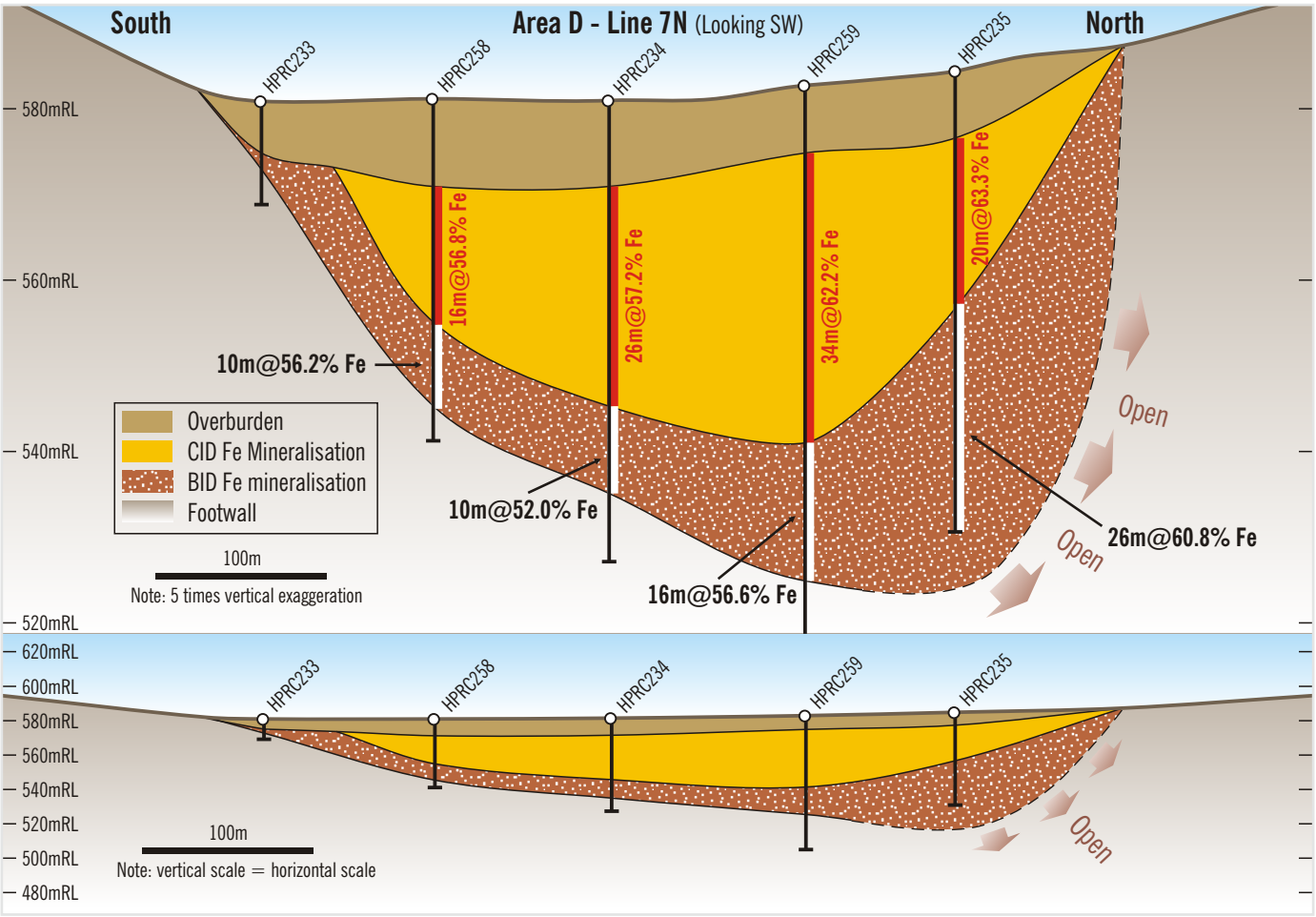

Figure 4 *Cross section of Line 7N in Area D.*

Typical CID/BID mineralisation in Area D.

Drilling Intersections

Table 2: List of significant RC drillhole intersections (assays received).

Hole ID	From (m)	To (m)	Interval (m)	Fe (%)	Al_2O_3 (%)	SiO_2 (%)	P (%)	LOI (%)	Target Area
HRC48ext	54	62	8	56.1	3.4	9.7	0.07	5.6	E
HRC44ext	80	100	20	52.8	3.8	9.2	0.16	10.8	E
HRC235ext	42	54	12	61.0	1.0	4.8	0.12	6.6	D
HRC259ext	24	58	34	60.3	2.4	4.3	0.13	6.1	D
HRC267ext	36	48	12	61.2	1.9	3.7	0.12	6.7	D
HRC382	6	22	16	58.1	2.4	9.3	0.14	4.7	C
HRC383	6	22	16	56.8	3.7	12.0	0.08	2.2	C
HRC395	22	36	14	54.1	5.2	11.7	0.05	4.9	C
HRC503	14	48	34	55.1	6.2	11.0	0.04	2.8	C
HRC504A	22	48	26	53.5	3.6	10.1	0.09	9.4	C
HRC505	12	30	18	55.9	3.5	6.6	0.11	8.8	C
HRC407	16	40	24	52.7	5.6	13.8	0.06	4.3	B

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.

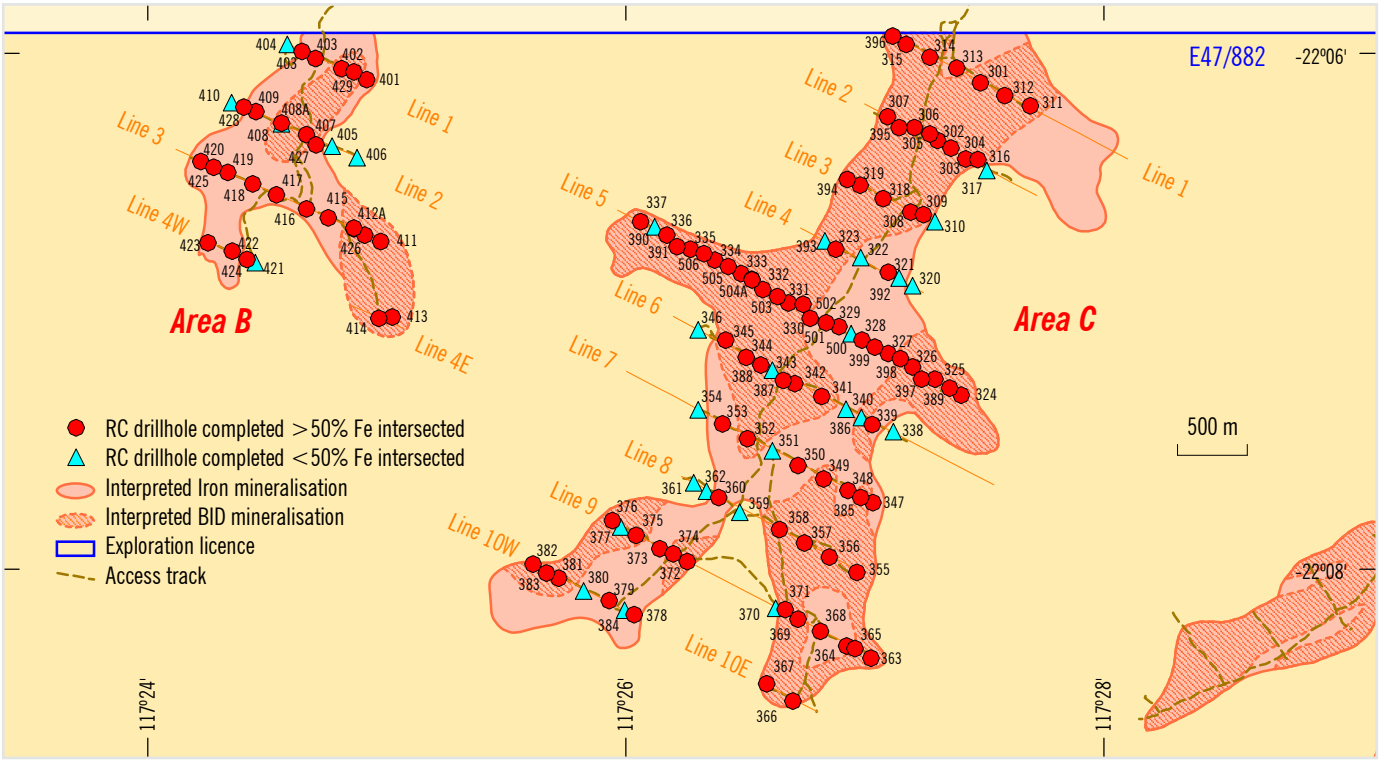

Figure 5 *Proposed and completed RC drilling in Areas B and C.*

Area C

Laboratory results were received for 36 holes in Area C (Figure 5). The majority of the intersections contain good thicknesses of CID mineralisation with minor BID mineralisation. Some of the more significant combined CID/BID intersections include HRC504A (26m) and HRC505 (18m) at 53.5% and 55.9% iron, respectively. Significant CID intersections include HRC382 with 16m at 58.1% iron from 6m below the surface, and HRC503 with 34m at 55.1% iron. Geological interpretation for Area C demonstrates good continuity of mineralisation between drill holes on each section.

Area B

Assays were received for 1 hole in Area B (Figure 5). HRC407 contained a good thickness of CID mineralisation, intersecting 24m at 52.3%, 16m from the surface. This intersection is consistent with information from adjacent drill holes.

Logistics

Detailed geological mapping continues on E47/882.

Tenements

Nothing to report.

Dr Kevin Wills
MANAGING DIRECTOR
11 March 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

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".