
NEWS

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NEW RIO IRON ORE DISCOVERY AND HIGHER PRICES

ENHANCE HAMERSLEY PROJECT - FLINDERS

The recent hike in global iron ore prices – combined with its WA prospect sandwiched between recent Rio Tinto and Fortescue Metals Group iron ore discoveries – has enhanced the prospects of Flinders Diamonds Limited’s (ASX: “FDL) Hamersley Project, the Company said today.

The Adelaide-based explorer said today that technical evidence provided the Company with confidence that the style of the new Rio Tinto iron ore discovery announced on 7 February and the Fortescue mineralisation announced last November had a high chance of repetition in Flinders Diamonds’ acreage.

The new Rio discovery, Caliwingina North, is about 10 kilometres to the northwest of Flinders’ Pilbara iron ore holding while the FMG Serenity discovery, is on the south and southeast perimeters of Flinders’ 100%-owned E47/882 tenement area.

“The new discoveries are major Channel Iron Deposits (CID) and, as we are located between them, they quite clearly now enhance the prospectivity of our target drilling zone,” Flinders Diamonds’ Managing Director, Dr Kevin Wills, said today.

“Rising iron ore prices have also increased the chances of tapping the iron ore wealth of Flinders’ Hamersley iron project for shareholders,” he said.

“In some areas, the mineralised channels of iron ore do extend into our property,” he said.

“Our intention is to now rapidly develop our Hamersley project as there is existing export infrastructure in the region and global iron ore prices are remaining strong.”

Dr Wills said Flinders was actively preparing for its 2008 drilling programme within E47/882, to test its resource targets in light of the exciting nearby recent Rio Tinto and FMG CID discoveries.

“We have been discussing our drilling requirements with several contractors and it is anticipated a four to six month contract will be let for the job.

“Quotations for iron ore assays from several laboratories are being pursued with an aim of achieving the fastest assay turnaround time possible,” he said.

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Flinders has compiled Heritage survey data which is ready to be submitted for site clearances over the next two to three months. Data to submit to DOIR for work program approvals has also been prepared.

Progress has been made in engaging a Flinders Diamonds iron ore geological team for the 2008 field season.

The procurement of supplies and equipment for construction of the field camp and access roads has also commenced.

Flinders' Hamersley project is estimated to contain an iron ore target of between 325-390 million tonnes of iron ore.

Rio Tinto announced earlier this month that the Caliwingina North CID discovery had an Inferred Resource of 875 million tones.

Dr Wills said FMG's recent CID discoveries at Serenity and Solomon totalled a further 1.7 billion tonnes of Inferred Resource.

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