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FLINDERS - CAZALY IN NEW W.A. IRON ORE DEAL

Flinders Mines Limited (ASX: FMS) and Cazaly Resources Limited (ASX: CAZ) have reached agreement on a new iron ore deal in the Hamersley Ranges region of Western Australia.

The agreement – signed yesterday between Flinders and Cazaly subsidiary, Cazaly Iron Pty Ltd – will see Flinders fully acquire Cazaly's E47/1560 iron prospective tenement, a 44 square kilometre exploration block in the Hamersley Ranges.

The granted exploration licence is just 15 kilometres southwest of Flinders' wholly-owned E47/882 licence located between Fortescue Metals Group's Serenity iron ore deposit and Rio Tinto's Caliwingina deposit.

Flinders has already estimated iron ore tonnage targets of between 333Mt and 380Mt at 56% iron for its E47/882 tenement.

The terms of the Cazaly acquisition agreement are a cash payment of \$750,000 and the issue to Cazaly of \$750,000 worth of Flinders Mines' ordinary shares.

"Following a detailed assessment of the geology of the area, we believe the newly acquired acreage is prospective for both Channel Iron Deposits and Detrital Iron Deposits," Flinders Mines' Managing Director, Dr Kevin Wills, said.

Dr Wills said Flinders Mines had contracted iron ore expert, Dr Richard Russell, who carried out similar work on the Company's E47/882 licence, to conduct geological mapping and prospectivity analysis on the new acquisition.

Dr Russell is available in August to commence work on the newly-acquired licence area.

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