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MAJOR NEW PHOSPHATE SEARCH IN FLINDERS RANGES AND ADELAIDE HILLS

The search for economic phosphate deposits in South Australia has accelerated with Flinders Mines Limited (ASX: "FMS") launching an exploration program for phosphate in the state's Flinders Ranges and Adelaide Hills.

The search – on the Company's tenements which include ownership of the industrial minerals rights - has the potential to reap significant rewards, with soaring global demand for phosphates and superphosphates driving superphosphate prices from A\$200 to \$400 per tonne over the past year.

Flinders Mines has conducted an independent assessment of its licence areas by industrial minerals specialists, Johnson Geological Services.

"We are potentially sitting on a very large and lucrative phosphate resource at our tenements in the Flinders Ranges, particularly in the area around Orroroo, as well as in the Kapunda-Angaston area north of Adelaide," Flinders Mines' Managing Director, Dr Kevin Wills, said today.

"Although phosphate occurrences have been documented across these areas many times over the past 80 years, cheaper sources of high-grade phosphorous from the South Pacific, and more recently from Queensland, have kept total historical production in SA down to about 500,000 tonnes," Dr Wills said.

"However, we have recently identified several zones of interest with large numbers of significant historic occurrences, which we believe have the potential to provide a major source of phosphate for the SA and Australian markets in the years ahead."

Dr Wills said that Flinders Mines would conduct soil sampling and follow-up drilling on a 66-kilometre-long "strike length" from just south of Tarcowie to Orroroo, where several historical phosphate occurrences are located.

Exploration will also focus on the Kapunda-Angaston area, where 20 historic phosphate occurrences have produced phosphate rock of an even greater quality than the Orroroo finds, he said.

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“Our exploration will be aimed at locating a phosphate deposit of a minimum size of 10 million tonnes, which is about the size required to support a significant phosphate mining operation,” Dr Wills said.

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