
NEWS

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FOR IMMEDIATE RELEASE
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PILBARA DRILL RESULTS CONTINUE TO EXCEED EXPECTATIONS FOR FLINDERS MINES

Results continue to exceed expectations from the maiden drilling program on Flinders Mines Limited's (ASX: "FMS") Hamersley iron ore project in the Pilbara region of Western Australia.

The Company today released more visual drilling intersections and assay results from exploration of Areas D and E within the Hamersley project.

"Ore thicknesses are greater than originally estimated, with both Areas D and E currently averaging about 14 metres thick compared to an original estimate of 8 metres," Flinders Mines' Managing Director, Dr Kevin Wills, said today.

"This represents a 75% increase in thickness on our expectations," Dr Wills said.

Accelerated Drilling Program

"Drilling is now proceeding with two RC drill rigs on a regular basis. Each rig is completing about one hole per day and together about 14 holes for 600 to 750 metres per week.

"A third rig has been contracted to commence early in October, with the increased drilling rate intended to expedite Resource status on the project.

"The drilling program is expected to continue until early in December."

Dr Wills said the initial Inferred Resources for the Hamersley Project were expected to be announced at the Flinders Mines annual general meeting in November.

"An update is expected to be provided prior to the end of 2008 and all completed and signed-off Inferred Resources available by the end of January 2009," he said.

Dr Wills said the encouraging Hamersley Project results to date came from only limited numbers of assays returned to date for nine of 53 holes drilled.

"This is due to the normal laboratory assay turnaround time being about 4 weeks from receipt of samples and we are currently waiting on assay results for 1373 assay samples," he said.

“From the 238 assays received to date, our average grade is 55 % iron. This compares favourably with the grades from Fortescue Metals Group’s neighbouring Serenity deposit and Rio Tinto’s Caliwingina North Resource.”

- (See attached Flinders Mines ASX Report “**Iron Ore Drilling Report – No. 4**” with relevant maps and diagrams).

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Competent Person Statement

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”.

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