
NEWS

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1st April 2009

MAIDEN W.A. IRON ORE RESOURCE ANNOUNCED

FOR FLINDERS MINES' HAMERSLEY PROJECT

A maiden iron ore resource estimate of 476 million tonnes has been announced by Flinders Mines Limited ("Flinders") for its 100%-owned Hamersley project in Western Australia.

In addition, the Company says exploration drilling in the close vicinity scheduled from May is expected to rapidly add to that figure, targeting up to a further 260 million tonnes (Mt) of the shallow iron ore deposit.

The JORC-compliant Inferred Resource comprises 476 Mt of iron ore at a grade of 55.2% Fe, including priority zones of 124 Mt of iron ore grading above 58.3% Fe.

Releasing the result today – achieved just on eight months after the discovery hole – Flinders described the outcome as "outstanding".

"The resource estimate continues to underline the reputation of Western Australia's Pilbara region as the country's premier iron ore province," Flinders Chairman, Mr Bob Kennedy, said today.

"Secondly, the fact that the resource is of such high quality, so close to surface and so close to existing world-class ore export infrastructure, delivers considerable project upside very early in the life of our development plans for the Hamersley," Mr Kennedy said.

The independently assessed JORC compliant resource estimate was derived from a major drilling campaign across four of five key prospects on Flinders 100%-owned E47/882 licence – an area sandwiched between Rio Tinto's new Caliwingina North iron ore discovery and Fortescue Metals Group Serenity iron ore project.

The drill campaign comprised an extensive 300-hole, 15,000-metre program which confirmed the presence of extensive hematite dominant Channel Iron Deposits (CID), as well as high-grade goethite dominant Bedded Iron Deposits lying beneath the CID.

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“After an expenditure of \$8 million and eight months of exploration, we can finally confirm what we have always suspected – that the Hamersley project contains an outstanding iron ore resource,” Mr Kennedy said.

Flinders has identified significant additional resource potential which will be targeted in an upcoming drill program that includes exploration targets of 217-267 Mt at 50-65% Fe at the main Hamersley E47/882 licence and a second, recently acquired tenement five kilometres to the southwest.

In addition, high-grade BID mineralisation is open on many margins of the channels that have already been identified with further targets outside these channels having the potential to yield additional tonnes of near-surface ore.

“Following commencement of our Prefeasibility Study later this year, infill drilling will be launched on the high priority zones within the five main geological areas with the goal of defining an Indicated Resource in the fourth quarter of 2009,” Mr Kennedy said.

Flinders has commenced a scoping study to assess development options for the 112 square kilometre Hamersley project, leading into a Prefeasibility Study later this year and a Feasibility Study in 2010.

The JORC compliant Inferred Resource was prepared by independent geological consultancy, Golder Associates Pty Ltd, based upon data collated and interpreted by Flinders staff.

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