
NEWS

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FOR IMMEDIATE RELEASE
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NEW W.A. BOOST FOR FLINDERS MINES'

EXPANDING IRON ORE PORTFOLIO

Flinders Mines Ltd (ASX: FMS) is expanding its Western Australian iron ore development portfolio with the \$1.3 million acquisition of the Canegrass magnetite project in the State's Mid West Iron Ore Province.

Flinders Mines - which has recently progressed its flagship Hamersley iron ore project to an Inferred Resource of 476 million tonnes at 55.4% Fe – today announced it has agreed to acquire the Canegrass project from Maximus Resources Limited (ASX: MXR).

Canegrass, located 60 kilometres southeast of Mt Magnet, hosts a previously reported exploration target of 1.7–3.0 billion tonnes of iron ore.

Flinders Mines said today that it had carried out due diligence on the area and determined that Canegrass is highly prospective for gabbro hosted magnetite iron ore deposits containing 20–35% magnetite.

"This is an excellent addition to the Company's current portfolio of hematite-based iron ore resources and exploration targets associated with our Hamersley project in WA," Flinders Mines' Exploration Manager – Iron, Mr Nick Corlis, said today.

"We will initially be fully evaluating all available Canegrass data to determine how to optimise this very strategic addition," Mr Corlis said.

Acquisition terms

Under the terms of the sale agreement, Flinders will pay Maximus \$200,000 in cash and \$1.1 million worth of Flinders ordinary shares.

Maximus will retain a 2% net smelter royalty on any commercialisation of Canegrass' iron ore potential.

The 685 sq km Canegrass tenement package includes 6 granted exploration licences, 10 prospecting licences and 2 exploration licence applications.

It has large-scale magnetite concentrations over an area greater than 20km long and up to 3km wide.

The main target is based on detailed magnetic and gravity surveys carried out over the area combined with a series of Reverse Circulation (RC) drilling traverses and three diamond drill holes.

Mr Corlis said that due to a conflict of interest between some common Directors on the boards of Flinders and Maximus, several of the Flinders' Directors took no part in the offer - and approval of the transaction was decided by non-conflicted Directors.

Mr Corlis said "The Canegrass acquisition represents a further step for Flinders Mines Limited in becoming an iron ore company".

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