



The Manager
Companies Announcements Office
Australian Securities Exchange
20 Bridge Street SYDNEY NSW 2000

WEEKLY

IRON ORE DRILLING REPORT – No. 9

HAMERSLEY PROJECT, WA



HIGHLIGHTS

HAMERSLEY TENEMENT E47/882 Flinders Mines Limited (FMS) 100%

- An additional 26 holes for 1,274 metres were drilled during the week.
- Results return thick intersections in both Areas D and E.
- Ten intersections reported – up to 24m at 60.3% iron
- Extent of Area E mineralisation now 6.5sq km compared to exploration target of 4.1sq km

Drilling Statistics

Table 1 Completed drillholes in each area.

Target Area	No of Holes	Metres Drilled
Area A	0	0
Area B	0	0
Area C	0	0
Area D	60	2,477
Area E	95	5,553
Total	155	8,030

Number of samples sent for assay	4,394
Number of assays received	947
Number of assay results awaited	3,447

Note: This table includes previously reported numbers.

List of new iron ore intersections in week	Table 2
List of received assayed intersections in week	Table 3

Drilling Activity

Flinders Mines Limited's Hamersley Iron Ore Project in WA comprises five target areas: Areas A, B, C, D and E (see Figure 1).

Since weekly Report 8, released on 23 October 2008, an additional 26 holes have been drilled for 1,274m. A total of 317 assays were received for six drill holes.

Infill drilling in Area D is continuing and the infill drilling in Area E has been completed in the narrow parts of the channel. The drill rig from Area E has been moved to Area C. A third drill rig has arrived onsite to commence diamond drilling and facilitate the completion of the reverse circulation drilling program.

This announcement by FMS is the ninth in a series of weekly announcements to describe the drilling progress at its Hamersley Project in Western Australia. It is anticipated that weekly announcements will continue until initial inferred resources are announced at the end of the 2008 calendar year. The announcements will take the form of a template to ensure the information is concise and consistent.

Drilling Intersections

Table 2: List of visually estimated mineralised iron ore intersections recorded during the week (assays awaited).

Hole ID	Visual estimate			
	From (m)	To (m)	Interval (m)	Target Area
HPRC00098	26	48	22	Area E
HPRC00099	18	48	30	Area E
HPRC00100	8	16	8	Area E
HPRC00101		NI		Area E
HPRC00102	22	26	4	Area E
HPRC00103		NI		Area E
HPRC00104	12	18	6	Area E
HPRC00105	18	30	12	Area E
HPRC00106	30	42	12	Area E
HPRC00107	26	52	26	Area E
HPRC00108	30	52	22	Area E
HPRC00109	36	42	6	Area E
HPRC00110		NI		Area E
HPRC00111		NI		Area E
HPRC00112	24	28	4	Area E
HPRC00248	12	44	32	Area D
HPRC00249	16	36	20	Area D
HPRC00250	20	48	28	Area D
HPRC00251	6	18	12	Area D
HPRC00252	6	18	12	Area D
HPRC00253	10	12	2	Area D
HPRC00254	8	32	24	Area D
HPRC00255	6	38	32	Area D
HPRC00256	10	40	30	Area D
HPRC00257	8	10	2	Area D
HPRC00258	14	24	10	Area D

NI = Not identified.

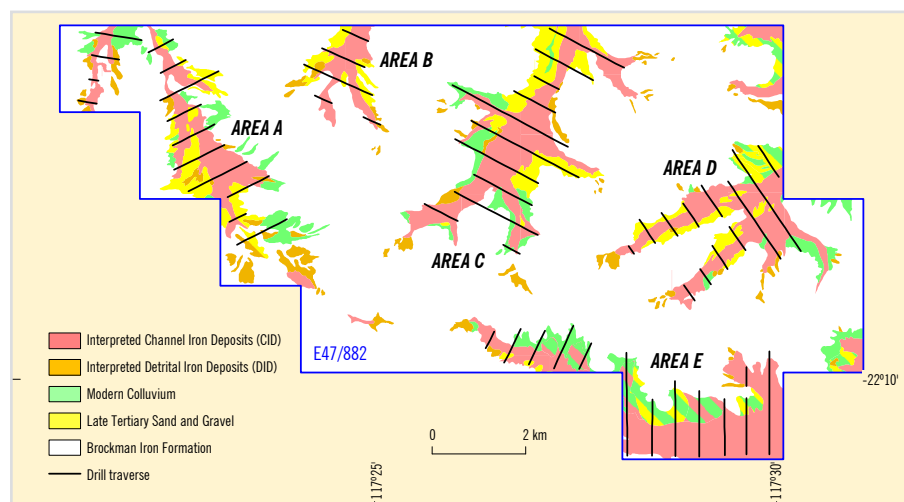


Figure 1 Hamersley E47/882 showing the location of Target Areas.

Table 3: List of RC drillhole intersections (assays received).

Hole ID	From (m)	To (m)	Interval (m)	Fe (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	P (%)	LOI (%)	Target Area
HRC14	66	68	2	51.3	6.3	8.9	0.096	10.9	Area E
	82	108	26	56.0	2.5	10.8	0.105	6.1	
HRC15	34	70	36	58.6	2.6	5.1	0.111	8.5	Area E
HRC42	56	102	46	52.8	3.8	9.3	0.084	11.4	Area E
including	74	92	16	55.3	3.2	6.5	0.090	11.0	
HRC45	58	72	14	53.4	4.5	6.7	0.098	12.7	Area E
HRC46	42	44	2	52.6	7.1	12.8	0.037	3.6	Area E
	52	72	20	53.9	5.0	8.5	0.067	9.7	
	78	80	2	57.9	3.3	6.3	0.146	7.3	
HRC202	12	36	24	60.3	2.6	2.9	0.110	8.2	Area D

NB: These intersections are based on an Fe cut-off grade of 50%, with no top cut, and a maximum internal dilution of 2m.
 Analysis via XRF fusion at SGS Laboratories.
 LOI = Loss of ignition.

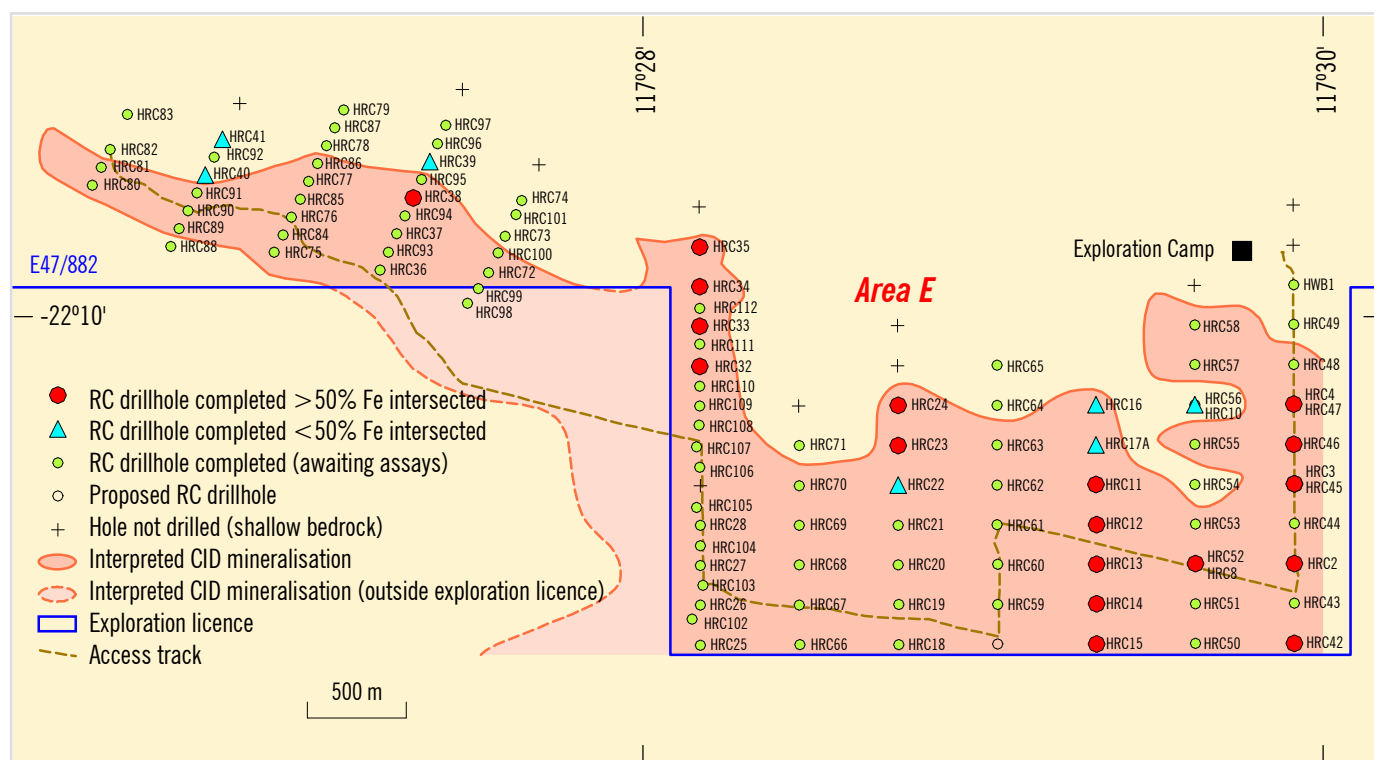


Figure 2 Proposed and completed RC drilling in Area E.

Area E

Drilling in Area E has been completed. Infill drilling was carried out to 500m x 100m in the narrow upper reaches of the channel to facilitate the calculation of an Inferred Resource. The areal extent of visible mineralisation in the drilling has now been extended to 6.5 square kilometres, compared to the Exploration Target estimate of 4.1 square kilometres.

Results were returned for five holes in Area E. The intersections are all located at the eastern end of Area E and occur at depths expected in the geological model. However the thicknesses are greater than predicted, particularly HRC42 which returned a 46m interval of mineralisation greater than 50% iron, including 16m at 55.3% iron.

Area D

Infill drilling (500m x 100m) has commenced in the headwaters of Area D. The thicknesses of visually estimated mineralisation continue to exceed the Exploration Target estimate of 8.0m, with six of the 11 holes drilled intersecting greater than 20m.

Assays were returned for a single drill hole in Area D. HRC202 intersected

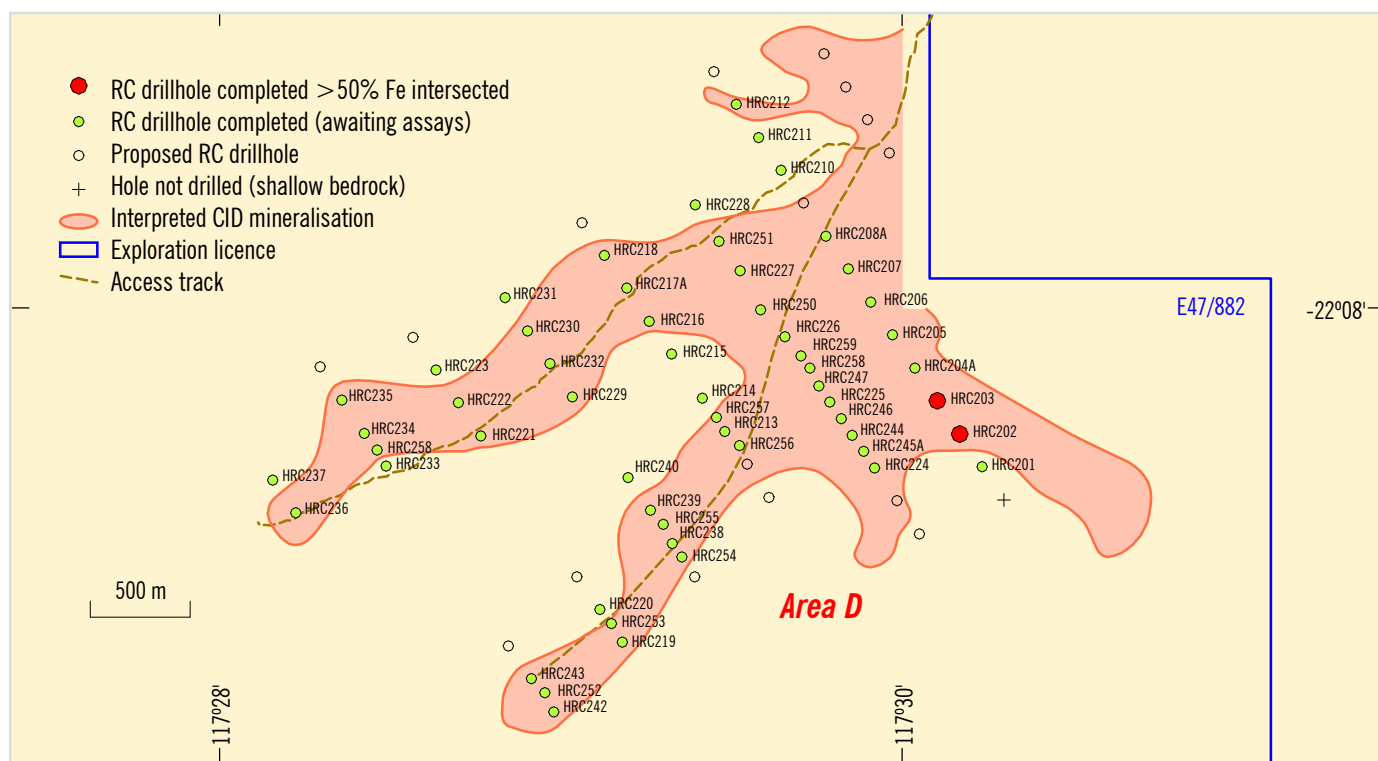


Figure 3 Proposed and completed RC drilling in Area D.

24m of mineralisation from 12m depth, with an encouraging iron concentration of 60.3%, and alumina and silica levels both below 3%. This intersection gives confidence that zones of the mineralisation have high iron concentrations and levels of deleterious elements at low enough levels to allow for direct shipping, particularly given that this is only the second drill hole result returned from Area D.

Area C

The drill rig from Area E has been transported to Area C and has commenced drilling a water bore for drilling fluids. Drilling in Area C will begin on a 500m by 200m drill spacing to define the mineralisation prior to infilling selected areas at 500m x 100m.

Logistics

Approvals for a new access track into Area A have been submitted and the Native Title group contacted to organise an archaeological clearance. Earthworks have commenced in Area A to complete all drill lines and drill pads.

Tenements

Nothing to report.

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 29 October 2008

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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".