



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

WEEKLY

IRON ORE DRILLING REPORT – No. 11

HAMERSLEY PROJECT, WA



HIGHLIGHTS

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

- An additional 18 holes for 790 metres were drilled during the week
- Channel Iron Deposit mineralisation confirmed in all five target areas
- Two intersections in Area C of 42m thickness, based on visual estimates
- Initial drilling in Area B returning excellent intersections well in excess of the Exploration Target thickness

Drilling Statistics

Table 1 Completed Reverse Circulation drillholes in each area.

Target Area	No of Holes	Metres Drilled
Area A	0	0
Area B	7	240
Area C	17	903
Area D	67	2,717
Area E	95	5,553
Total	186	9,413

Number of samples sent for assay	5,448
Number of assays received	1,119
Number of assay results awaited	4,329

Note: This table includes previously reported numbers.

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 10, released on 5 November 2008, an additional 18 holes have been drilled for 790m. No assays were received this week.

Area E

Diamond drilling started on drill hole HDD1 to a depth of 31.6m until difficult drilling conditions forced a stop to the hole. Modifications were made to the drilling technique and a redrill hole, HDD1A (Figure 2), commenced and was at a depth of 30m at week's end. As a consequence, the rate of drilling and quality of the drill core has markedly improved.

This announcement by FMS is the eleventh 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.

List of new iron ore intersections in week Table 2

List of received assayed intersections in week Table 3

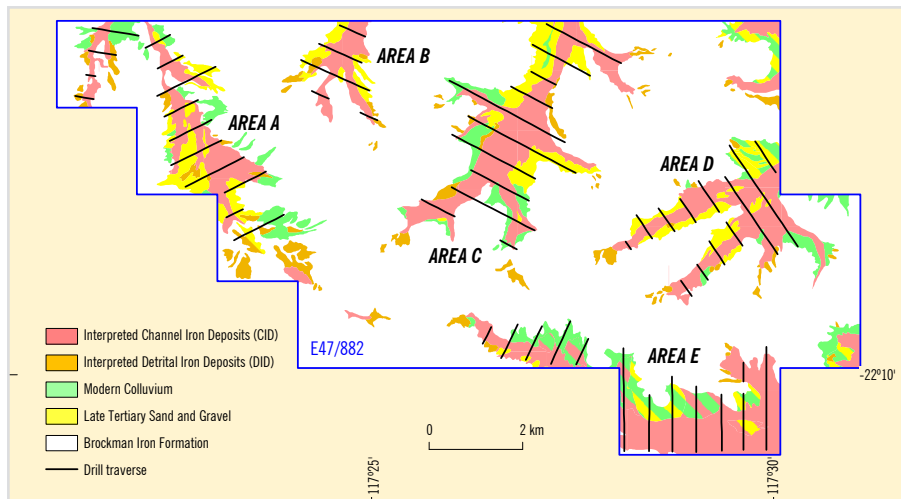


Figure 1 Hamersley E47/882 showing the location of Target Areas.

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
HRC267		NI		Area D
HRC312	24	40	16	Area C
HRC313	20	36	16	Area C
HRC314	14	56	42	Area C
HRC315	14	26	12	Area C
HRC316	4	6	2	Area C
HRC317		NI		Area C
HRC318	16	58	42	Area C
HRC319	6	14	8	Area C
HRC320		NI		Area C
HRC321	10	26	16	Area C
HRC401		NI		Area B
HRC402	12	42	30	Area B
HRC403	16	34	18	Area B
HRC404		NI		Area B
HRC405		NI		Area B
HRC406		NI		Area B
HRC407	18	34	16	Area B

NI = Not identified.

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
No assays received this week									

NB: These intersections are based on an Fe cut-off grade of 50%, with no top cut, and a maximum internal dilution of 2m.

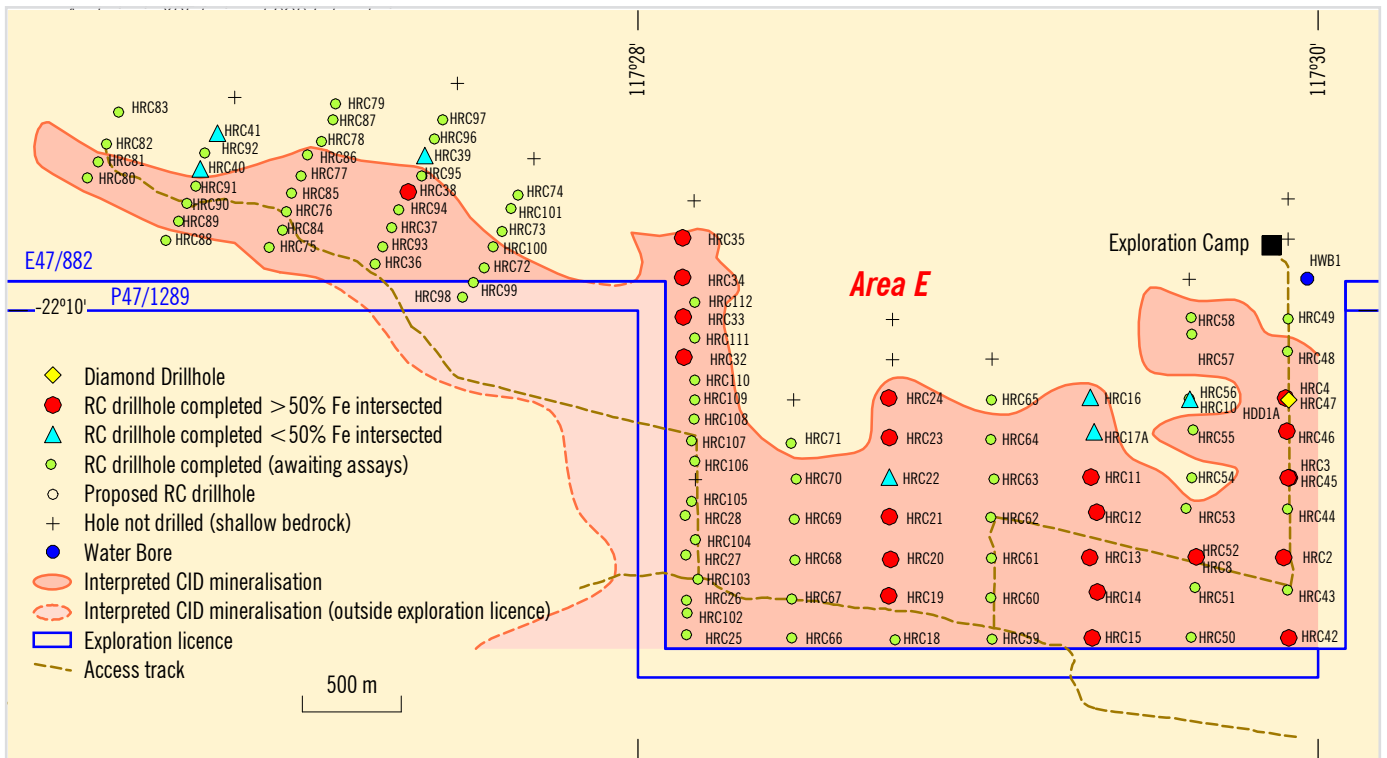


Figure 2 Current Diamond drilling and completed RC drilling in Area E.

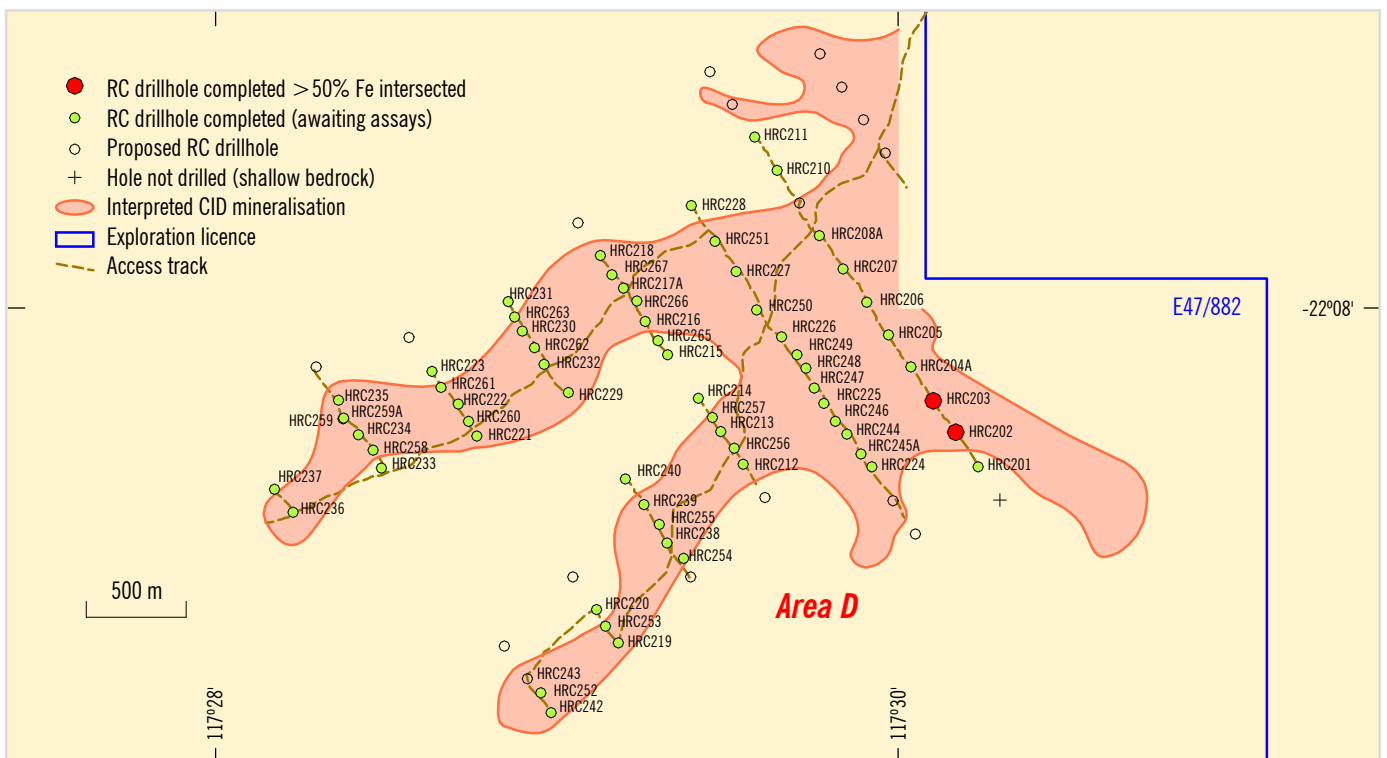


Figure 3 Proposed and completed RC drilling in Area D.

Area C

Phase one drilling is continuing in Area C at 500m by 200m spacing (Figure 4) with some excellent thicknesses intersected, based on visual estimates. In particular, HRC314 and 318 both intersected 42m from depths of 14m and 16m, respectively.

Area B

Drilling commenced in Area B (Figure 4) at a phase one spacing of 500m by 200m. Although Area B does not have a large areal extent, several of the initial holes have been very encouraging. The mineralisation style is hematitic pisoliths, similar to the other areas drilled thus far. Three of the seven

holes intersected thicknesses of greater than 15m (visual estimate), at depths of less than 20m. All intersections during the week were at least four times greater than the Exploration Target thickness of 4m.

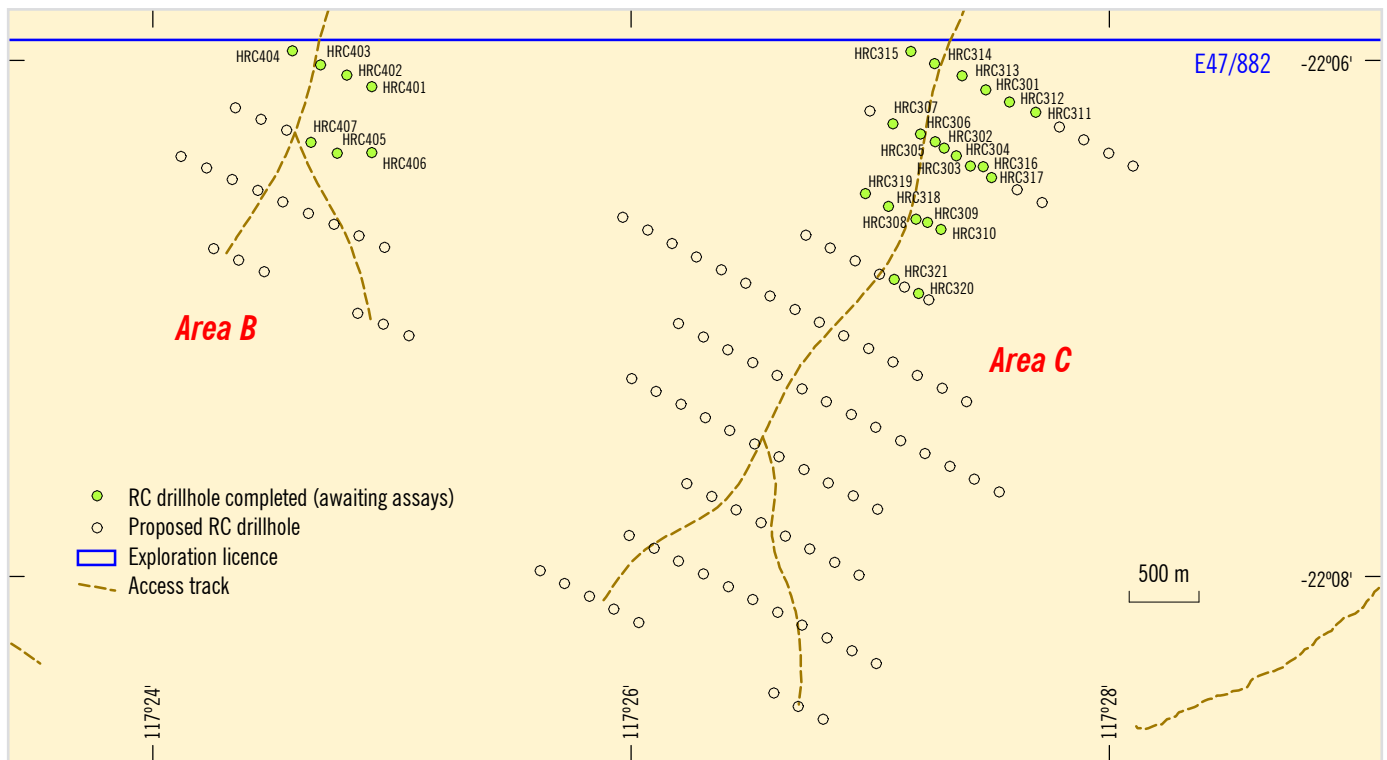


Figure 4 Proposed and completed RC drilling in Areas B and C.

Logistics

Archaeological clearance is being prepared for the access track into Area A, in preparation for drilling early in 2009.

Tenements

Nothing to report.

Dr Kevin Wills

MANAGING DIRECTOR

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For further information please contact:

Kevin Wills

on 08 8132 7950

or 0419 850 997

Duncan Gordon – Investor Relations

on 08 8232 8800

or 0404 006 444

Email: kwills@flindersmines.com.au

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".