

**MEDIA RELEASE**

Thursday, 18 November 2010

**PROSPECTIVE PHOSPHATE TARGET FOCUS OF  
2011 DRILLING PROGRAM IN S.A'S MID NORTH**

A proposed drilling program early in 2011 on a highly prospective phosphorous target in South Australia's Mid North will be the focus of new minerals explorer, Flinders Exploration Limited, following successful rock chip sampling in the region.

The drilling program will be part of a first ever systematic search for phosphate in South Australia

Flinders Exploration announced today that, in anticipation of success in the Company's current \$5-7 million Initial Public Offering, it had commenced orientation sampling on tenements in the Orroroo-Tarcowie area, southeast of Port Augusta, to confirm an expected link between phosphate and geophysical anomalies.

This association has been noticed elsewhere in Australia over significant phosphate deposits.

"We have been energised by recent composite rock chip sampling we have undertaken near Orroroo to validate the link between phosphatic rocks and geophysical anomalies identified from available airborne surveys," Flinders Exploration's Managing Director, Dr David Tucker, said today.

"The best result is 8% phosphorous oxide across 10 metres within a geophysical anomaly – a very pleasing result," he said.

"Having confirmed this link, we believe this geophysical technique can be effectively used in the Orroroo to Tarcowie area to identify additional phosphate drill targets for our planned drilling program very early in 2011.

"This schedule - the first ever systematic search for phosphate in South Australia – is part of a strategy we have developed to take advantage of robust global phosphate prices, coupled with growing demand for fertilizer."

**IPO details**

Flinders Exploration's IPO is offering 35 million ordinary shares at 20 cents per share to raise up to \$7 million with a minimum subscription of \$5 million.

Flinders Exploration's start-up portfolio will comprise a substantial tenement package of approximately 19,470 square kilometres in South Australia, Western Australia and the Northern Territory, and including exploration projects prospective for diamonds, phosphate, copper, gold and barite.

This includes the South Australian Diamond Project, located in several areas over the southern Flinders Ranges and Gawler Craton, where some of the highest concentrations of micro-diamonds from any kimberlite host rock in SA have been recovered.

The assets also include the diamond rights to Flinders Mines Limited's' Pilbara iron ore project in Western Australia.

Flinders Mines' shareholders have a priority offer within the IPO, and Flinders Mines is expected to retain a significant interest of around 21% in the new explorer.

The IPO is scheduled to close next Thursday, 25 November 2010 with a planned ASX listing in December.

A copy of the Prospectus is available from Flinders Exploration Limited at [www.fexploration.com](http://www.fexploration.com), and from sponsoring broker, Minc Financial Services Pty Ltd, at [orders@thinkminc.com.au](mailto:orders@thinkminc.com.au)

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