

**MEDIA RELEASE**

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**NEW COPPER AND GOLD DEVELOPMENT FOCUS  
FOR FLINDERS EXPLORATION**

Key gold and copper projects which could see Flinders Exploration Limited in production next year are the main focus of the Company's expanded exploration portfolio announced today under a second supplementary prospectus lodged with the Australian Securities and Investments Commission (ASIC).

The new exploration assets – including a proven gold deposit in the eastern gold fields of Western Australia – are part of Flinders Exploration's initial public offer (IPO) raising up to \$7 million.

The revamped IPO includes the following significant changes proposed to further strengthen the Company's asset base:-

- The upgrading of the Company's existing Copper Claim Project in the southern Flinders Ranges of SA under the original Joint Venture (JV) program with ASX-listed Flinders Mines Limited.
- The acquisition from Ramelius Resources Ltd of a 90% interest in the Black Cat gold development project near Coolgardie in WA.
- The purchase from Capital Mining Ltd of a 100% interest in the Porters Mount prospect - a mature gold project located in the central Lachlan area near Forbes in NSW.

"This restructured approach is in line with our stated target of establishing an early revenue stream from mining projects which will in turn support the ongoing exploration and development of major projects," Flinders Exploration Chairman, Mr Andrew Andrejewskis, said today.

"The emphasis on these three projects – combined with our existing phosphate, diamonds and barite prospects in SA – we believe provides the market with the opportunity to invest in a suite of exploration and development projects with exceptional upside potential," he said.

"Our Board is most enthusiastic about the near-term development potential of both the Copper Claim and Black Cat projects, including possible production start-up as early as 2012, and the prospects for a gold discovery at Porters Mount in NSW," he said.

**Copper Claim Project**

The Copper Claim heap leach project is located 25 km north-west of Orroroo and 265 km north of Adelaide in SA's southern Flinders Ranges.

Flinders Exploration, under its original JV program with Flinders Mines, can earn a 75% interest by the expenditure of \$6 million over three years.

Mr Andrejewskis said a recent fresh assessment by Flinders Exploration of data from extensive drilling previously undertaken by Utah Development had led to an estimated exploration target of 10 to 20 million tonnes at an average grade of 0.25 to 0.35% copper at relatively shallow depths.

“Immediately after listing, we plan to commence a pre-feasibility study into a copper heap leach development which, if positive, would be followed by a feasibility study.”

“The Company has allocated an initial budget of \$1.3 million for core drilling and column leach trials with further funds to be allocated if initial work is promising.”

### **Black Cat gold project**

Flinders Exploration is targeting gold production from the Black Cat gold project for the second quarter of 2012.

The project – 35 km north-west of Coolgardie in the eastern goldfields of WA - is based on the redevelopment and expansion of a gold open pit previously mined in 2001.

“Black Cat has the potential for near-term development as it already contains a JORC-compliant gold resource totaling 317,000 tonnes at 2.1 g/t gold for 21,400 ounces of gold,” Mr Andrejewskis said.

“Positive results from a scoping study already undertaken by Flinders Exploration will enable the Company on listing to commence a pre-feasibility study into mining this gold resource,” he said.

The acquisition of the 90% Black Cat interest from Ramelius Resources is subject to Flinders Exploration’s successful raising of capital and subsequent ASX listing. It is also subject to Ramelius’ existing JV partner waiving or not exercising a pre-emptive right in respect of its interest of 10%.

### **Porters Mount copper-gold project**

Mr Andrejewskis said the Porters Mount project - located in the major copper-gold province of central NSW – had the potential for the discovery of a large porphyry gold body.

“This is potentially a company-making porphyry target and we intend to test new conceptual targets adjacent to significant gold intersections in a mineralised zone showing many features associated with large porphyry gold systems,” he said.

Porters Mount, which is 35 km south-east of Barrick Gold’s three million ounces-plus Cowal gold mine, is being purchased from Capital Mining for \$200,000 in cash, plus two million shares and a gold production royalty.

### **Phosphate, diamonds and barite – SA**

The SA exploration assets of Flinders Exploration lie in the JV agreement with Flinders Mines which is subject to the successful capital raising and ASX listing.

“With respect to our SA assets for phosphate diamonds and barite, we are aiming to define resources at mature prospects that have obtained promising results from previous exploration by Flinders Mines,” Mr Andrejewskis said.

“All of these commodities are in demand for the domestic market within Australia,” he said.

Mr Andrejewskis said a Flinders Exploration listing on the Australian Securities Exchange was now being targeted by 30 June 2011.

The Company's supplementary prospectus, along with the replacement prospectus issued in October, may be viewed on Flinders Exploration's web site, [www.fexploration.com.au](http://www.fexploration.com.au). Copies of both documents can be obtained free of charge by contacting the Company. Anyone who wants to acquire the shares must complete the application form that will be in or will accompany the prospectus.

Flinders Exploration is offering 25 million shares at 20 cents per share to raise \$5 million with allowances for additional oversubscriptions of a further \$2 million. The offer is open to 16 June 2011 but the Directors reserve the right to close the offer at any time sooner after the minimum has been reached.

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