

22 November 2011

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

Dear Sir/Madam

**Annual General Meeting Presentation**

Please find attached for release to the market, a Presentation made to the Flinders Mines Limited (ASX: FMS) Annual General Meeting held 22 November 2011.

Yours faithfully



David W Godfrey  
Company Secretary



# Annual General Meeting

**Gary Sutherland, Managing Director**

Tuesday 22 November 2011



## Disclaimer

This presentation contains forward looking statements that are subject to risk factors associated with the exploration and mining industry.

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables which could cause actual results or trends to differ materially.

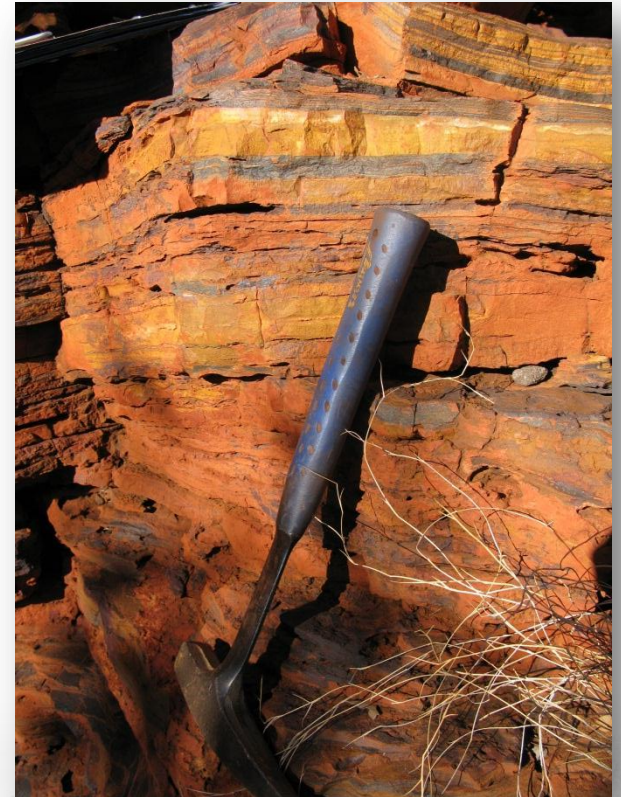
## Exploration Targets

Exploration Targets are reported according to Clause 18 of the JORC Code. This means that the potential quantity and grade is conceptual in nature and that considerable further exploration, particularly drilling, is necessary before any Identified Mineral Resource can be reported. It is uncertain if further exploration will lead to a larger, smaller or any Mineral Resource.

## Competent Person

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr N Corlis (who is a member of the Australian Institute of Geoscientists) and Dr G McDonald (who is a member of the Australian Institute of Mining and Metallurgy). Mr Corlis and Dr McDonald are employees of Flinders Mines Limited. Both have sufficient experience that is relevant to the style of mineralisation and types of deposit under consideration and consent to inclusion of the information in this report in the form and context in which it appears. Mr Corlis and Dr McDonald qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".

- **Corporate Overview**
- **Pilbara Iron Ore Project (PIOP)**
- **Canegrass Project**
- **Summary**



Share Register	Nov 2010	Nov 2011
Top 20 % held	30.03	32.99
No of Shareholders	12,600	13,810

Market capitalisation at 21/11/2011	A\$245.7 million	A\$309.6 million
Cash in hand at 21/11/2011	A\$47.2 million	A\$25.3 million



- **12 months Recordable Injury free**
- **Baseline environmental surveys substantially complete**
- **Native Title Agreement on schedule**
- **Commonwealth and State environmental approval processes underway**
- **Stakeholder consultation continued at Local, State and Commonwealth levels**



# PIOP - Investment Case

<b>High Quality Team</b>	High quality Board and Management Team with a wealth of experience in mining operations, project management and corporate roles	
<b>Excellent Project Economics</b>	Robust project economics with low operating and capital costs in the burgeoning, unconstrained West Pilbara iron ore region	
<b>Multiple Paths to Market</b>	Multiple paths to market through various existing and proposed infrastructure alternatives, underwritten by project economics able to support an independent rail development to the proposed multi-user Anketell Port	
<b>Large Resource Base and Upside</b>	Large 900Mt+ resource with significant exploration upside supporting a long-life operation and studies showing strong demand for its high quality saleable inventory	
<b>Ideal Location</b>	One of the last remaining independent iron ore juniors in the Pilbara, a world class, low risk iron ore region with close proximity to dominant target markets of China, India, South Korea and Japan	
<b>Advanced Status and Clear Approvals Path</b>	Well advanced project with a definitive feasibility study due in Q2 2012 and first ore expected late 2014 / early 2015	
<b>Scarcity of Quality Projects</b>	One of the few remaining truly independent high-quality iron ore projects of scale left in Australia	
<b>Industry Performance</b>	Strong industry fundamentals with growing long-term demand and uncertainty over new supply	

# PIOP - A Year of Achievement

	SCHEDULE	BUDGET
• PFS completed .....	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• Drilling program .....	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• Sinter testwork .....	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• New Global Resource .....	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• Native Title .....	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• Environmental Approvals Pathway .....	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• Prenti Royalty Negotiation .....	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



# PIOP - Project Summary

- 917 MT Resource
- DFS underway
- Robust economics
- Resource Upside
  - Blacksmith
  - Anvil
  - BID (DSO)

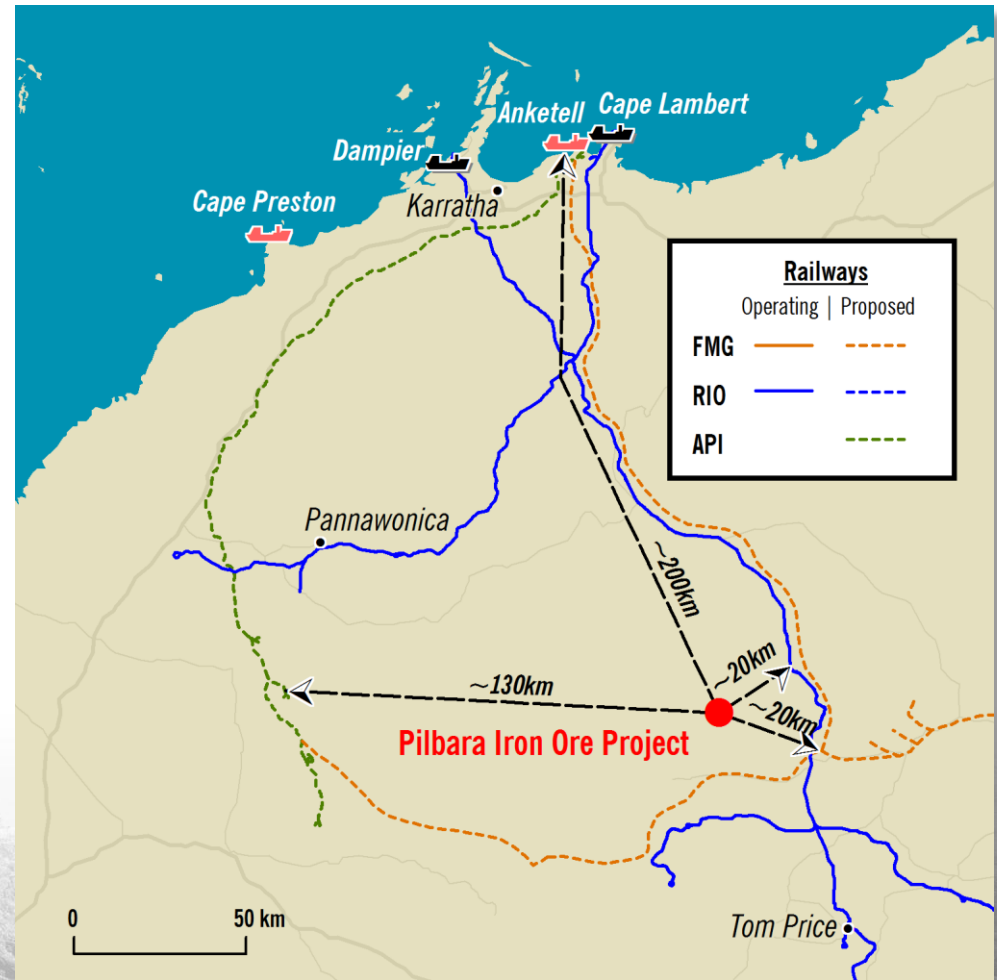
<b>Base Case</b>	<b>15 Mtpa (DFS)</b>
<b>Resource</b>	<b>917 Mt Global Resource</b>
<b>Product<sup>^</sup></b>	<b>273 Mt DID, BID and CID</b>
<b>Capex</b>	<b>A\$1.1bn</b>
<b>Opex</b>	<b>\$35/tonne FOB</b>
<b>Revenue</b>	<b>A\$26bn over life of mine</b>
<b>NPV*</b>	<b>A\$3.1bn</b>

\* based on exchange rate of US\$0.96

<sup>^</sup> DFS mining study underway

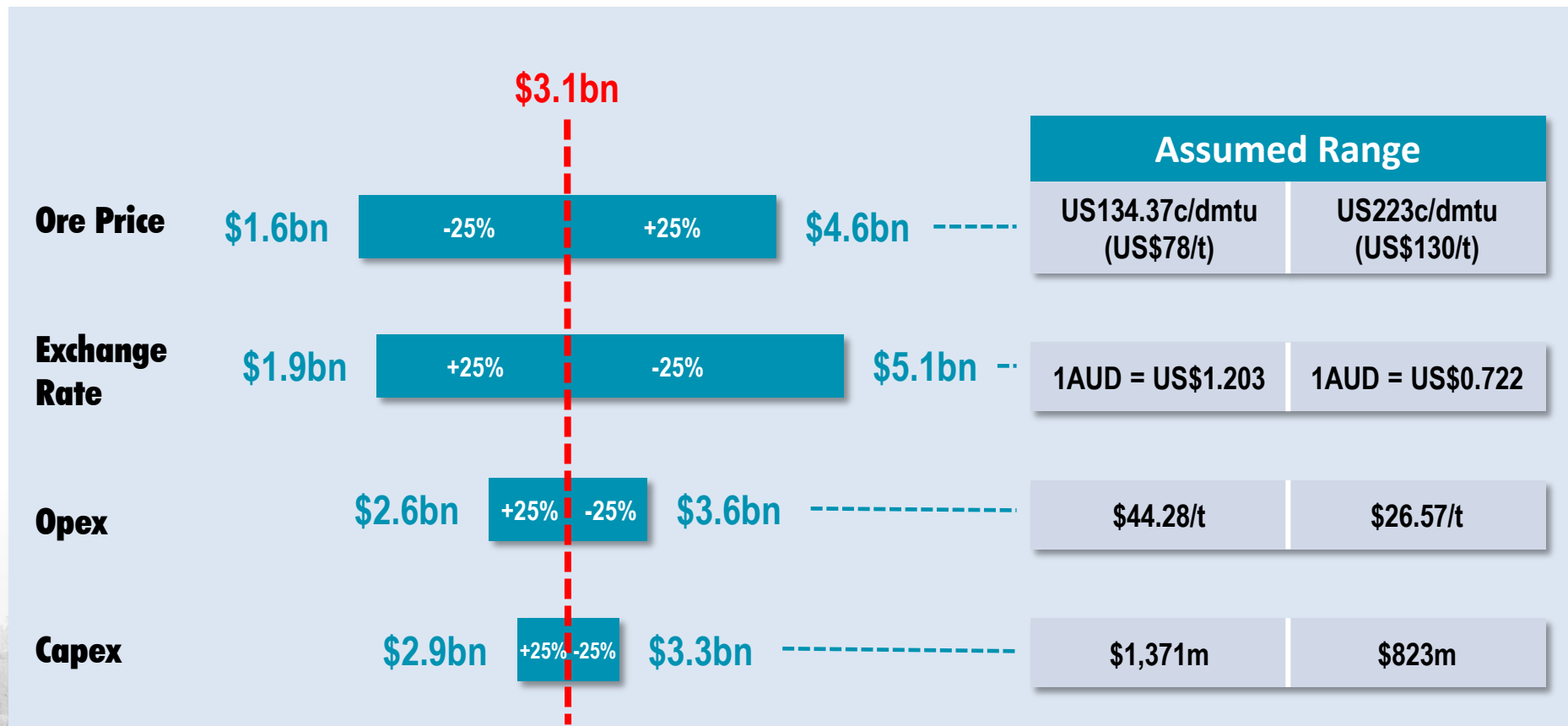
# PIOP - Multiple Paths to Market

- **Unique Development**
  - independent
  - secure supply
  - quality products
- **Multiple Infrastructure options**
  - via Anketell Point
  - > \$2B NPV all cases
- **Confidentiality Agreements in place with a range of potential domestic and international strategic partners**
- **Independent Rail - HOA**



# PIOP - NPV Sensitivity

- PIOP Asset Valuation under PFS Base Case (A\$)

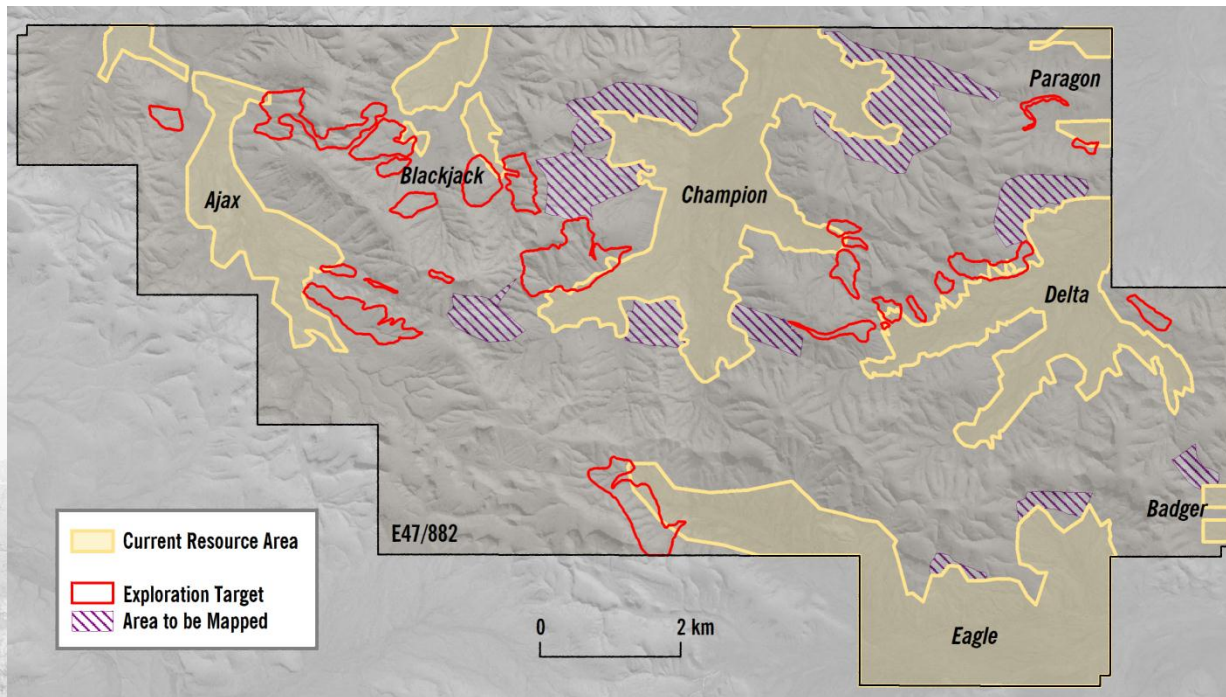


# PIOP - Global Resource

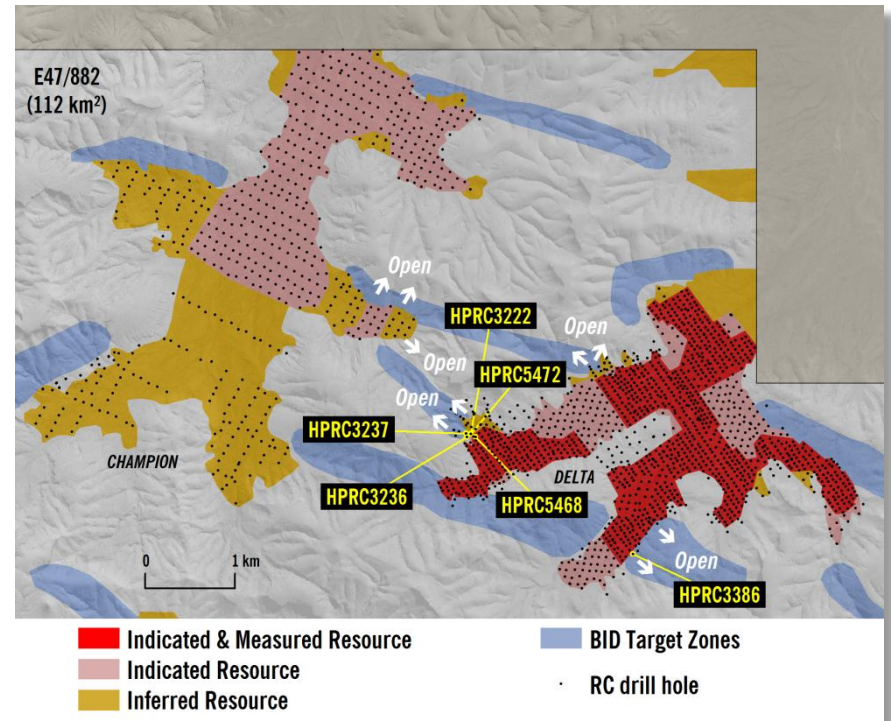
- 23% increase in Global Resource
- Maiden Measured Resource
- High resource conversion
- A robust geological model

JORC Classification	Tonnage Mt	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
Total Inferred	472.6	54.7	10.2	5.0	0.067	5.7
Total Indicated	343.7	55.5	8.9	4.5	0.083	6.2
Total Measured	101.0	56.4	10.5	5.1	0.054	2.8
<b>TOTAL</b>	<b>917.3</b>	<b>55.2</b>	<b>9.7</b>	<b>4.8</b>	<b>0.072</b>	<b>5.6</b>

- BID Exploration Target of 110 to 160Mt
- High quality DSO BID
- Potential for continuity within each target zone
- High probability of additional DSO tonnage



- Exploration focus – BID DSO
- Outstanding intersections
- Very low stripping ratios
- Significant project upside – value add



## Recent Drill Results

Hole	From (m)	To (m)	Interval (m)	Fe (%)	CaFe (%) *	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
HPRC3222	0	52	52	60.6	67.4	1.2	1.4	0.14	10.0
HPRC3236	0	32	32	58.0	65.2	3.5	1.9	0.11	11.0
HPRC3237	0	30	30	59.5	66.6	2.2	1.6	0.13	10.6
HPRC3386	0	30	30	59.4	63.9	6.2	1.3	0.08	7.2
HPRC5468	0	52	52	57.6	64.3	4.4	2.2	0.13	10.4
HPRC5472	0	48	48	61.3	67.0	2.1	1.1	0.13	8.4

\* CaFe = Fe/(100-LOI)x100

# Major Milestones

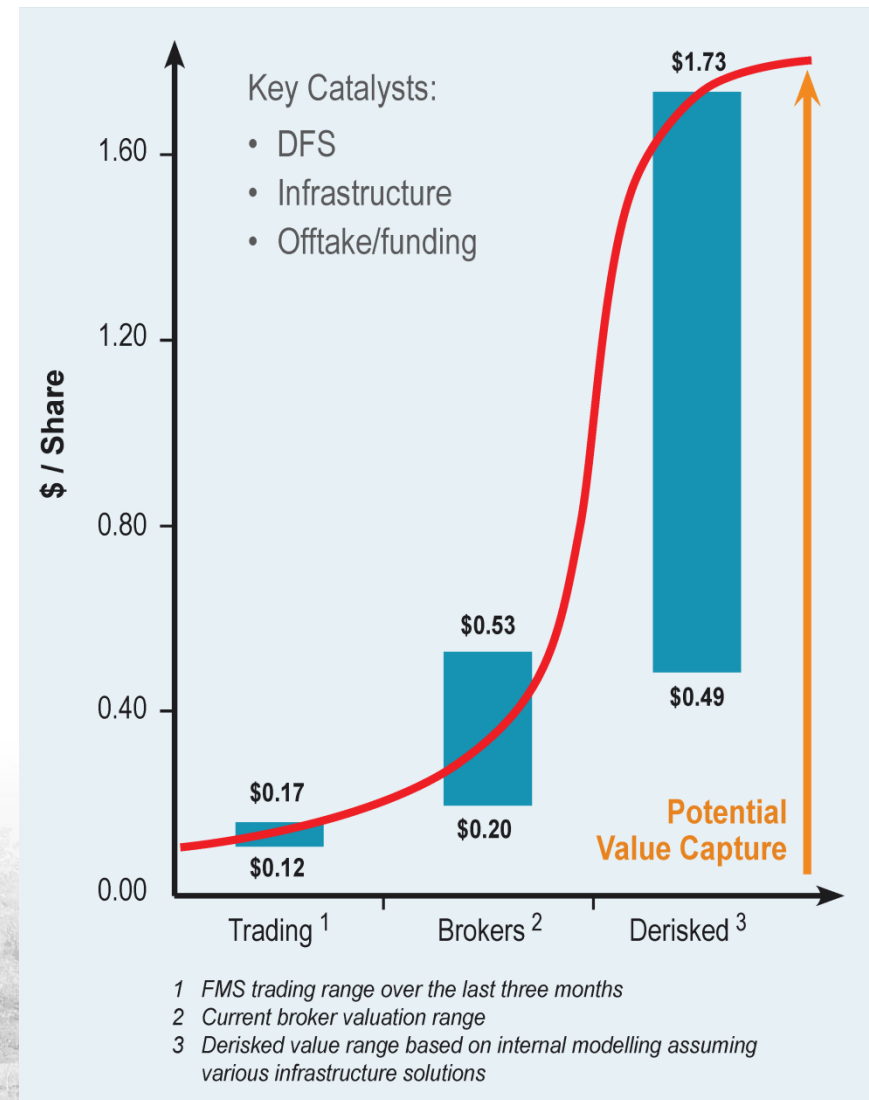
- ✓ • Sinter Testwork completed  
**Q3 2011**
- ✓ • DFS Global Resource model completed  
**Q4 2011**
- Native Title Agreement in place  
**Q4 2011**
- DFS completed  
**Q2 2012**
- State and Commonwealth environmental approvals completed  
**Q4 2012**
- Construction commences  
**Q1 2013**
- Production commences  
**Q4 2014**



# Strategic Review - Valuation Upside

- Significant valuation upside exists
- Derisking the project is the key focus of the Strategic Review
- Key opportunities to derisk the project include:
  - Securing access to infrastructure
  - Construction of a rail spur to existing and planned rail projects
  - Construction of a direct rail line to port
  - Securing offtake and/or funding agreements
  - Corporate level investments
  - Project sale

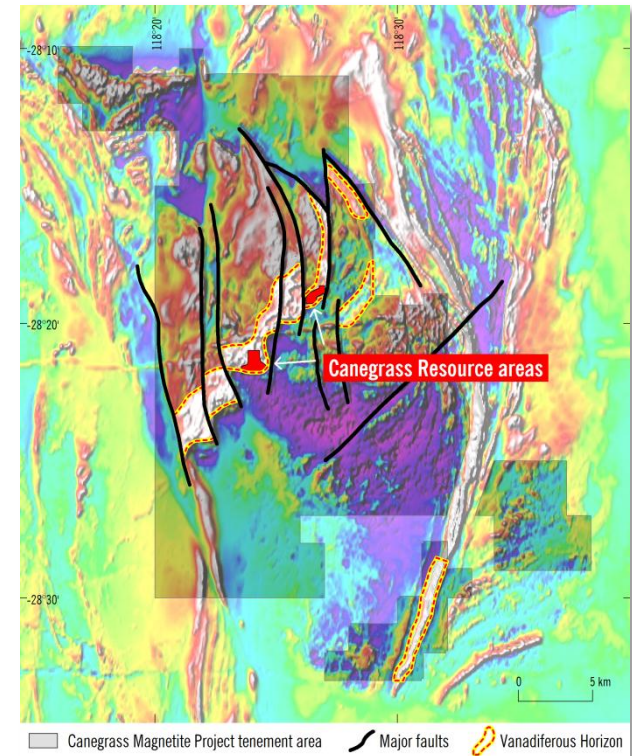
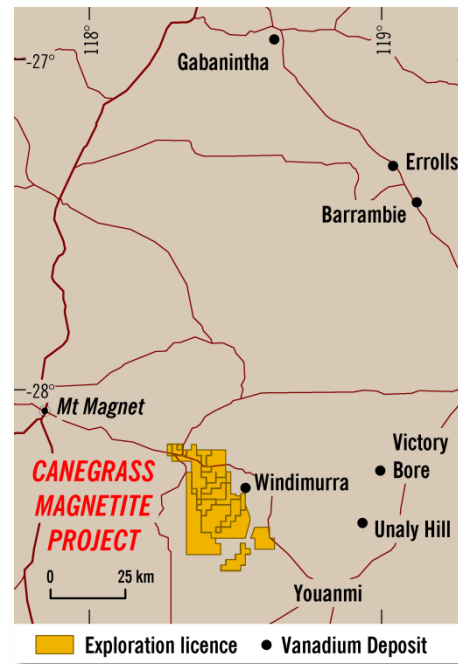
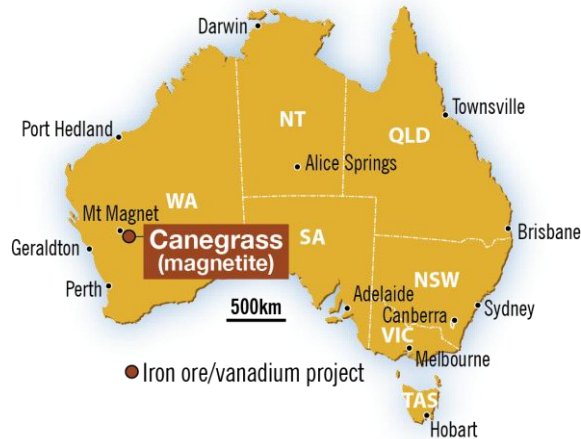
## Project development value curve





# Canegrass Project

- Maiden Fe / V<sub>2</sub>O<sub>5</sub> resource of 107 Mt @ 0.62% V<sub>2</sub>O<sub>5</sub>
- Significant upside potential with 5% of target explored
- High Priority base metal target drill testing (Cu-Zn, Ni-PGE)



- **FMS has delivered to plan**
- **We are unique**
  - **One location**
  - **Quality products**
  - **Strategic value**
  - **Wholly independent**
  - **Outstanding team**
- **We will deliver value**

# Thank you

For further information please visit our website at  
[www.flindersmines.com](http://www.flindersmines.com)



*Champion Valley on FMS' E47/882 (Blacksmith)*