



16 November 2011

Flinders Mines Investigates Additional Rail Options

- *Non-binding Heads of Agreement (HOA) signed to investigate rail development options from Flinders' Pilbara Iron Ore Project*

Flinders Mines Limited ("Flinders") is pleased to advise it has executed a non-binding HOA with an independent rail provider who has significant experience in large, bulk commodity transport in Australia. The rail provider will investigate solutions for the transportation of iron ore on a multi-user rail line from the Pilbara to nearby ports on the Western Australian coast, in conjunction with Flinders.

The terms of the agreement provide for both parties to mutually explore the options for railroading ore to port at a planned start-up rate of 15 million tonnes per annum by the 4th quarter of 2014 from Flinders' wholly-owned Pilbara Iron Ore Project (PIOP).

Flinders' Managing Director, Mr Gary Sutherland, said:

"Today's HOA provides an opportunity for both parties to work constructively towards contractual arrangements to deliver Flinders' ore to port with rail construction commencing by 2013 and completed late in 2014."

"The HOA provides scope to jointly tackle the rail haulage task in terms of timing, route location, tonnage, product mix and material handling – at the mine site, en route and portside."

"The relationship also provides opportunity for substantial joint focus on the critical approvals and tenure processes associated with constructing and operating Pilbara rail assets."

GARY SUTHERLAND
MANAGING DIRECTOR

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