

Investor Presentation

Flinders Mines Limited

ASX:FMS

August 2014



Forward Looking Statements

This presentation may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events as of the time of the release of this document. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, some of which are outside the control of Flinders Mines Limited, that could cause actual results to differ materially from such statements. Flinders Mines Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release, except as required by law.

Exploration Targets

Exploration Targets are reported according to Clause 18 of the 2004 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, Ore Reserves and Exploration Targets is based on information compiled Dr G McDonald (who is a member of the Australasian Institute of Mining and Metallurgy).

Dr McDonald is an employee of Flinders Mines Limited and has sufficient experience that is relevant to the style of mineralisation and types of deposit under consideration and consents to inclusion of the information in this presentation in the form and context in which it appears. Dr McDonald qualifies as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".



Value Proposition

Flinders holds the largest independent hematite resource in the Pilbara and has now entered into an Alliance Agreement providing a realistic path to market.

- ✓ 100% ownership of high quality Pilbara Iron Ore Project
- ✓ PFS completed with BFS and key regulatory approvals underway
- ✓ Route to market secured with access to rail & port infrastructure
- ✓ High demand by target markets for single product sinter fines
- ✓ BFS to commence for >20Mtpa production rate with potential for first production by late 2017
- ✓ Clear and robust project economics



Pilbara Iron Ore Project

- PIOP wholly owned by FMS
- Located ~60km NW of Tom Price township
- Contains large Mineral Resource of 917Mt @ 55.2% Fe reported in accordance with the 2004 JORC Code

The Resource has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported (refer to ASX announcement dated 14/11/2011)

- Mine scheduling has shown feasibility of a 25Mtpa production rate

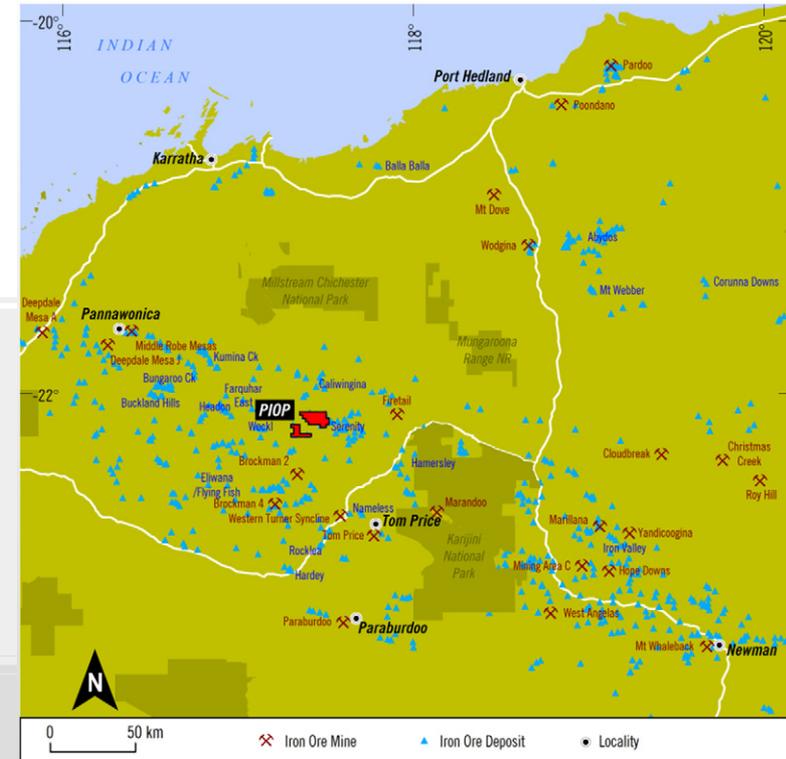
The assumptions underpinning this production target as documented in the Quarterly Report Q4 2013 continue to apply and have not materially changed

- Targeting life of mine production of >250Mt of a single fines product with a target grade of 58.5% Fe

The estimated Mineral Resource underpinning the target has been prepared in accordance with requirements in the 2004 JORC Code

- Indicative Product Grade

Product	Tonnes	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Flinders Fines	>250Mt	58.5	6.00	3.30	0.095	6.95



Pilbara Iron Ore Project mining inventory

Mineral Resource Category	Mt
Measured	48
Indicated	162
Inferred	108
Total	318



Infrastructure Agreement

This agreement marks the point in time where Flinders can realistically expect to develop the Pilbara Iron Ore Project with a strong path to market.

- Infrastructure agreement entered with Balla Balla JV participants - Rutila Resources and Todd Minerals¹
- Agreement secures access to integrated rail & port infrastructure
- Parties will work together to achieve the development of the:
 - PIOP by FMS;
 - Central Pilbara Railway by Balla Balla JV; and
 - Export Facility by Balla Balla JV

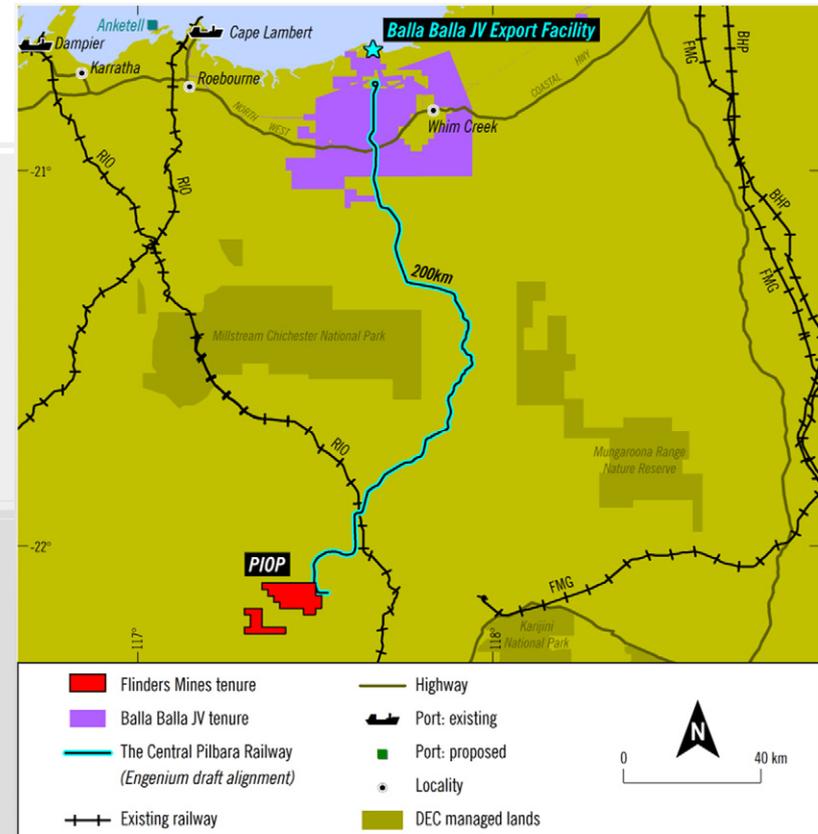


¹ Rutila Resources Ltd is an ASX listed company in JV with Todd Minerals Ltd (a division of The Todd Corporation one of NZ's largest companies) for the Balla Balla VTi Magnetite project and Export Facility located on the Pilbara coast between Port Hedland and Karratha.



Central Pilbara Railway

- FMS to be foundation customer of Central Pilbara Railway
- FMS to transport ore to Rail Loading Stockyard within close proximity to PIOP
- Balla Balla JV responsible for loading and haulage from Rail Loading Stockyard to Export Facility
- Railway alignment route of ~200km identified



Export Facility

- FMS to be foundation customer of Export Facility
- Balla Balla JV will construct and operate an Export Facility that, as a minimum, will be sufficient to meet the requirements of PIOP production rate of >20Mtpa plus Balla Balla mine tonnage of between 6-10Mtpa
- Optimisation study has identified potential to increase design capacity to 45Mtpa
- Export Facility to comprise stockyard area, causeway and jetty that connects to a Transhipment Shuttle Vessel (“TSV”) loading facility from where the TSV’s will automatically load Cape size ocean going vessels

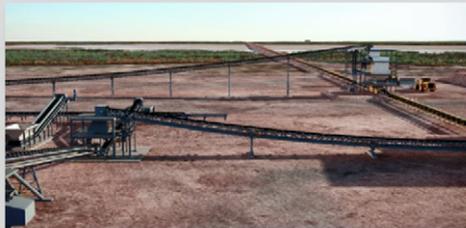


The dewatering plant and stockyard are located next to the coast



The TSV is self powered and self unloading, removing the need for tugs or geared ships with grabs

The highly automated stockyard, with a stacker and reclaimer, will load the TSV via the conveyor



Dual conveyors and loading booms allow for rapid unloading, increasing capacity of the port



Source: Rutila Resources and CSL Group Company Website



Key Commercial Terms

- FMS and Balla Balla JV participants to work exclusively together to enter into detailed commercial arrangements covering rail haulage and port handling services
- Under these arrangements FMS is to pay Balla Balla JV a:
 - direct operating cost recovery fee;
 - \$A25/t service charge; and
 - price participation fee of 30% of revenue derived from ore sales in excess of \$A60/t
- Balla Balla JV to pay FMS a \$A5/t foundation customer rebate for first 20Mtpa commitment with further rebate applied for additional ore transported
- Agreement conditional on completion of BFS confirming viability of mining and rail and port infrastructure
- Parties to fund own costs in relation to completion of BFS (estimated A\$25M for FMS)
- Parties will form an Alliance Committee to ensure co-ordination and consistency during BFS



Unlocking PIOP Value

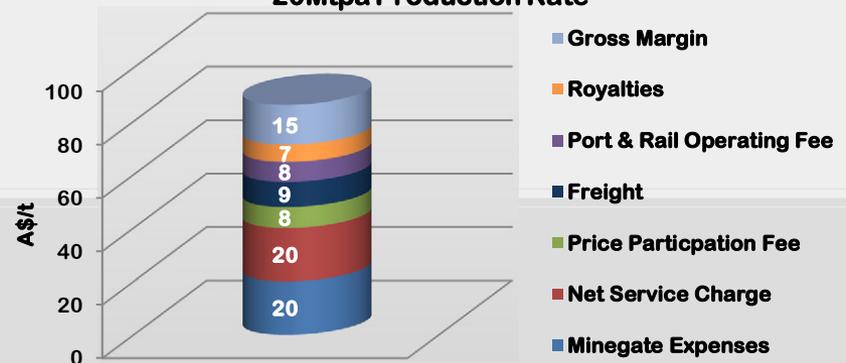
- Under a conservative long-term price scenario, the project is expected to generate robust gross margins

Conceptual PIOP Development	
Resource Size	917Mt @ 55.2% Fe
Producing	>250Mt @ 58.5% Fe
Target Production	>20Mtpa
Average Strip Ratio	3:1
Life of Mine	>10 years
Capital Costs	~A\$1-1.2B

Indicative Realised Price	
Spot Price CFR 62% Fe	\$US 90 / dmt
Realised Price CFR	\$US 73 / tonne
Exchange Rate (AUD/USD)	0.85
Flinders Realised Price CFR	\$A 86 / tonne

Indicative annual EBITDA (pre-capex) of ~A\$300M

Indicative Expenses & Gross Margin at CFR 62% Fe price of US\$90/dmt for Conceptual 20Mtpa Production Rate



- Critical path BFS activities have commenced:
 - ✓ Infill RC resource drilling
 - ✓ Metallurgical diamond drilling
 - ✓ Phase 5 metallurgical test work program
 - ✓ Site selection for airstrip and camp facilities
 - ✓ Engagement of additional customer base
 - ✓ Approvals for 25Mtpa project
- Activities are well advanced with diamond drilling nearing completion and RC resource drilling program entering final phase
- Resource modelling work has commenced and will provide the basis for the BFS mine planning study
- During the current quarter FMS expects to appoint a Project Management Consultant to finalise project scope and schedule and deliver the Bankable Feasibility Study
- Bankable Feasibility study due for completion in June 2015



The arrangements entered break the deadlock Flinders has faced in having stranded high quality assets without access to infrastructure.

- ✓ FMS to be a foundation customer of a rail and port infrastructure solution in the Pilbara
- ✓ Landmark agreement will deliver a route to market for the PIOP and other iron ore deposits in the central Pilbara Region
- ✓ Targeting first ore production by late 2017
- ✓ Approvals, infill drilling and metallurgical test work in progress with BFS expected to be completed in June 2015
- ✓ PIOP has robust project economics
- ✓ Proven management team in place with expertise in project development



Board & Management

<p>Robert Kennedy Non-Executive Chairman</p>		<p>A Chartered Accountant and a consultant to Kennedy & Co, Chartered Accountants, a firm he founded. Bob has been a Director since 14 December 2001 and acted in the role of Executive Chairman from April 2013 to June 2014. Bob is the Non-Executive Chairman of Ramelius Resources Limited (Director since 1995, Chairman since 2004), Non-Executive Chairman of Maximus Resources Limited (since 2004), Monax Mining Limited (since 2004), Marmota Energy Limited (since 2007), Tychean Resources Limited (since 2006) and Tellus Resources Limited (since 2013).</p>
<p>Ian Gordon Managing Director</p>		<p>Over 25 years of experience in the Australian mining industry in a variety of roles with small, medium and large organisations. Mr Gordon was previously the Managing Director/CEO of Australian gold producer, Ramelius Resources Limited.</p>
<p>Ewan Vickery Non-Executive Director</p>		<p>A corporate and business lawyer with more than 40 years experience. Ewan is a consultant at Minter Ellison and a Director of Maximus Resources Limited (since 2004) and is a member of the Exploration Committee of the South Australian Chamber of Mines and Energy Inc, the International Bar Association Energy and Resources Law Section, and the Australian Institute of Company Directors. Ewan is a past national president of the Australian Mining and Petroleum Law Association.</p>
<p>Kevin Malaxos Non-Executive Director</p>		<p>Over 27 years experience in the resources sector in senior management and executive roles across a suite of commodities including gold, nickel, iron ore, silver, lead, zinc and chromium. Kevin has managed surface and underground mining operations and brings a wealth of experience in project evaluation and development, project approval and Government liaison. Kevin is also Managing Director of ASX-listed Maximus Resources Ltd.</p>
<p>Miro Rapaic GM - Project Development</p>		<p>Over 20 years domestic and international experience in the resource industry across a broad range of commodities. Extensive technical, operational, project and senior management experience having managed mining operations and mine development projects for BHP Billiton and Macmahon Contractors.</p>

Capital Structure

Shares on Issue	2,401M
Options (Exercisable at 8.5c expiring 30/06/14)	120k
Market cap (as at 29/07/14)	\$55.2M
Cash at hand (as at 30/06/14)	\$9.8M
Enterprise Value	\$45.4M

Shareholders (as at 25/07/14)

TIO (NZ) Ltd	10.0%
OCJ Investments (Australia) Pty Ltd	8.1%
JP Morgan Nominees Australia Ltd	4.0%
Citicorp Nominees Pty Ltd	3.8%
Zero Nominees Pty :td	2.7%



Appendix – PIOP Approvals

- PIOP significantly de-risked with:
 - Native Title Agreement in place
 - Mining Lease granted
 - On Tenement EPA Approvals granted (State & Commonwealth)
 - Conditional approval of 5C water licence
- Additional approvals / amendments currently being sought for production rate of >20Mtpa

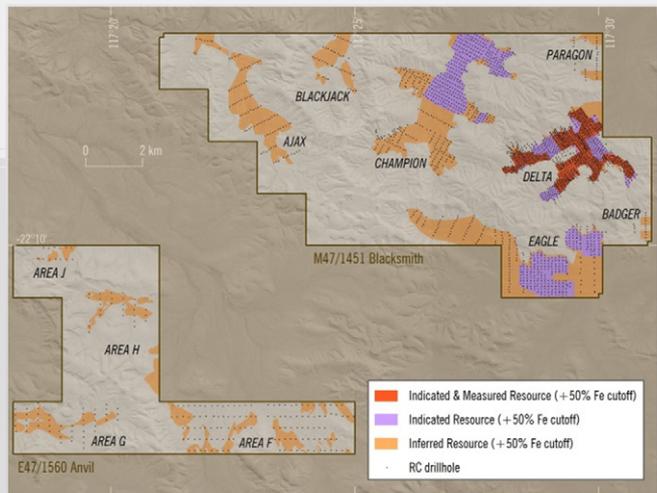


Appendix – PIOP Resource

Global Mineral Resource for Fe > 50% (11/11/2011)

JORC Classification	Tonnage Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	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
TOTAL	917.3	55.2	9.7	4.8	0.072	5.6

The Resource, defined in accordance with the 2004 JORC Code, has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported (refer to ASX announcement dated 14/11/2011).

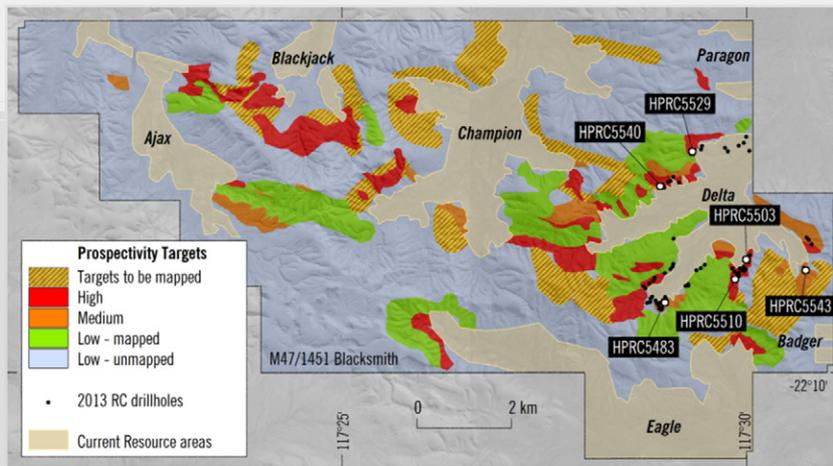


PIOP Global Measured, Indicated and Inferred Resource



Appendix – PIOP Resource Upside

- Potential to lift the Mineral Resource to over 1Bt
- Significant Bedded Iron Deposit (BID) targets at Blackjack and Delta
- BID initial Exploration Target of 180-280Mt at 55% to 58% Fe
(refer to announcement 23/5/2013)
The potential quantity and grade is conceptual in nature, and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource
- Approvals in place:
 - Native Title Agreement in place
 - Mining Lease granted
 - On Tenement EPA Approvals granted (State & Commonwealth)
 - Conditional approval of 5C water licence



Selected high quality intersections from 2013 BID drilling campaign
(refer to announcement 5/9/2013)

Hole ID	Interval (m)	Fe%
HPRC5483	18	58.7
HPRC5503	12	61.4
HPRC5510	18	61.5
HPRC5529	30	59.2
HPRC5540	16	59.1
HPRC5543	30	56.7



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