



Investor Presentation

Flinders Mines Limited

ASX:FMS

July 2012



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”.

Capital Structure	
Shares on Issue	1,821,300,404
Options	1,981,666
Rights	23,072,700
Market cap @ 13.5c	\$245.8M
Cash at hand @ 30/6/2012	\$16.1M

Shareholders	as at Tuesday 3/7/2012
JP Morgan Nominees Australia Ltd (Vic)	13.25%
HSBC Custody Nominees (Aust) Ltd	7.59%
National Nominees Ltd	5.60%
JP Morgan Nominees Australia Ltd (NSW)	3.97%
Citicorp Nominees Pty Ltd	3.95%
Top 20	47.78%

Management Team

Gary Sutherland, Managing Director

25 years in the resources industry. Over the last decade Gary has filled senior leadership roles in both operations and greenfield/brownfield projects with BHP Billiton, WMC and Pasminco. He has worked across a range of commodities including iron ore, copper, lead, zinc, gold, silver and uranium.

Nick Corlis, GM – Business Development

17 years domestic and international resource industry experience. Senior management roles in both consulting and public sector companies including WMC, Golder and Perilya. Significant experience in minerals exploration and project management, from project generation through to discovery and feasibility.

Miro Rapaic, GM – Project Development

18 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.

Mick Anstey, GM – HSEC & HR

Mick has over 20 years domestic and international experience, having worked in the resource industry across a range of commodities including base metals, copper, gold, iron ore, uranium and coal. He has extensive senior management experience in roles at BHP Billiton, Newmont and WMC that included large open-cut operations, involvement in projects from design through to commissioning and corporate roles.

David Godfrey, CFO and Company Secretary

25 years in the resources and finance industries. A member of Australian Society of CPAs, Chartered Secretaries Australia and Australian Institute of Company Directors and a Fellow of the Financial Services Institute. Has held senior finance roles in major corporations and for the Treasury of New Zealand. Was previously Secretary for many publicly listed and subsidiary companies for Normandy, Newmont and UXA.



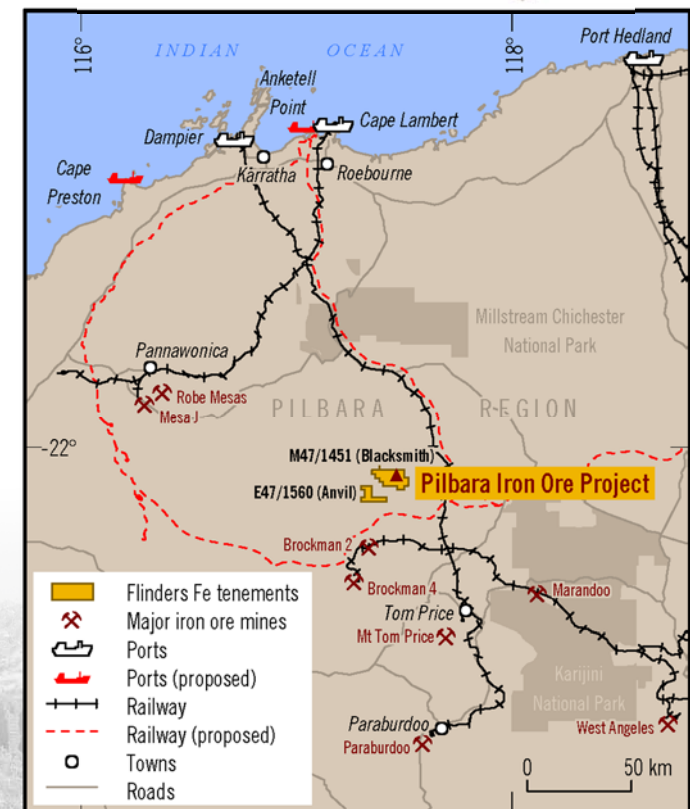
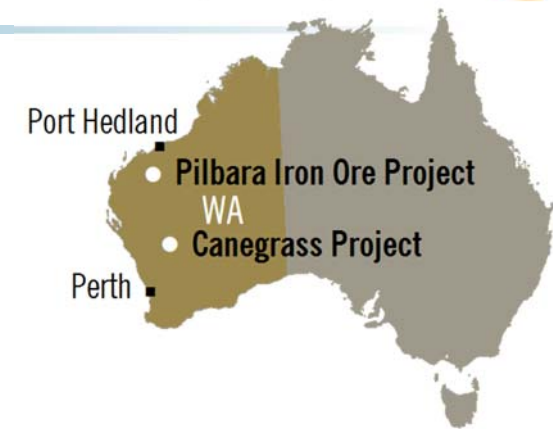
FMS Investment Case



- Outstanding team
- PIOP Definitive Feasibility Study (DFS) commenced
- PIOP has strong project economics
- PIOP has been significantly derisked
 - ✓ Native Title Agreement in place
 - ✓ Mining Lease granted
 - ✓ Environmental Approvals well progressed, expected Q3 2012
- Resource is strategically located close to existing and proposed infrastructure
- PIOP contains large (917Mt)¹ JORC compliant resource
- Canegrass Project contains vanadium resource (107Mt)² with exploration upside

1. Mineral Resource estimates in accordance with the 2004 JORC Code (refer slide 14)

2. Inferred Mineral Resource estimated in accordance with the 2004 JORC Code

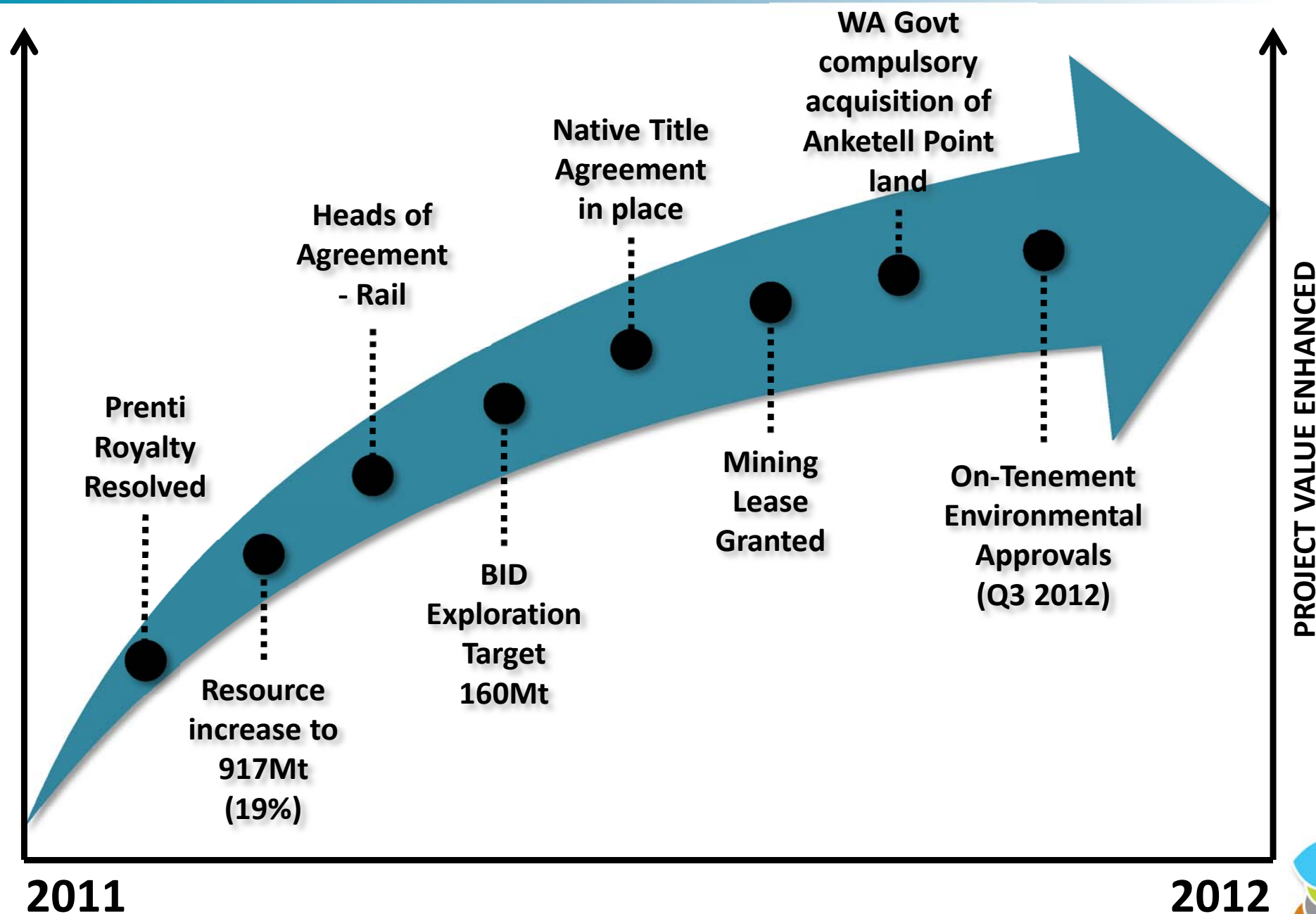


Location of Pilbara Iron Ore Project

- Flinders immediately focussed on advancing:
 - Infrastructure access
 - Project financing
 - Ore marketing and offtake arrangements
 - Joint Venture and Corporate proposals
- Adelaide Equity Partners and Citi retained to assist
- Data room available

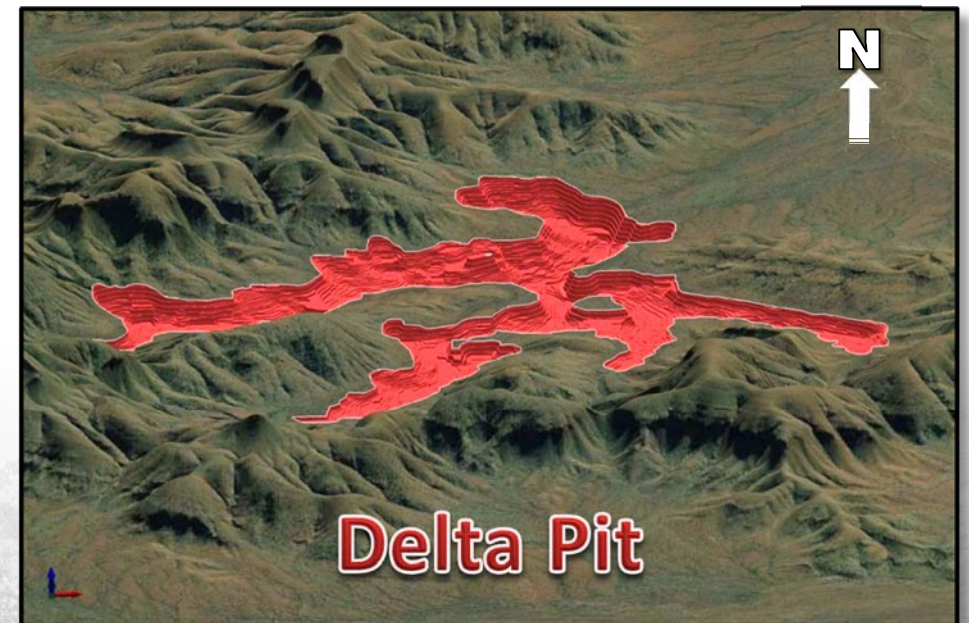


PIOP – Significantly De-risked



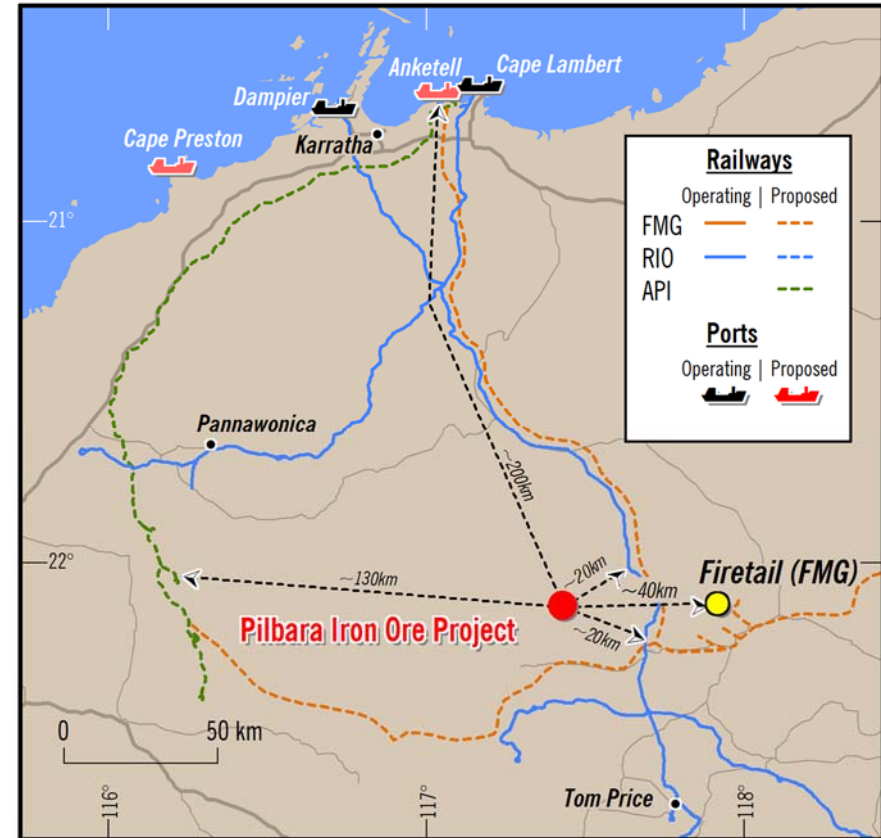
Mining

- Mining Lease granted
- Bench height study supports large scale operation
- 15 Mtpa startup
- Robust Mining model
- Strip ratio ~ 3:1 (lower than PFS)



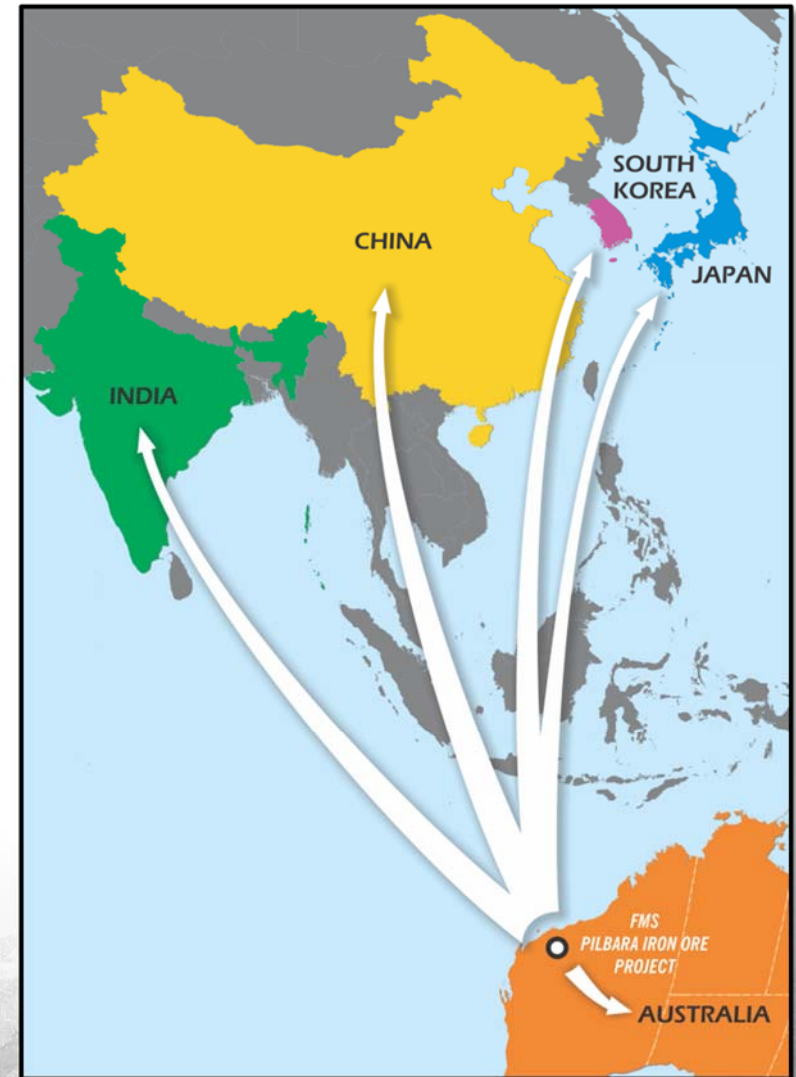
PIOP – Infrastructure

- Critical business focus
 - Negotiations re-commenced
- Multiple paths to market
 - Anketell Point
 - Port Hedland
 - Existing/other
- WA Government committed to Anketell Point
- Independent consortiums pursuing lead proponent role



PIOP – Marketing

- PIOP ideal location – China, South Korea, India and Japan
- >70% of FMS sales targeted for China
- FMS 100% fines producer
 - 75% of Chinese imports are sinter feed fines
- FMS marketing activities well progressed
 - High level of acceptance
 - Asian mills engagement

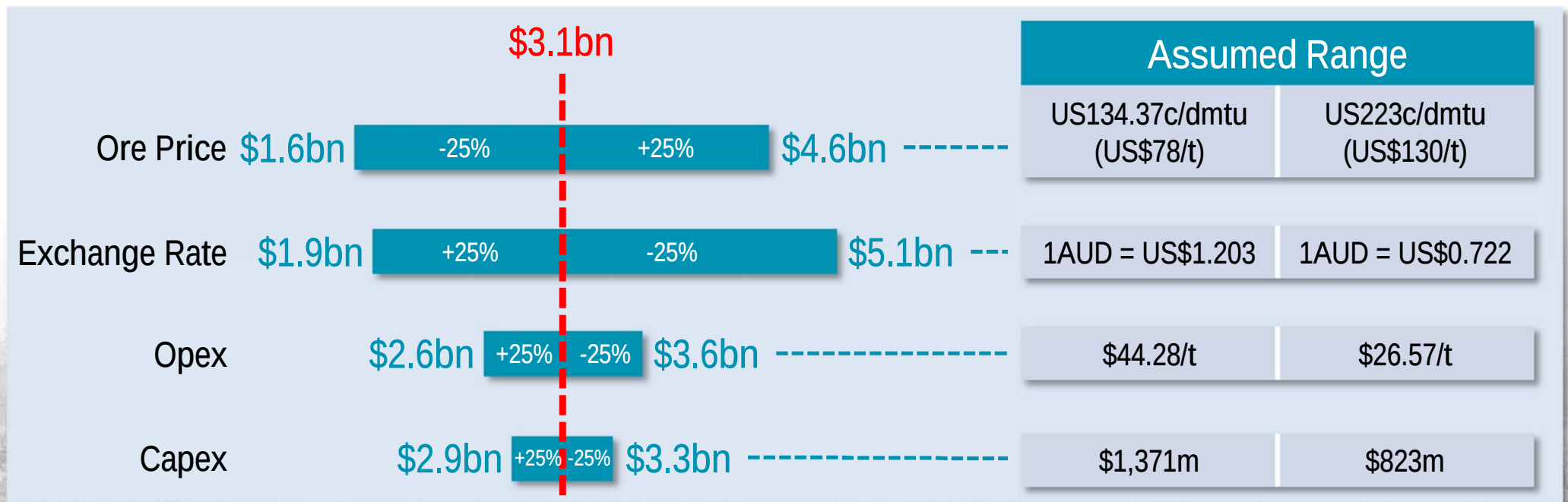


PIOP – Project Summary

Base Case Production*	15 Mtpa
Product Tonnage	>250 Mt
Capex	A\$1.1b
Opex	\$35 / tonne FOB
NPV	\$3.1 b

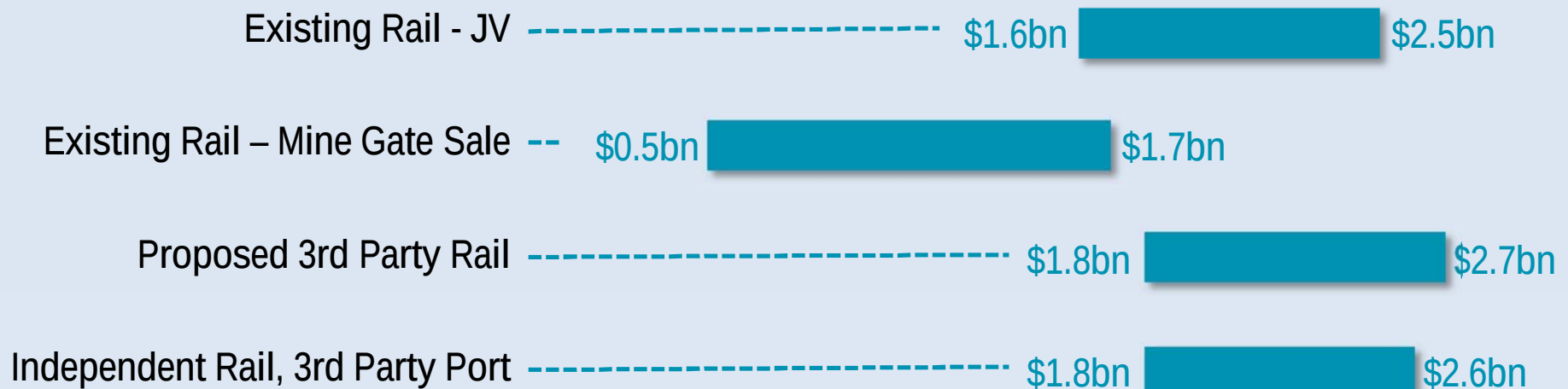
* Based on PFS. Will be updated during DFS.

- High project value under a range of scenarios



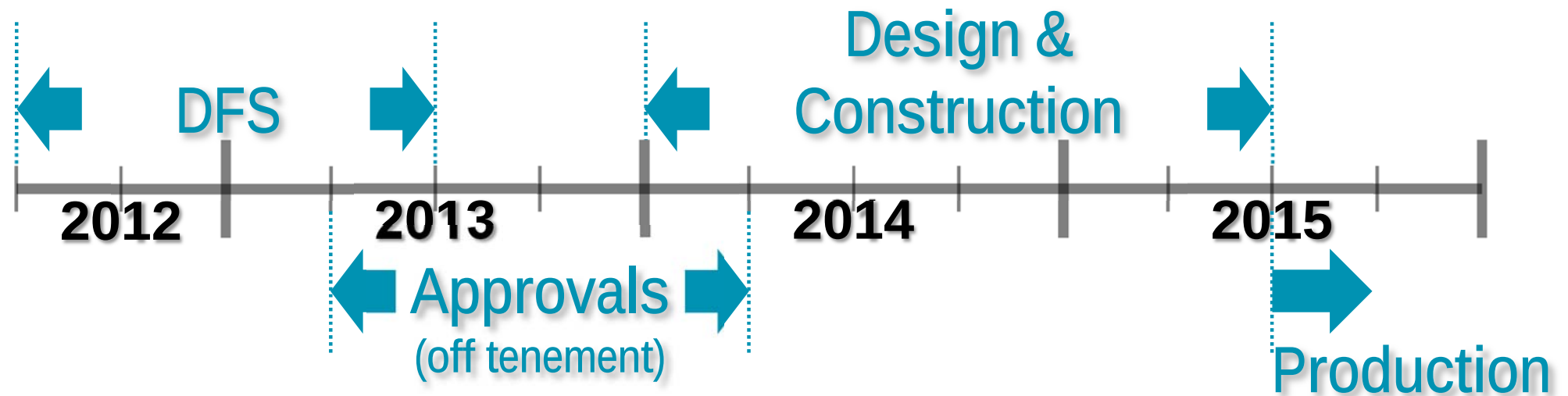
PIOP – Economics

- Extremely robust project
- Minimal sensitivity to internal value drivers



PIOP – Timeline

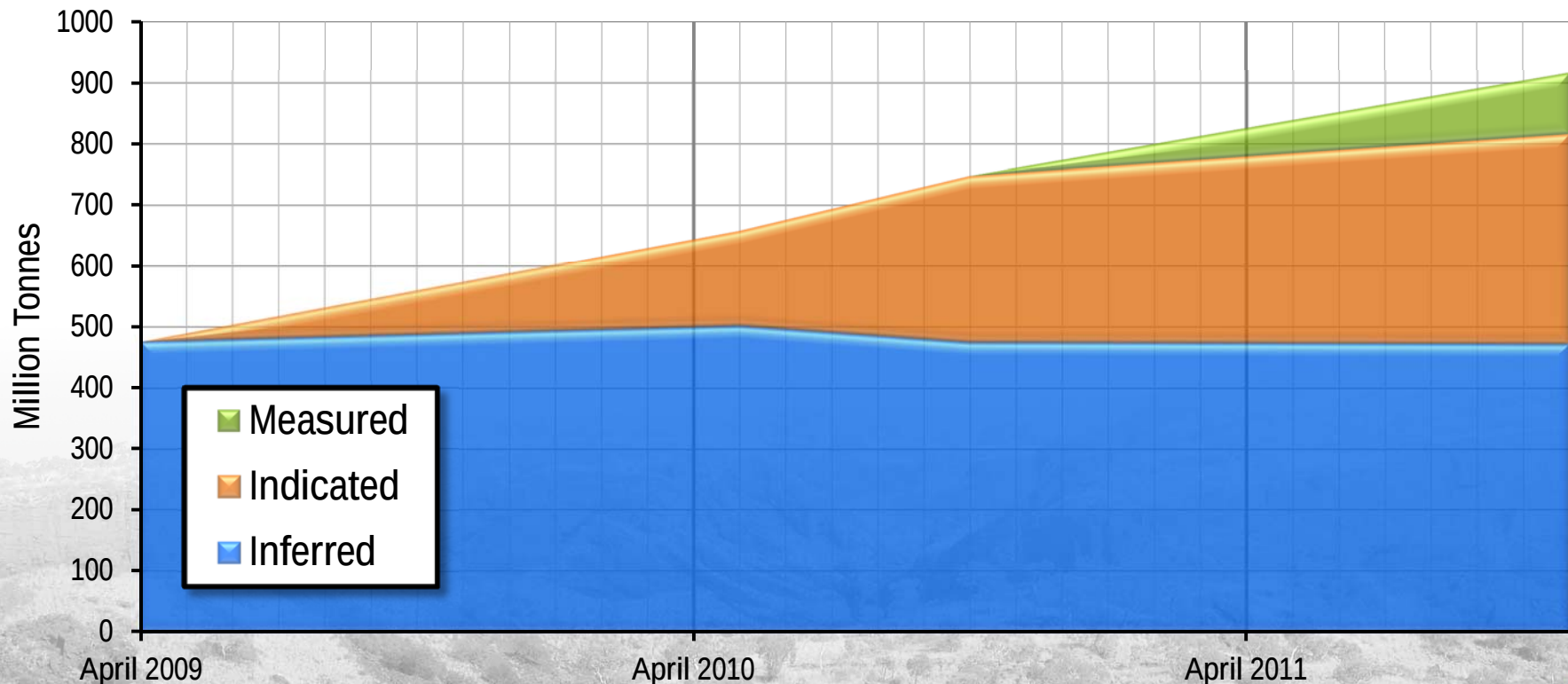
- Infrastructure remains the key



** Assuming infrastructure resolution*

PIOP – Exploration Track Record

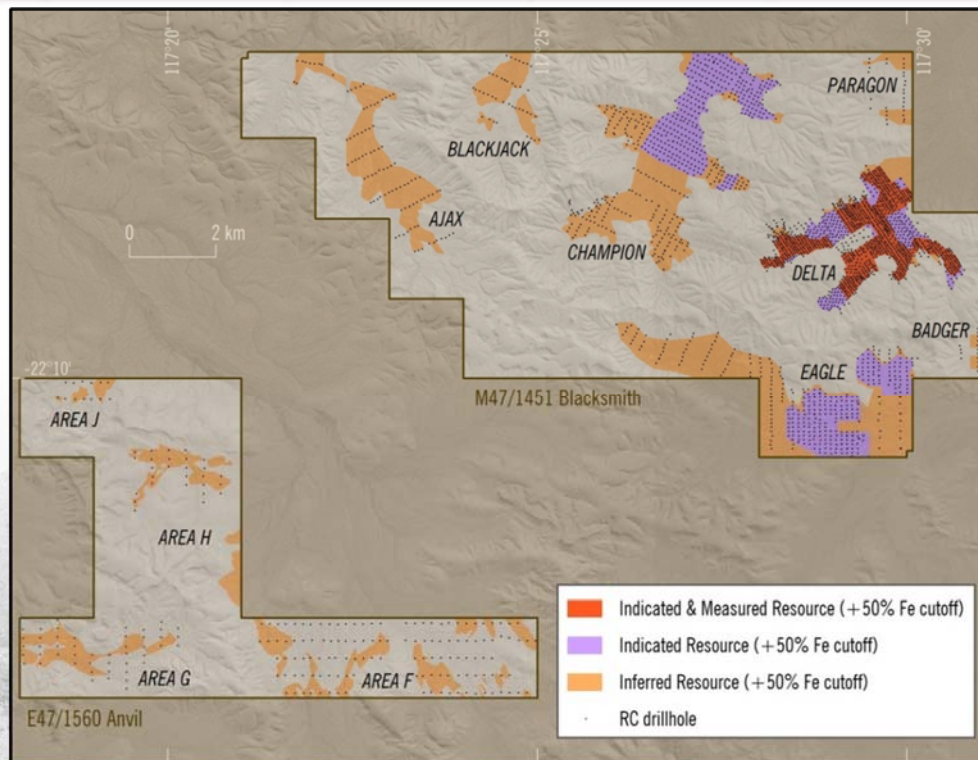
- Flinders exploration track record:
 - Combined Mineral Resource of 917Mt @ 55.2% Fe
 - Consistent 35% resource increase per year since maiden resource statement
 - Inferred discovery cost of < 2 cents per tonne



PIOP Exploration – Current Resource

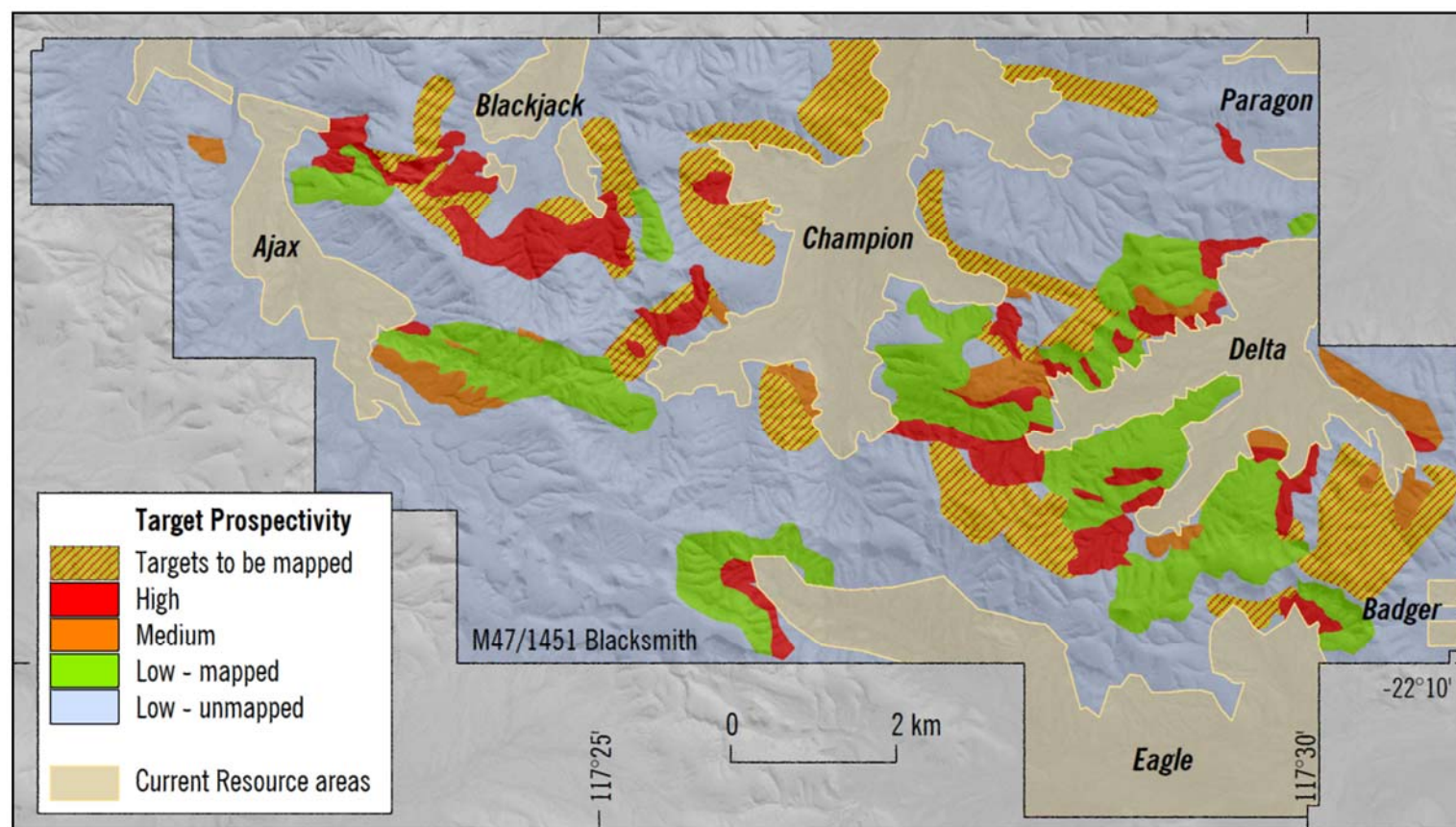
Global Mineral Resource for Fe > 50% (11/11/2011)

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



PIOP Exploration – Upside Potential

- Potential to lift the Mineral Resource to over 1Bt
- BID initial Exploration Target* of up to 160 Mt of DSO
- Drilling re-commences Q3 2012

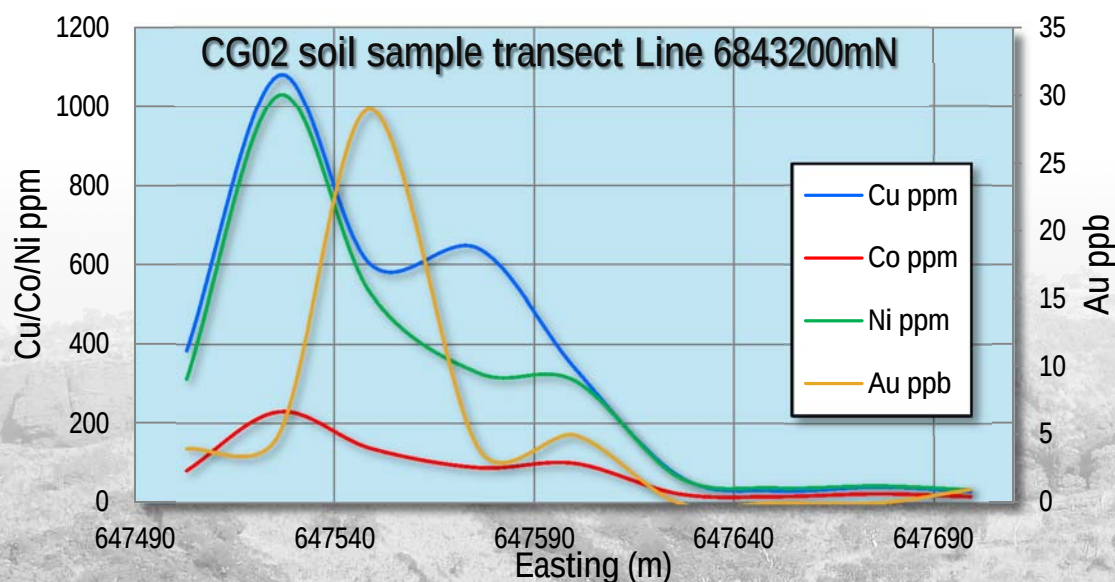
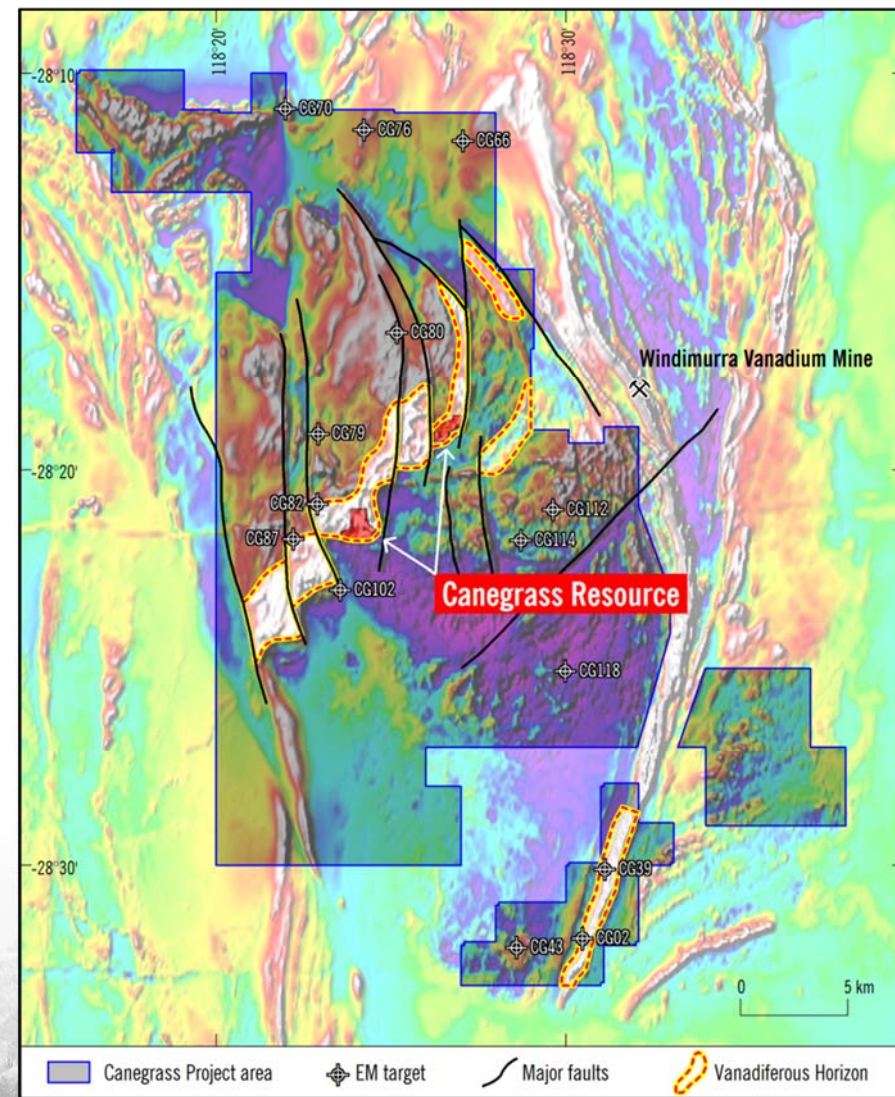


* Exploration Target of 110-160Mt at 55% to 58% Fe (60% to 63% calcined) – refer to announcement 22/11/2011



Canegrass – Midwest WA

- Existing Vanadium resource
 - 107Mt @ 0.62% V_2O_5
- Tenement position of 700km²
- Potential for base & precious metals
- Encouraging targets
- Program commences H2, 2012
- Soil results



- FMS investment case remains sound
 - Large resource base and upside
 - Independent
 - Large, strategically located resource
 - Strong industry fundamentals
- Continued focus on development of PIOP
 - Leveraging off previous interest
- Infrastructure solution remains a priority



Thank you

For further information please visit our website at
www.flindersmines.com

Champion Valley on FMS' E47/882 (Blacksmith)