

Investor Presentation

UBS Australian Iron Ore & Coal Conference

December 2014

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 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 and Ore Reserves is based on information compiled Dr G McDonald (who is a member of the Australian 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 the inclusion of the information in this report 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".

Corporate Summary

Board & Management

Robert Kennedy <i>Non-Executive Chairman</i>		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).
Ian Gordon <i>Managing Director</i>		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.
Ewan Vickery <i>Non-Executive Director</i>		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.
Kevin Malaxos <i>Non-Executive Director</i>		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.
Miro Rapaic <i>GM - Project Development</i>		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.

Capital Structure

Shares on Issue	2,714M
Options (Exercisable at 8.5c expiring 30/06/15)	120k
Market cap (as at 25/11/14)	\$38.0M
Cash at hand (as at 25/11/14)	\$8.1M
Enterprise Value	\$29.9M

This excludes the Share Purchase Plan currently being offered.

Shareholders (as at 25/11/14)

TIO (NZ) Ltd	19.9%
OCJ Investment (Australia) Pty Ltd	8.2%
Citicorp Nominees Pty Ltd	5.1%
JP Morgan Nominees Australia Ltd	2.3%
Mr Kenneth Martin Keane	1.6%

The Pilbara Iron Ore Project is an advanced project which hosts a large resource base and is located within close proximity to the dominant markets of China, India, South Korea and Japan

Large Resource Base and Upside	Large 1,040Mt hematite resource with significant exploration upside supporting a long-life, low strip ratio operation with simple processing
Ideal Location	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
Strong Product Marketability	Marketing analysis and visits to steel mills have shown there is strong demand for Flinders' product with 10 MOUs in place
Advanced Status and Clear Approvals Path	Project will be significantly de-risked once initial rail approval is achieved with other approvals expected mid 2015
Alliance Agreement Executed	Realistic route to market secured via Alliance Agreement with Balla Balla JV participants - Rutila Resources and Todd Minerals
Excellent Project Economics	Robust project economics with low operating and capital costs in the burgeoning, unconstrained West Pilbara iron ore region targeting FID in 2015
Scarcity of Quality Projects	One of the few remaining independent, high-quality hematite iron ore projects of scale left in Australia
Funding	With recent capital initiatives, Flinders believes it is now funded through to completion of the Bankable Feasibility Study

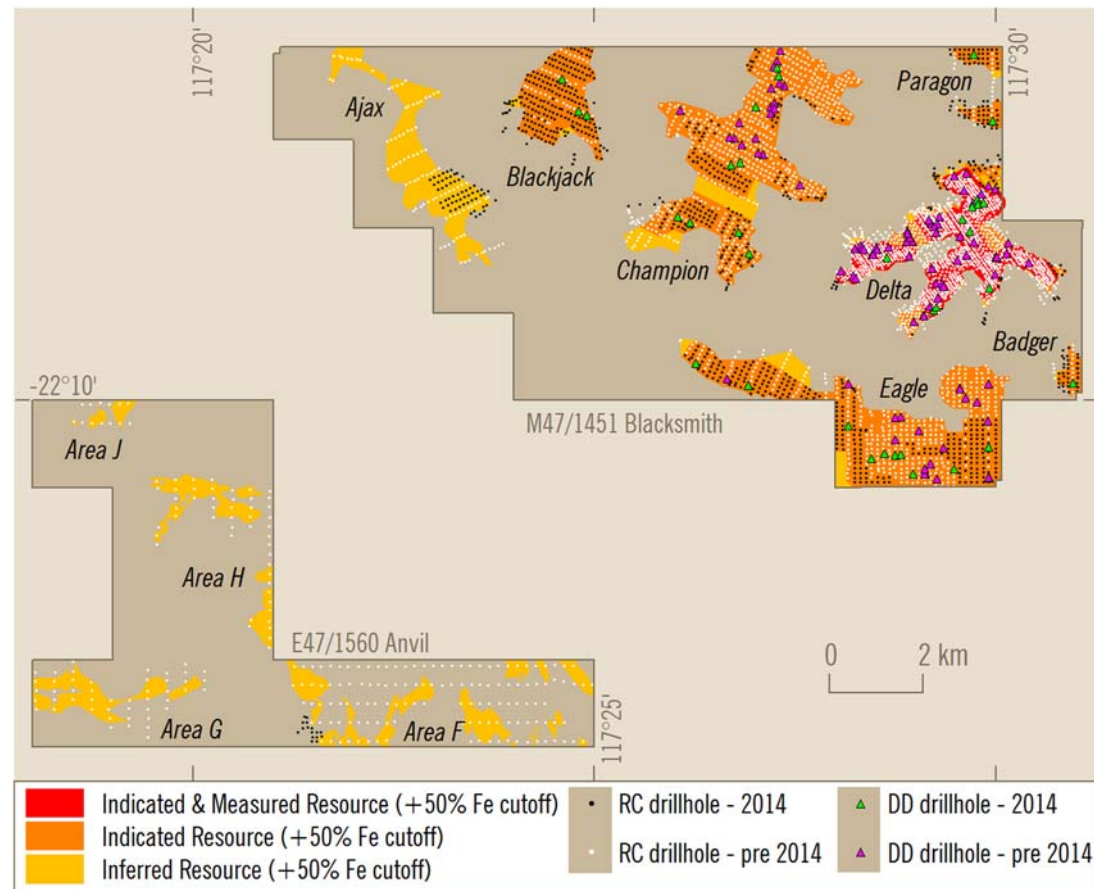
- 1. Resource Development**
- 2. Mine Optimisation & Planning**
- 3. Metallurgy & Marketing**
- 4. Secure Mine Approvals**
- 5. Feasibility Study & Final Investment Decision**
- 6. Finalise Alliance Arrangements and Financing**

1. Resource Development



Drilling to improve resource status completed in October 2014

- Since April a total of 950 RC and 38 Diamond drill holes completed for over 40,000m of infill drilling
- Drilling confirms robust resource with a very high conversion from Inferred to Indicated status
- Significant additional tonnes of Indicated material added to the Delta, Champion and Blackjack deposits
- Additional tonnes are mostly high quality BID / DID mineralisation that is expected to increase the mining inventory in the BFS



The Pilbara Iron Ore Project contains a large, high quality hematite resource

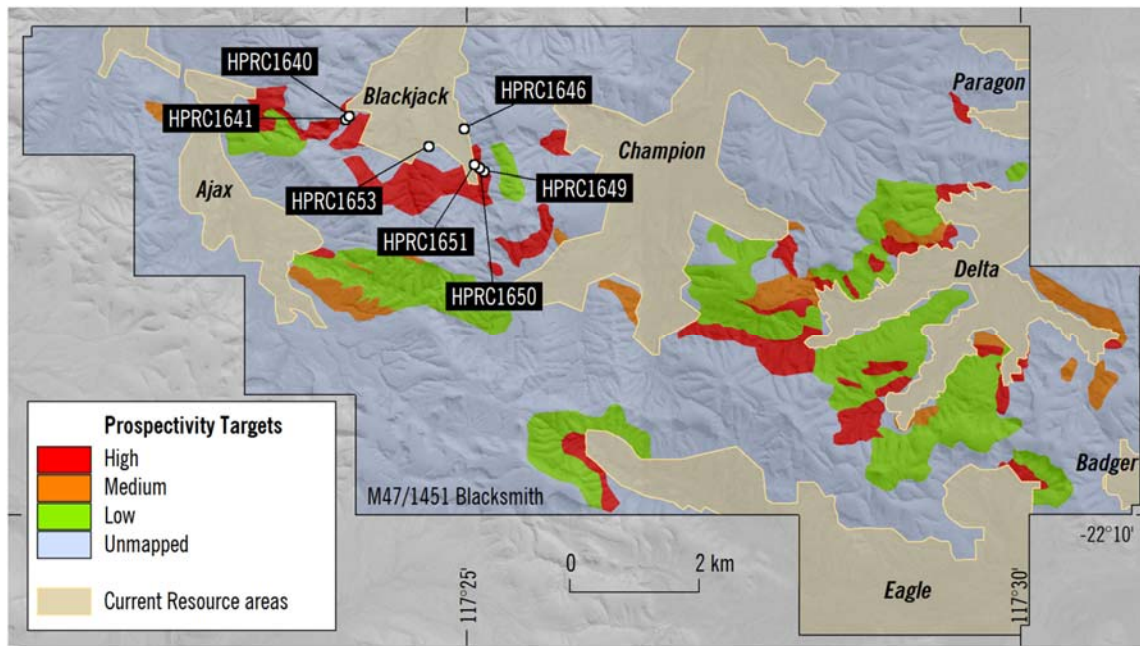
Global Mineral Resource for Fe > 50% (3/12/2014)						
JORC Classification	Tonnage Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Total Inferred	169.5	54.5	10.8	5.3	0.02	4.9
Total Indicated	765.2	55.7	8.9	4.5	0.08	6
Total Measured	105.3	56.4	10.5	5.1	0.05	2.8
TOTAL	1,040	55.6	9.4	4.7	0.07	5.5

- Resource has increased from 917Mt to 1040Mt with increase mostly high quality BID / DID
- 2014 infill drilling has increased Measured and Indicated Resources from 445Mt to 870Mt
- All Measured and Indicated resources in close proximity and on one granted Mining lease
- Measured and Indicated Resources will form the basis of mine optimisation studies

Refer to Appendix for detail

***Target zones have been defined and excellent zones of BID have been intersected.
Recent infill drilling has now lifted the Mineral Resource to >1 Billion tonnes.***

- Significant Bedded Iron Deposit (BID) intersections at Blackjack
- New intersections / targets are outside of current resource boundaries
- BID initial Exploration Target of 180-280 Mt at 55% to 58% Fe (refer to announcement 23/5/2013)



Selected high quality intersections
from 2014 Blackjack BID drilling campaign
(refer to announcement 28/11/2014)

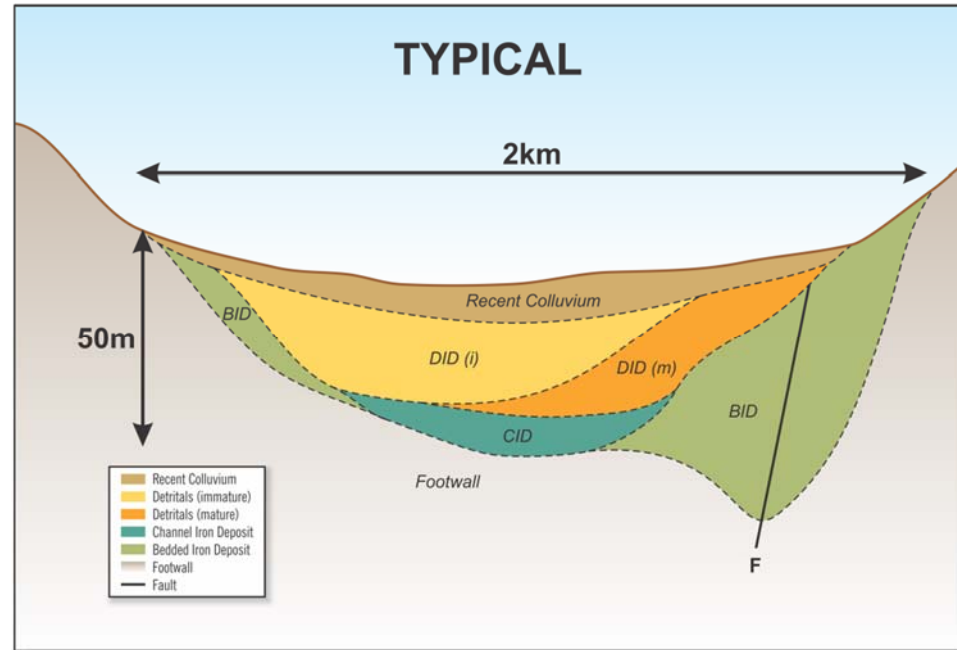
Hole ID	Interval (m)	Fe%
HPRC1640	24	60.54
HPRC1641	18	63.63
HPRC1646	36	60.76
HPRC1649	18	60.13
HPRC1650	26	59.19
HPRC1651	22	58.31
HPRC1653	40	59.22

2. Mine Planning & Infrastructure

Mine Optimisation and Planning work about to commence

- PIOP is a wide, shallow deposit with a low strip ratio (waste to ore)
- Mine pit optimisation studies will define how much of the resource can economically be mined at a given iron ore price, relevant mining costs and other factors
- Other factors include a minimum 58.5% Fe grade and maximum contaminate percentages (*see table below*)
- Detailed mine planning (pit design and scheduling) will continue until April 2015

Schematic Geological Cross Section

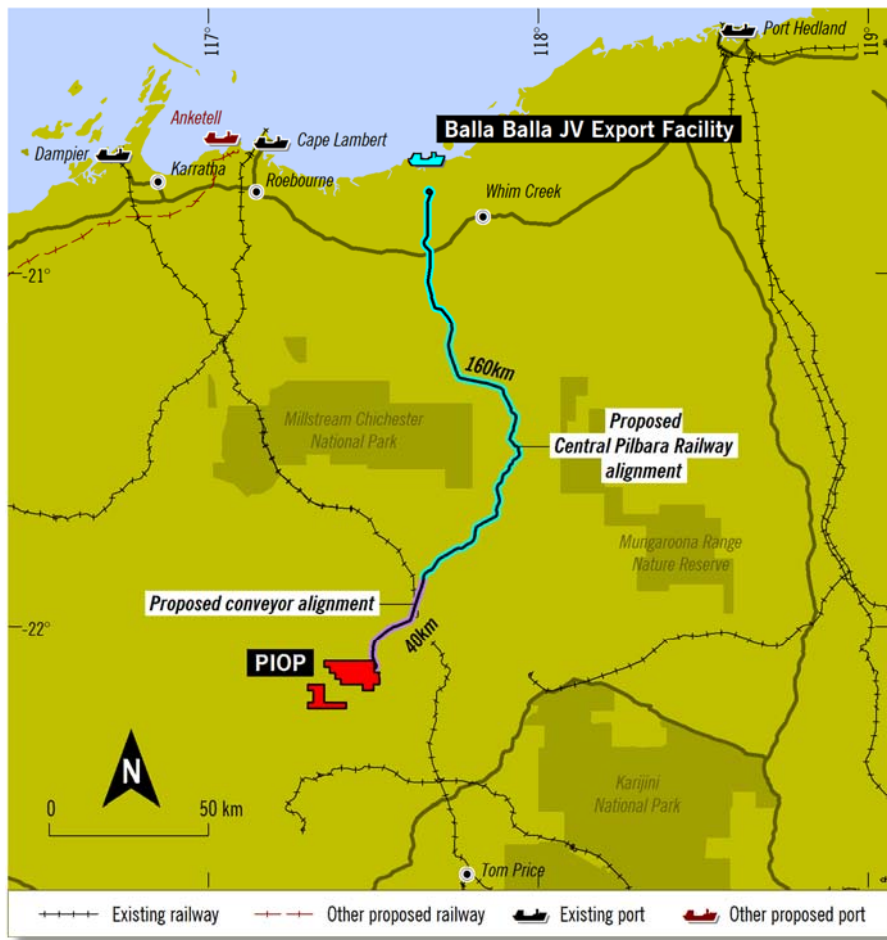


Indicative Product Grade

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

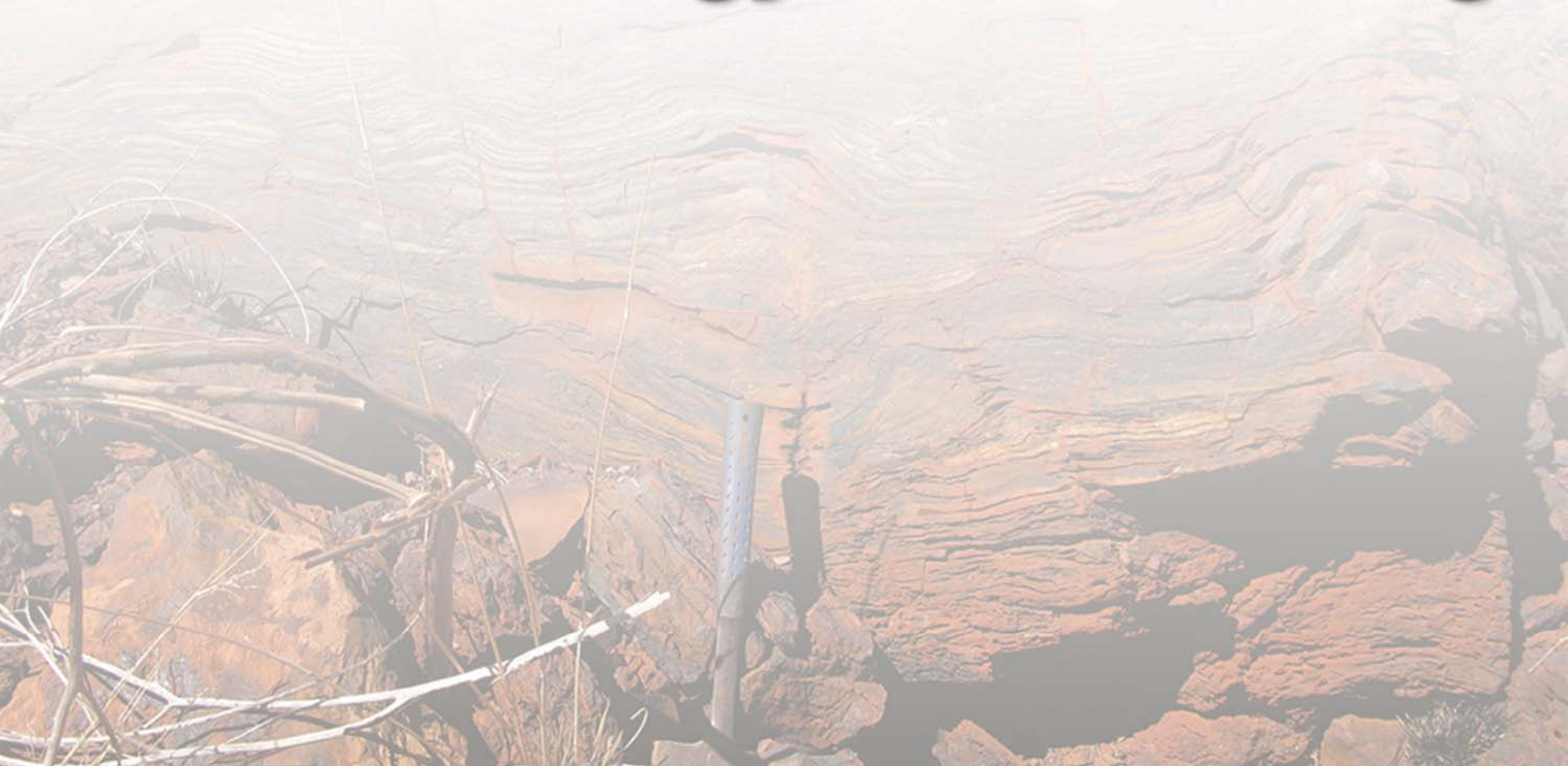
Balla Balla JV well advanced on Port and Rail

- Infrastructure agreement entered with Balla Balla JV participants - Rutila Resources and Todd Minerals¹ in February 2014
- Balla Balla JV seeking approvals for:
 - Export Port at Balla Balla
 - Central Pilbara Railway
 - Conveyor to PIOP plant site
- Balla Balla JV port & rail planning is well advanced
- Infrastructure Feasibility Study on target for completion in June 2015



¹ Rutila Resources Ltd is an ASX listed company in JV with Todd Minerals Ltd (a division of The Todd Corporation of NZ)

3. Metallurgy & Marketing



Phase 5 Metallurgy Testwork nearing completion

- All product and beneficiation test-work completed as at the end of November 2014
- Simple processing route to produce a single -10mm sinter fines product
- Currently finalising process flow sheet with plant design to commence in March quarter 2015
- Final sinter test-work will be completed in January 2015



- Ore quality is comparable to existing Pilbara fines products – product grade will be at high end of mid-cap producers
- Acceptance is supported by grade, quality, sinterability, independence and location
- Customer support for single fines product with 10 binding non-exclusive MOU's being executed with Chinese Steel Mills

Indicative Product Grade

Product	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI
Flinders Fines	58.5	6.00	3.30	0.095	6.95

- Initial sinter test work has been completed at the University of Science and Technology, Beijing with positive results
- Further sinter test work will be completed in January 2015 to confirm product specifications and performance for a single fines product
- Once sinter test work is completed Flinders will complete its marketing program with the aim of completing offtake agreements for PIOP product at the rate of 25Mtpa

4. Approvals

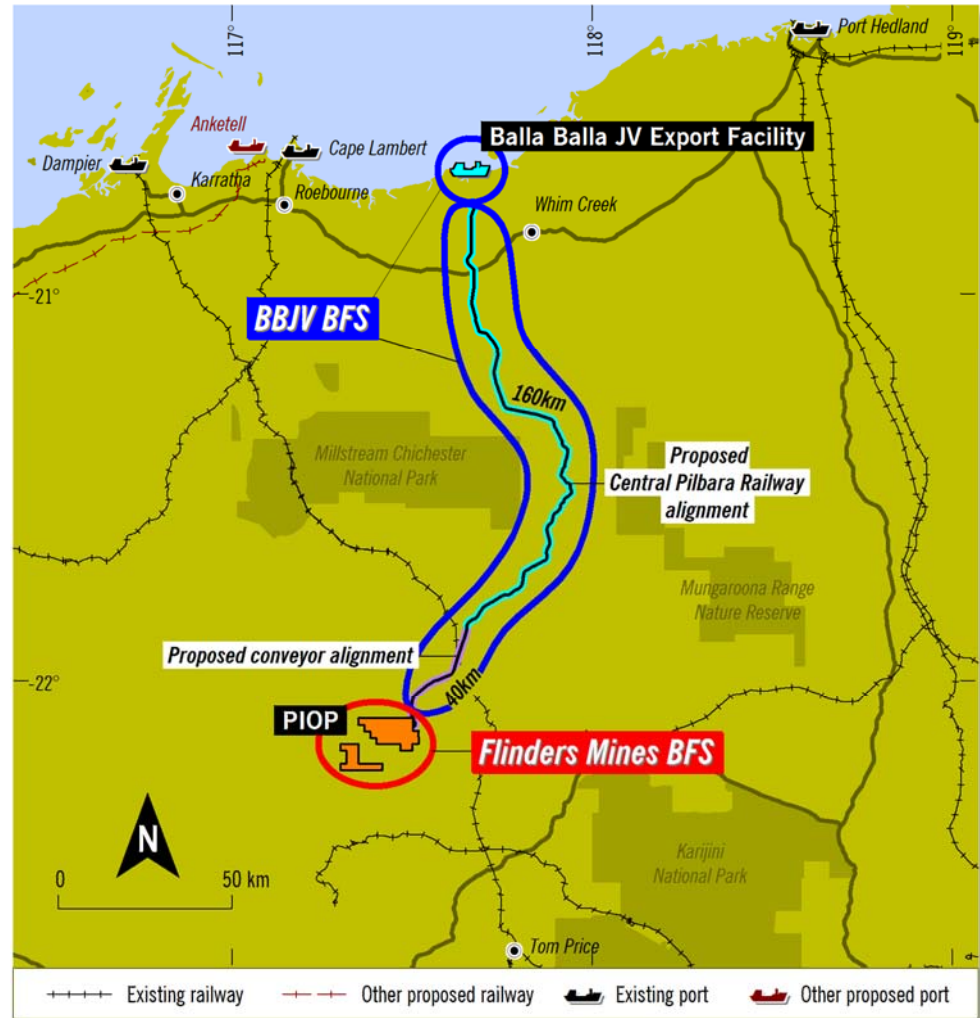
- **PIOP significantly de-risked with:**
 - ✓ Native Title Agreement in place with the Eastern Guruma people that have determined Native Title over the mining lease area and areas that are likely to support infrastructure
 - ✓ Mining Lease granted
 - ✓ On Tenement Environmental Approvals granted (State & Commonwealth)
 - ✓ Conditional approval of 5C water licence
- **Additional approvals being sought for production rate of 25Mtpa**



5. Feasibility Study & Final Investment Decision

Bankable Feasibility Study

- Flinders has appointed Worley Parsons to complete the BFS for the PIOP, which is due for delivery in June 2015
- The Balla Balla JV will separately complete a BFS for the port and rail infrastructure
- All resource development, mine planning, plant design and approvals work will feed into BFS document
- Flinders believes it is now funded to completion of BFS



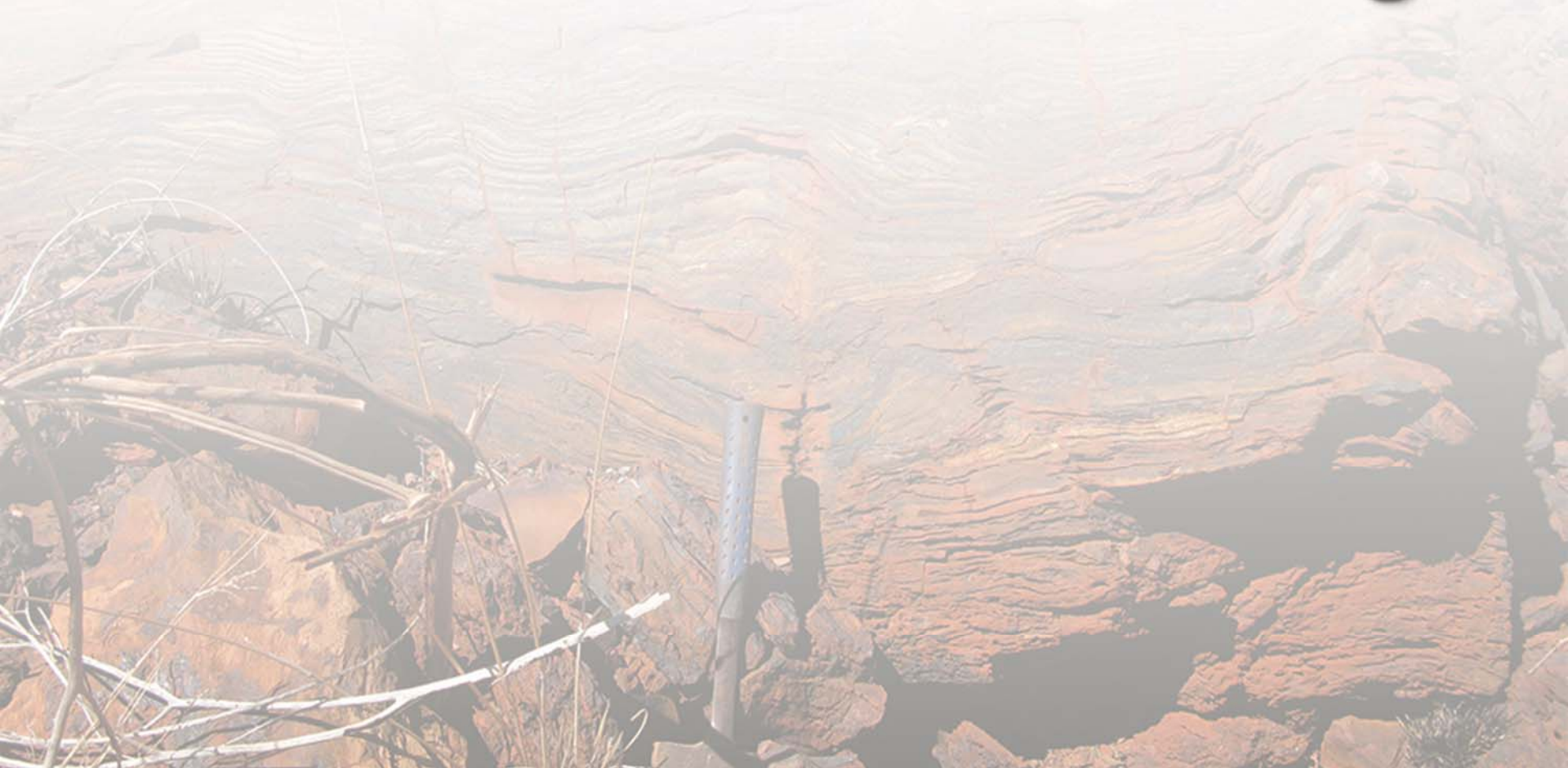
A Final Investment Decision will be made in the Sept Qtr 2015

- Once the Bankable Feasibility Study is completed for both the PIOP and the Infrastructure, each party will make an independent Final Investment Decision “FID”
- The FID for Flinders will take into account the BFS outcomes, the outlook for iron ore and the potential of the financing market for the project



Delta deposit

6. Alliance & Financing



Once a Final Investment Decision is taken, the parties agree to formalise service terms for rail and port

- **Currently the parties have agreed to basic terms for the transport and shipping of PIOP ore**
- **If both parties reach FID, the parties will enter into detailed service agreements for:**
 - **The transport of Flinders ore through the rail and port infrastructure; and**
 - **The timing of development for the respective projects**
- **Currently the terms of transport and the shipment of Flinders ore include a service fee plus a share of revenue above A\$60**
- **At a spot 62% Fe price of US\$85 and the A\$ at 0.85 this equates to a fee of approximately ~A\$30 per tonne**
- **Flinders will consider a range of financing options including B00 (Build Own Operate) for plant and other infrastructure**

Summary

PIOP represents an excellent low cost mining opportunity

- The PIOP is a low cost mid-size iron ore development located in the Pilbara region, WA
- The project is expected to produce at a rate of 25Mtpa with a product grade >58.5% Fe
- Flinders has signed an Alliance Agreement with the Balla Balla JV for transport of its ore via rail and a transshipment port at Balla Balla
- A Feasibility study is underway and is expected to be completed by the end of June 2015
- Once the Feasibility study is completed, Flinders will make an independent Final Investment Decision whether to proceed with the project
- If a positive FID is achieved and financing is available, production is expected to commence in late 2017 / early 2018

Q & A

**For further information please
visit our website at:**

www.flindersmines.com



Appendix - Resource Summary

The Pilbara Iron Ore Project contains a large, high quality hematite resource

JORC Classification	Tonnage Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
¹ M47/1451 - Blacksmith (updated 2014)						
Inferred	18.8	56.0	8.7	4.1	0.08	6.1
Indicated	765.2	55.7	8.9	4.5	0.08	6.0
Measured	105.3	56.4	10.5	5.1	0.05	2.8
TOTAL	889.4	55.8	9.1	4.6	0.08	5.7
² M47/1451 - Ajax Deposit						
Inferred	68.5	55.2	10.6	5.1	0.06	4.5
Indicated	-	-	-	-	-	-
Measured	-	-	-	-	-	-
TOTAL	68.5	55.2	10.6	5.1	0.06	4.5
³ E47/1560 - Anvil						
Inferred	82.4	53.6	11.4	5.8	0.05	4.9
Indicated	-	-	-	-	-	-
Measured	-	-	-	-	-	-
TOTAL	82.4	53.6	11.4	5.8	0.05	4.9
PIOP - Total						
Inferred	169.5	54.5	10.8	5.3	0.02	4.9
Indicated	765.2	55.7	8.9	4.5	0.08	6.0
Measured	105.3	56.4	10.5	5.1	0.05	2.8
TOTAL	1,040	55.6	9.4	4.7	0.07	5.5

¹ The Blacksmith Mineral Resource includes the Blackjack, Champion, Delta, Eagle, Badger and Paragon deposits. All of the estimates making up the Blacksmith Mineral Resource are reported to JORC 2012 standards. See releases dated 10 September 2014, 1 October 2014, 21 Oct 2014 and 3 December 2014

² The Ajax deposit is currently reported to JORC 2004 standards and is in the process of being updated to meet JORC 2012 standards.

³ The Anvil Mineral Resource includes the Area F, Area G, Area H and Area J deposits. This Mineral Resource is currently reported to JORC 2004 standards and will be updated to meet JORC 2012 standards according to development priorities.