

18 September 2014

# Updated Capital Cost Estimate for PIOP



## highlights

- *Direct mine capital cost estimate for PIOP of A\$726M for 25mtpa project*
- *Estimate includes all mine site based infrastructure and construction costs*
- *Flinders to investigate taking significant capital items off balance sheet*
- *Estimates to be further refined in Bankable Feasibility Study due by June 2015*

The Directors of Flinders Mines Limited (ASX:FMS) advise that it has an updated capital cost estimate for the Pilbara Iron Ore Project "PIOP" in Western Australia, which estimates the direct mine capital costs for a 25mtpa project at A\$726m<sup>1</sup>. This estimate has been developed by an independent tier one engineering firm currently working on a number of iron ore developments in Western Australia.

### Capital items making up the new estimate are summarised as follows:

<b>Processing plant and associated infrastructure</b>	<b>A\$384m</b>
<b>Site infrastructure including camp, power, water, airstrip</b>	<b>A\$177m</b>
<b>Construction costs including construction camp</b>	<b>A\$131m</b>
<b>Mine site works, prestrip, roads and tailings</b>	<b>A\$34m</b>
<b>Total</b>	<b>A\$726m</b>

Flinders Mines expects to be able to refine this estimate further during the bankable feasibility study process, including the opportunity to take significant capital items such as the processing plant, camp and power plant off balance sheet by investigation of "build own operate" scenarios with experienced contractors.

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MANAGING DIRECTOR

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1. *The direct capital cost estimate of A\$726m is for 25mtpa mining project and does not include contingency or owners costs.*

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