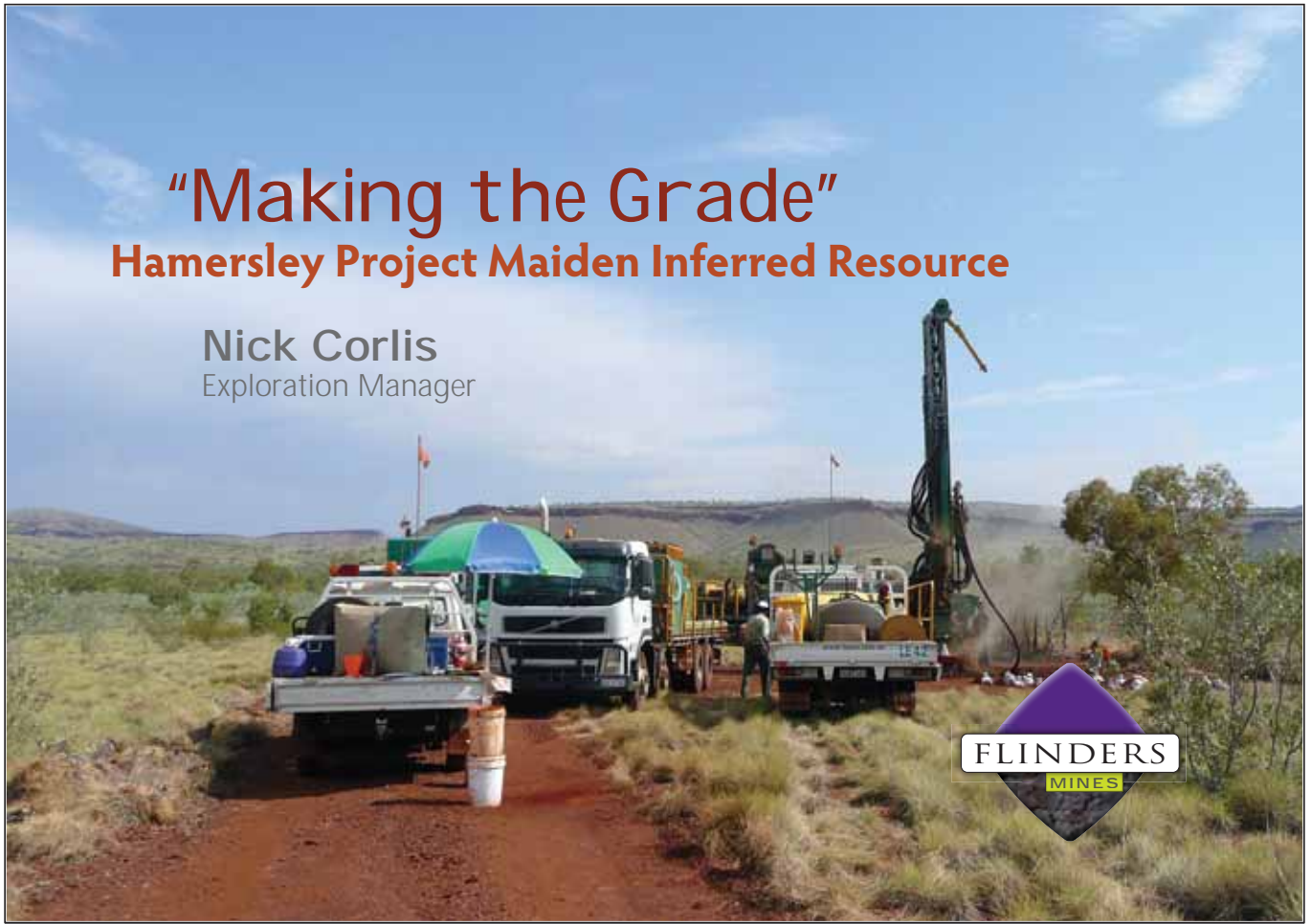


# "Making the Grade"

## Hamersley Project Maiden Inferred Resource

**Nick Corlis**  
Exploration Manager



### Presentation notes

#### 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 effected by a variety of variables which could cause actual results or trends to differ materially.

#### Exploration Targets

Exploration Targets are partly conceptual and further exploration may or may not define a Mineral Resource

#### Competent person

The information in this PRESENTATION 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. Mr N Corlis is an employee of Flinders Mines Limited. He has sufficient relevant experience in 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. He qualifies 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/Recent Trading

Shares on issue 1,208 million at 6.4.2009

### Recent Trading (past 3 months)

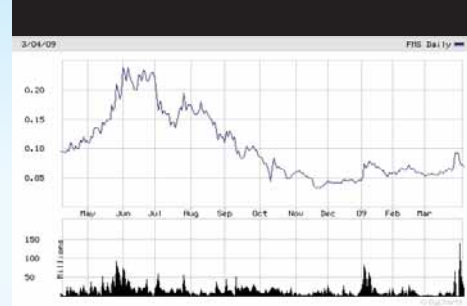
Shares 5.2-9.4 cents  
Market capitalisation \$63-114 million

Cash in hand **\$12.8 million**

### Top 5 shareholders at 6.4.09 million

RM Kennedy holdings	26.8
Comsec Nominees Pty Ltd	17.6
National Nominees Limited	16.9
Citicorp Nominees Pty Ltd	12.7
Forbar Custodians Ltd	12.1

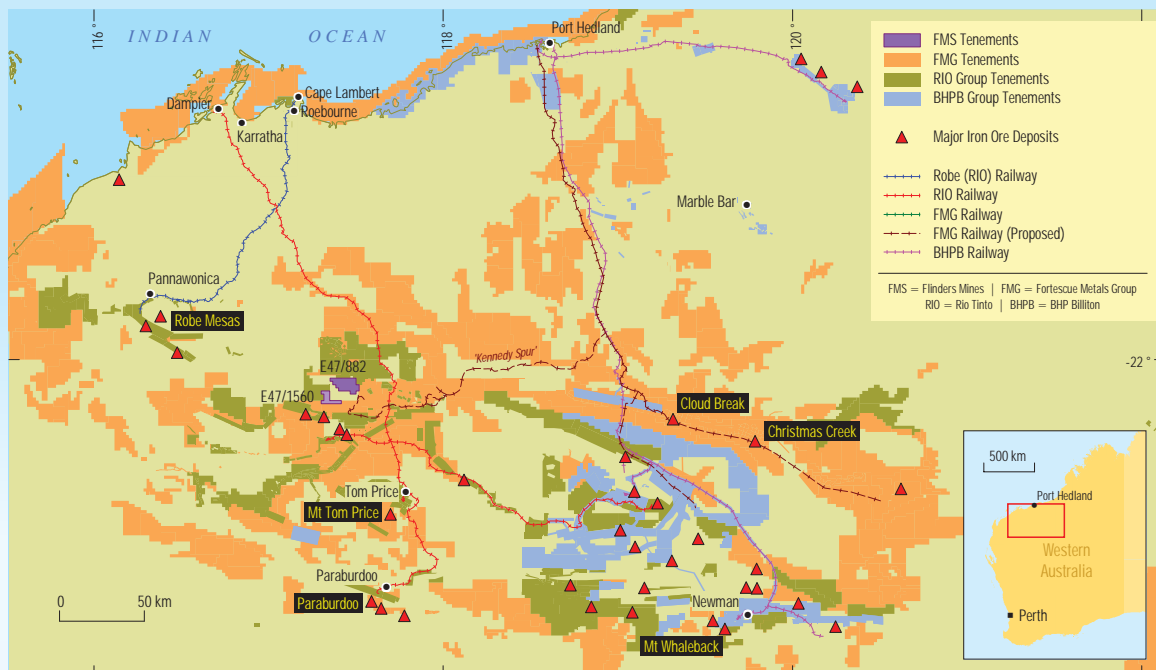
(7.1%) **86.1**



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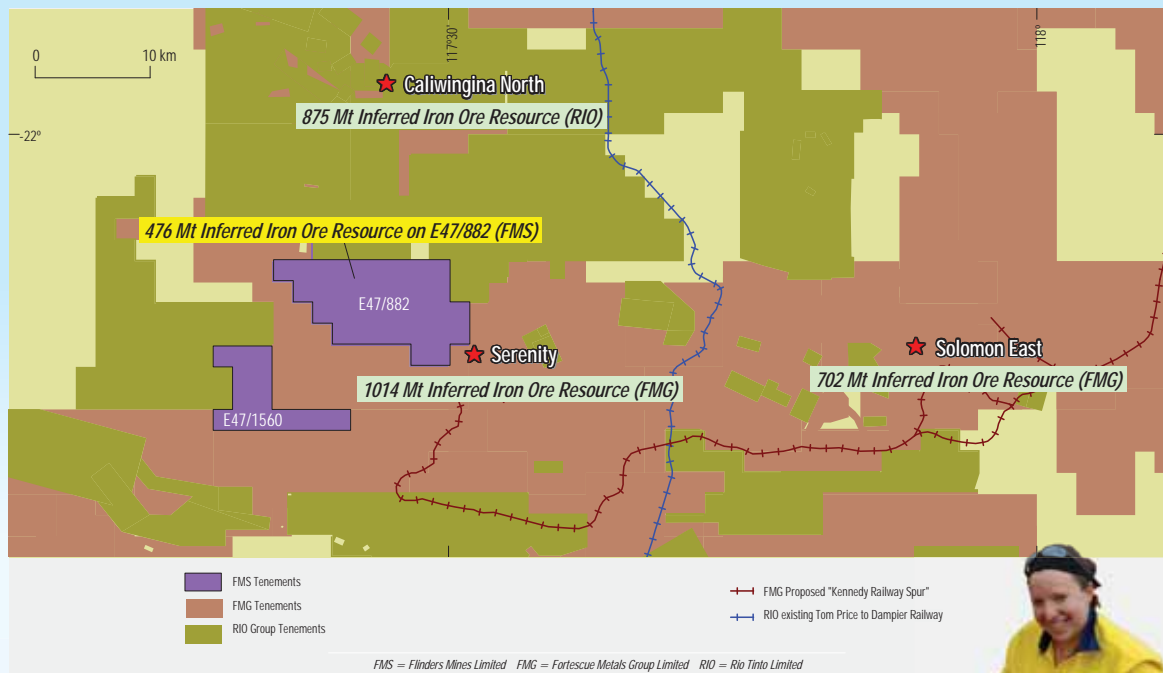
## FMS in the Pilbara



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## Hamersley Project in detail



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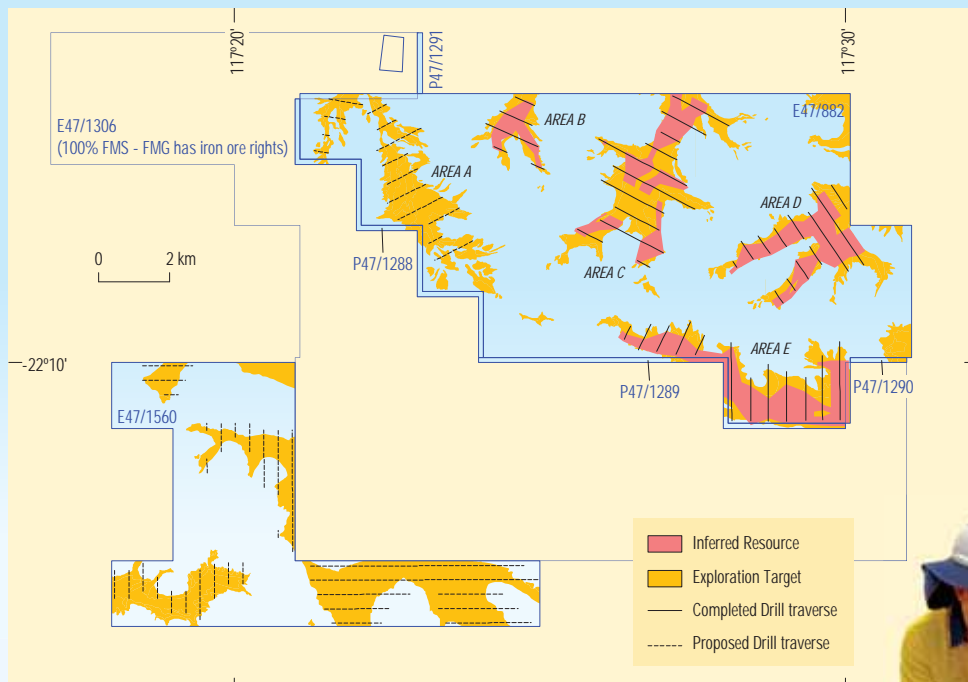
## Key developments in the area

- FMG currently undertaking drill outs at Solomon Deposit
- FMG not losing sight of expansion plan and development of the Kennedy Rail Spur
- RIO continue to develop their Caliwingina Deposit
- FMS announce Maiden Inferred Resource – 476Mt

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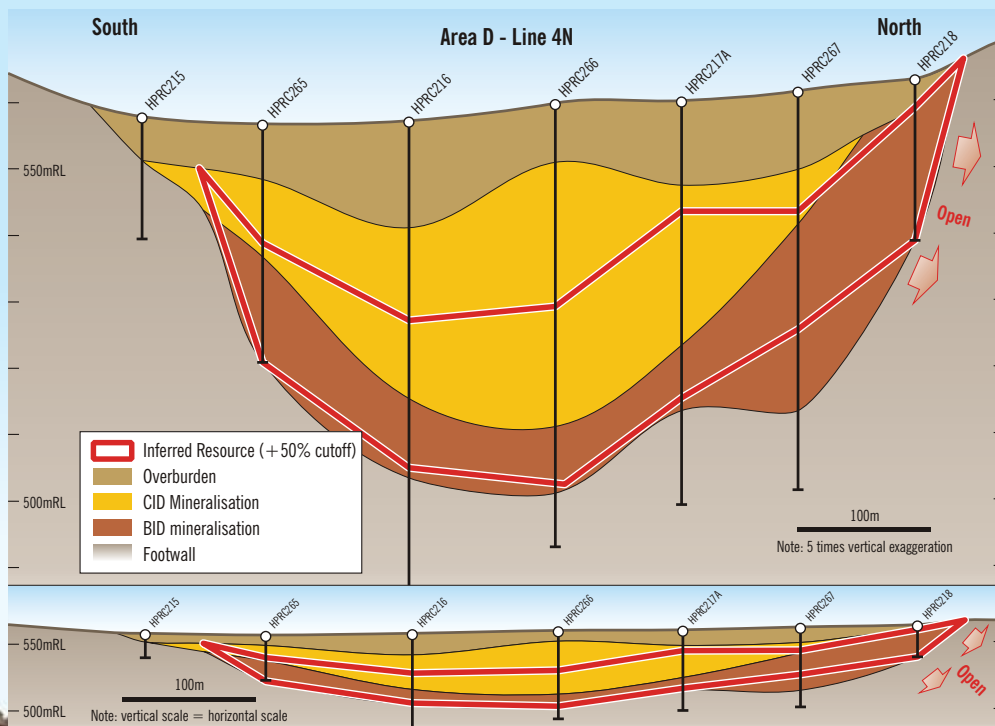
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# Iron Ore Resources and Exploration Targets



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# Cross section of Line 4N in Area D



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## Outcropping DID & CID - Area A

2m of DID overlying 8m (to water) of CID - Area A waterfall



## Area C

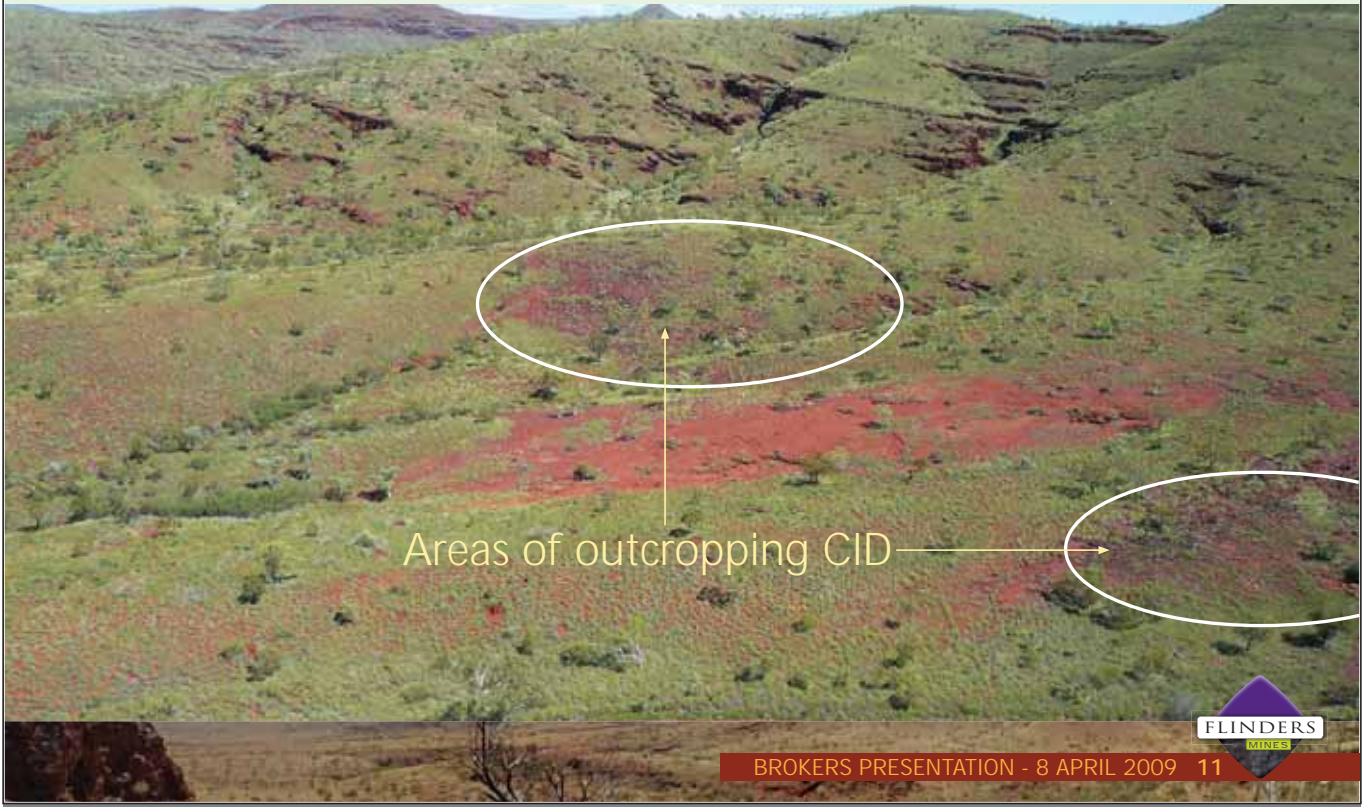
Outcropping Detrital Iron Deposit (DID) mineralisation



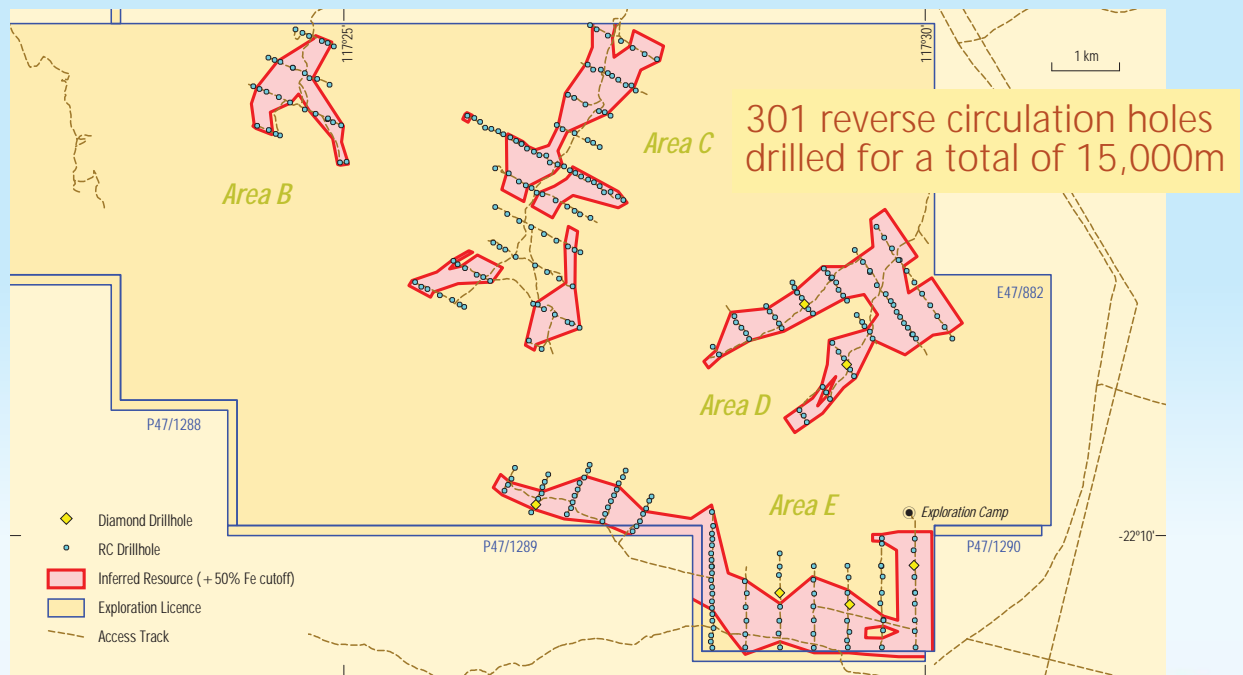


# Area D

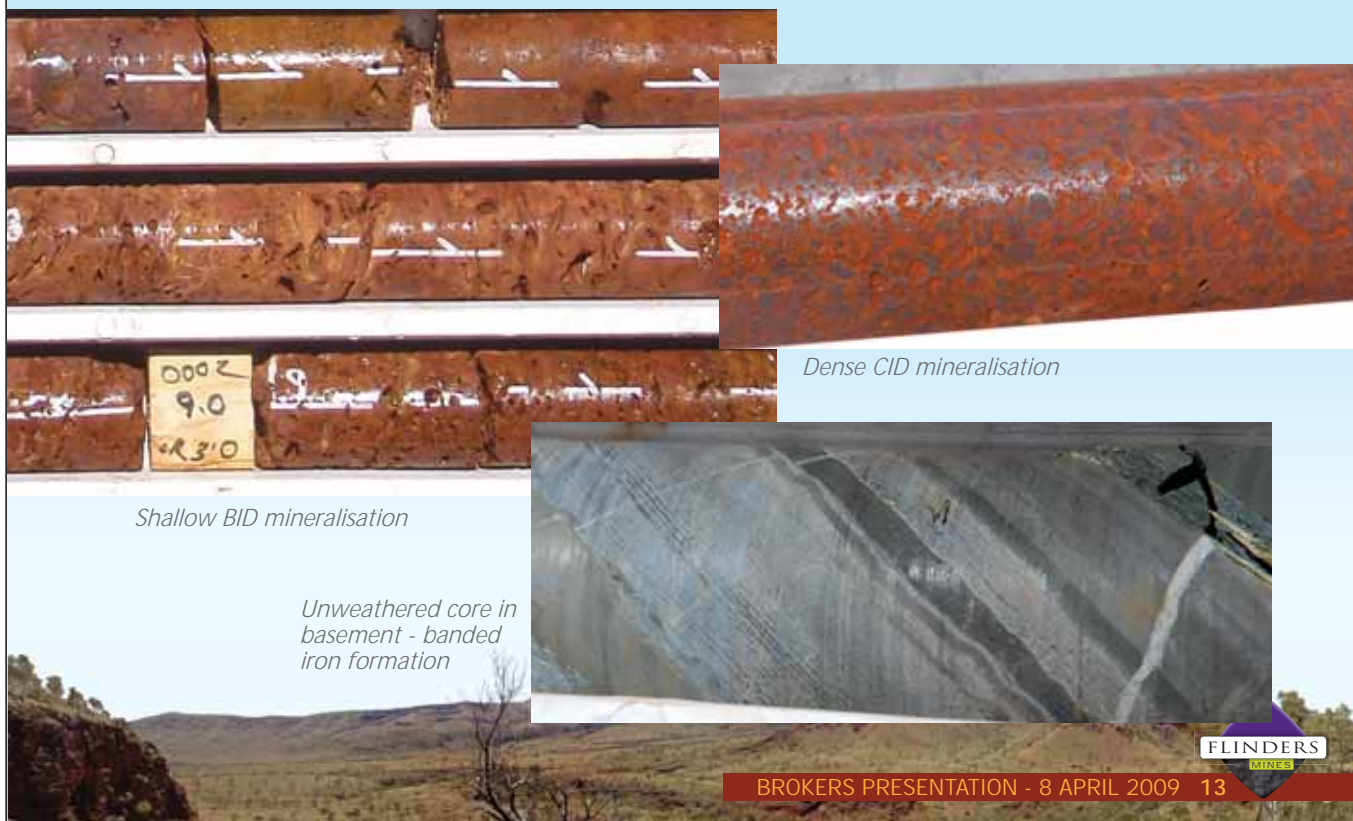
## Outcropping Channel Iron Deposit (CID) mineralisation



# Major Drilling Program Completed



## Diamond drill core



Dense CID mineralisation

Shallow BID mineralisation

Unweathered core in basement - banded iron formation



## Maiden Inferred Resource

JORC Classification	Iron Grade Cut-off	Tonnage Mt	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
Inferred	+50%	<b>476</b>	55.4	9.8	4.6	0.07	5.7
Inferred	+57%	<b>124</b>	58.3	6.9	3.8	0.08	5.3

The Hamersley Resource Model has been constructed using Ordinary Kriging within geological constraint domains. Drill spacing is 100m to 300m along lines spaced 500m apart. An average density of 2.7 was used for all ore types based on densities measured from diamond core. All material within the resource is classified as Inferred under the JORC Classification.

Resource modelling and estimation carried out by external third party consultant Golder & Associates Pty Ltd

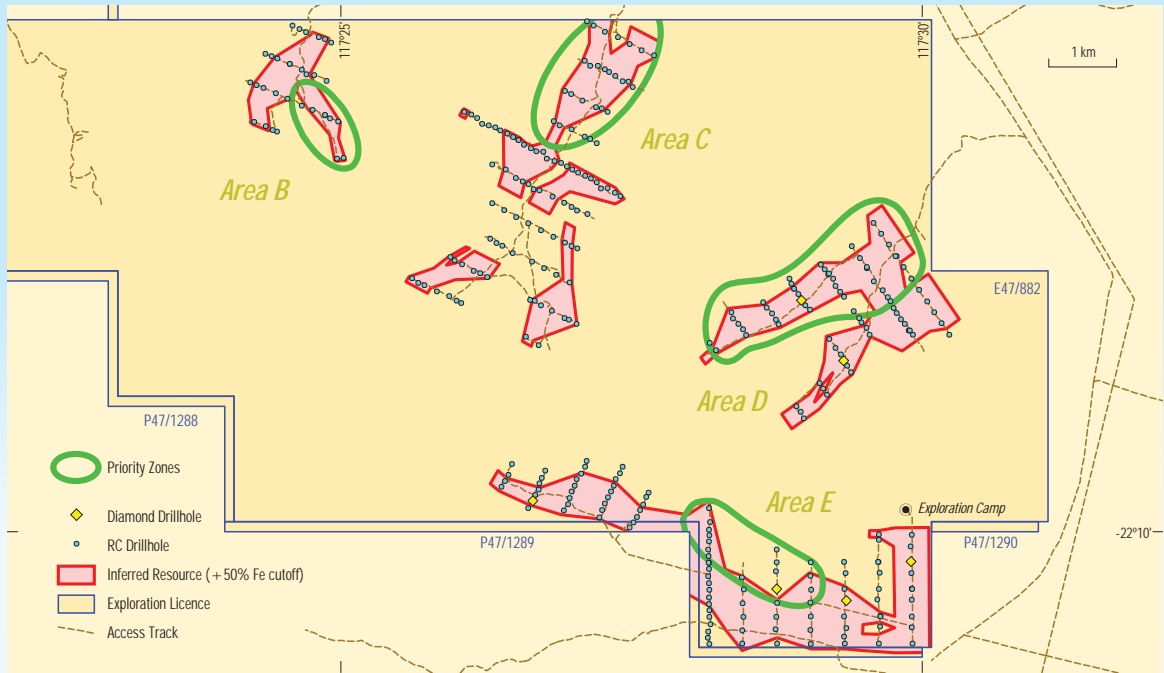
### 2009 Exploration Target

	Tonnage Mt	FE %
E47/1560 + Area A	217-267	50-65

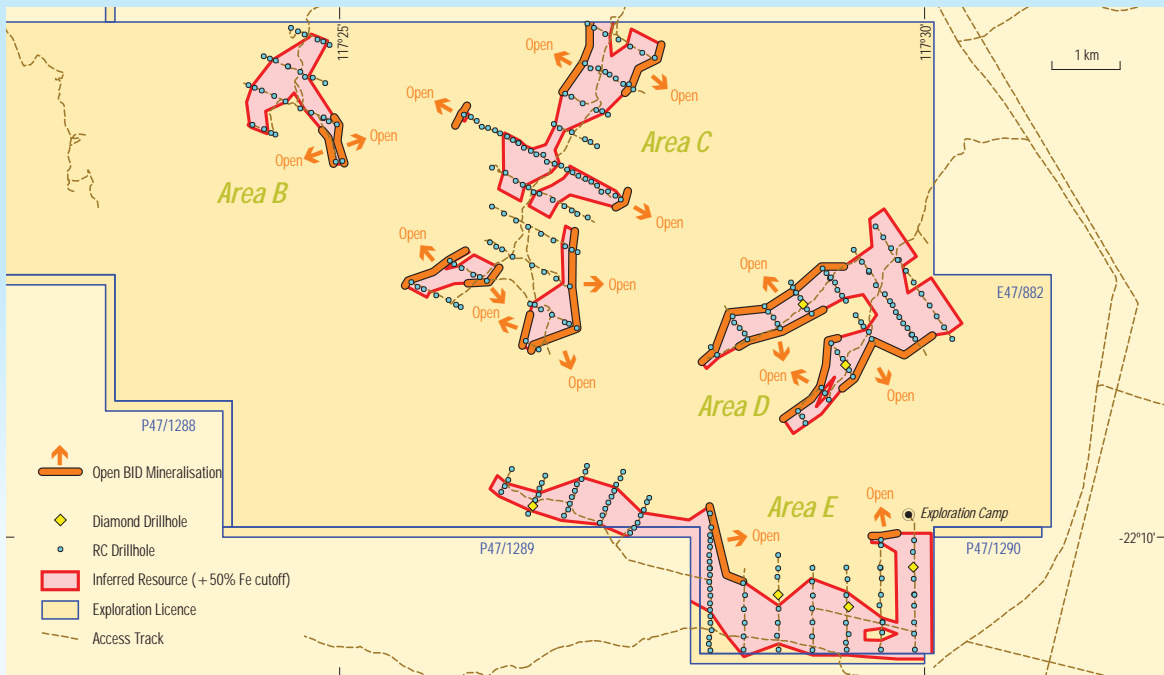




# Priority Zones



# Extension Potential





## Where Does This Place FMS?

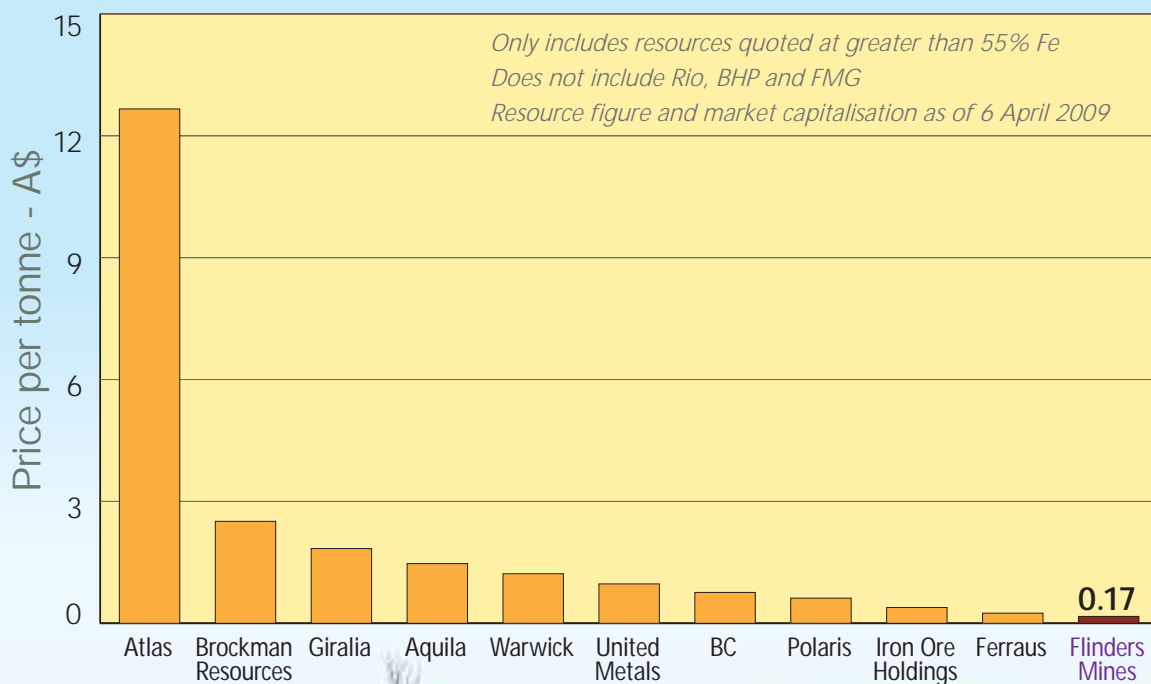
- Value
- Size
- Upside potential
- Feasibility



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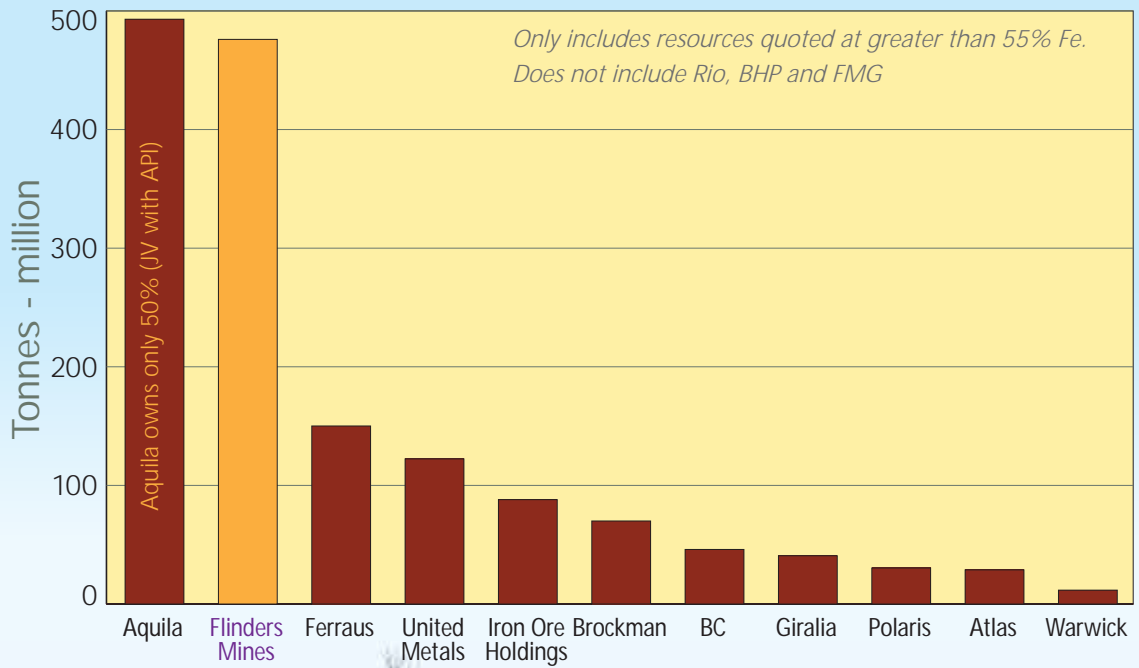
## Market Capitalisation (A\$) per resource tonne



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## Size of Resource



## What Happens Next? - Exploration

	Q1	Q2	Q3	Q4
Approvals	■			
Drilling				
Area A Inferred Resource		■		
E47/1560 Phase 1 - Resource Outline		■		
Priority Extensions			■	
Indicated resource			■	
Updated Global Resource Model				■



## What Happens Next? – Feasibility

	Q1	Q2	Q3	Q4
Scoping study				
Metallurgy				
Pre feasibility				

## Hamersley Iron Ore Budget - 2009

	2009			
	Q1 \$	Q2 \$	Q3 \$	Q4 \$
Camp	150,000	600,000	-	-
Personnel	270,000	340,000	320,000	300,000
Title/Surveys	190,000	300,000	90,000	40,000
Drilling	25,000	580,000	1,000,000	850,000
Assaying	125,000	70,000	130,000	110,000
Logistics	35,000	300,000	320,000	300,000
Feasibility	5,000	190,000	80,000	80,000
<b>Subtotal</b>	<b>800,000</b>	<b>2,380,000</b>	<b>1,940,000</b>	<b>1,680,000</b>
<b>Total</b>				<b>\$6,800,000</b>

## Forward Program Milestones

- Q2 2009 – Scoping study
- Q2/Q3 2009 – Metallurgical test work
- Q3 2009 – Indicated Resource drilling
- Q4 2009 – Updated Global Resource
- Q3/4 2009 – Pre-feasibility Study

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