Fortescue
The New Force in Iron Ore

ELIWANA PROJECT

People. Innovation. Performance.

Forward looking statements

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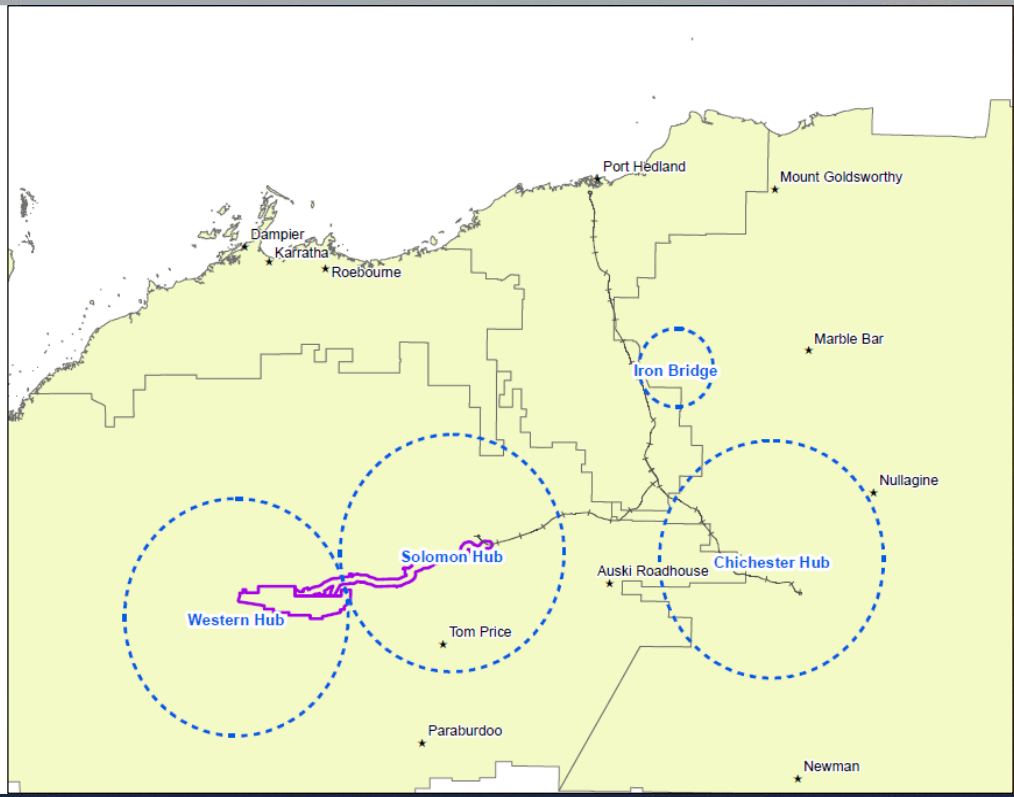
Any references to reserve and resources estimations should be read in conjunction with Fortescue's Ore Reserves and Mineral Resources statement for its Hematite and Magnetite projects at 30 June 2016 as released to the Australian Securities Exchange on 19 August 2016, and ASX releases dated 20 May 2014 and 8 January 2015 as they relate to Hematite Mineral Resources Development Properties. Fortescue confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

All amounts within this presentation are stated in United States Dollars consistent with the functional currency of Fortescue Metals Group Limited, unless otherwise stated. Tables contained within this presentation may contain immaterial rounding differences.

Eliwana Project

Location

- Eliwana Project consists of mine and rail
- Approximately 30 Mtpa iron ore
- Located 90 km west-north-west of Tom Price (110 km South-west of Solomon)



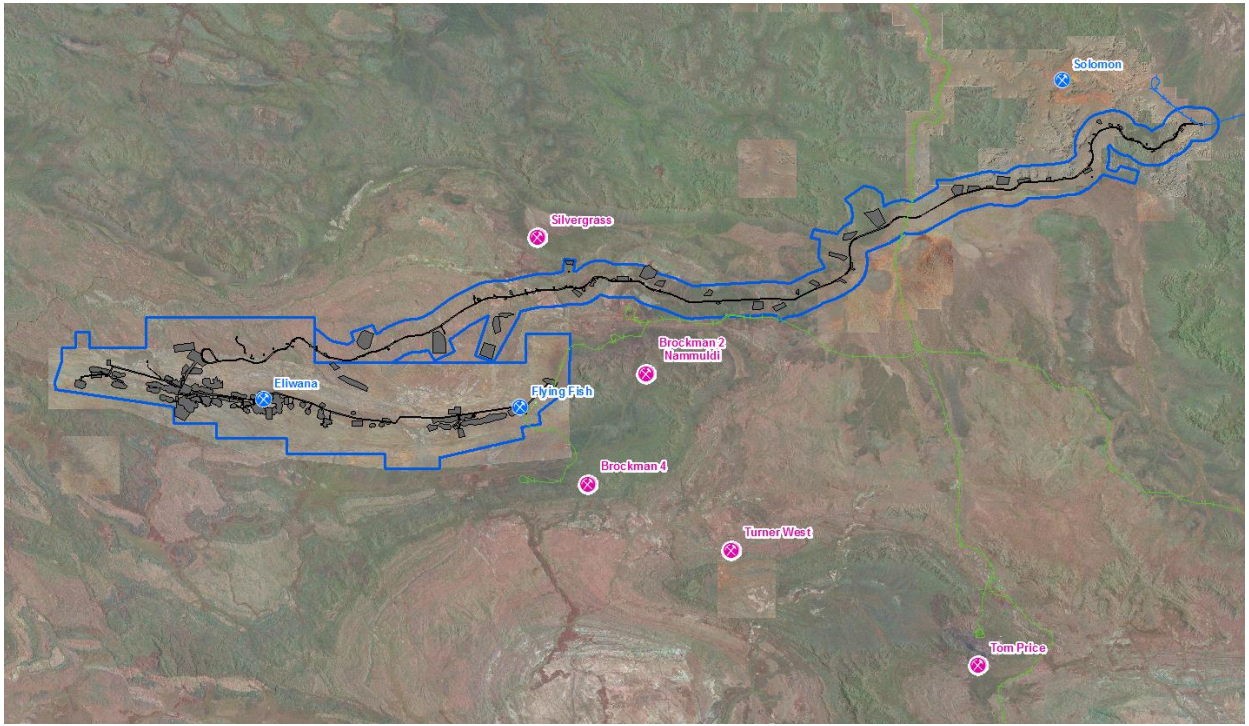
Eliwana Project

Key Characteristics

Element	Proposed extent	
Physical elements		
Mine and associated infrastructure	Clearing 12,000 ha within 70,000 ha Mine Development Envelope	
Railway and associated infrastructure	Clearing 2,500 ha within 55,000 ha Rail Development Envelope	
Operational elements		
Mine pits	Eliwana Area: • Below water table mining • Operational temporary standing water • Post closure pit lakes in mine voids	Flying Fish Area: • Above water table mining.
Water supply	Up to 12 GL/a, supplied from a combination of mine dewatering, and water supply borefields.	
Dewatering	Abstraction of up to 12 GL/a of groundwater	
Surplus water management	Up to 4 GL/a of surplus water will be managed through a combination of surface discharge and controlled aquifer reinjection (for potential future use).	

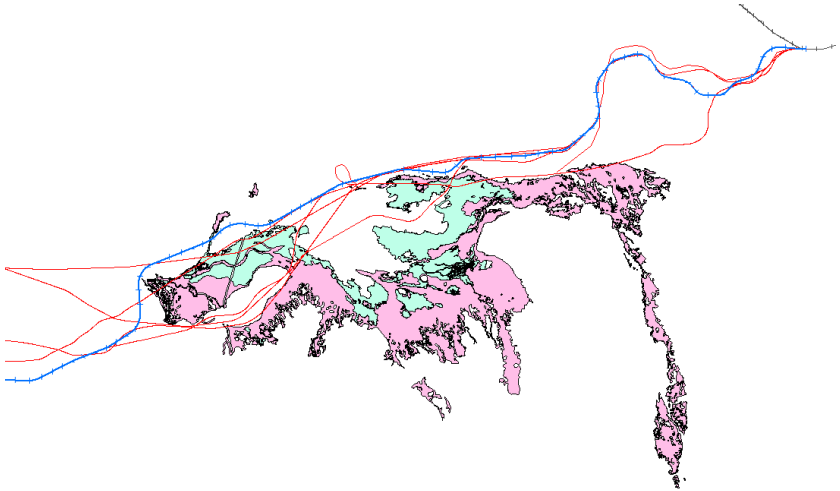
Eliwana Project

General Project Information



Eliwana Project

Environmental Considerations in Project Design



- Railway Alignment
  - TEC: Themeda grasslands on cracking clays
  - PEC: Brockman iron cracking clay communities of the Hamersley Range.
- Original Design:
  - 8.1 km (40 ha) in TEC and 2.4 (12 ha) km in PEC
- Revised Design:
  - 100 m (0.5 ha) in TEC and no intersect with PEC.

Eliwana Project

Existing Environment

- Mine Development Envelope
  - Extensive exploration activities (tracks, pads, camp) to define resource areas
  - Existing pastoral station disturbance

- Rail Development Envelope
  - Proximity to other mining operations
  - Existing roads and tracks
  - Crosses RTIO railway
  - Existing pastoral station disturbance

Eliwana Project

Existing Environment – Previous Surveys

Mine Development Envelope

- 2011 Level 2 biological surveys undertaken to support exploration activities in the area
  - L2, 2 phase flora veg
  - L2, 2 phase terrestrial fauna
  - Subterranean fauna
  - SRE fauna

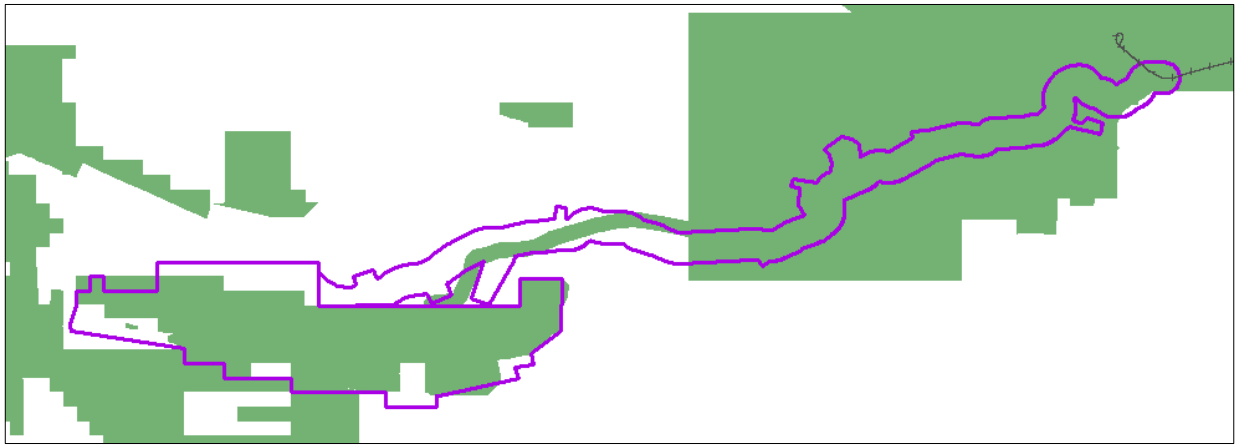
Rail Development Envelope

- Various portions have previously been surveyed to support the Solomon project and other exploration areas.

Eliwana Project

Existing Environment – Current Surveys

- Consolidation of previous survey data
  - Filling gaps
  - Updating data
- Targeted surveys
- Phase 1 completed mid-May
- Phase 2 scheduled June-Oct to allow for Regulator input

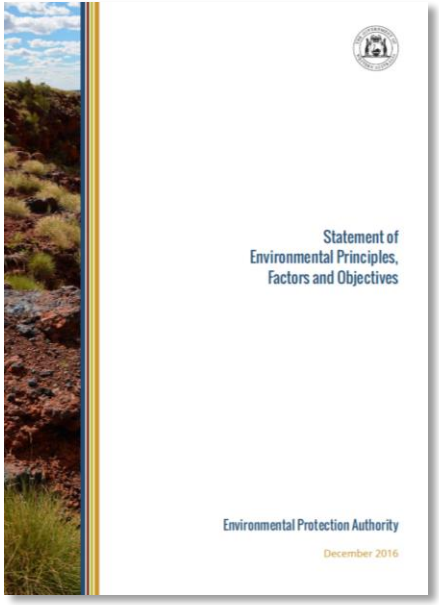


Eliwana Project

Likely Significant Environmental Factors under Consideration in Referral

- Flora and Vegetation
- Terrestrial Fauna
- Subterranean Fauna
- Hydrological Processes
- Inland Waters Environmental Quality

- *Mine Closure and Rehabilitation*
- *Offsets*



Eliwana Project

Flora & Vegetation

- No known DRF
- Cracking clays TEC/PEC in Rail Development Envelope
- Priority flora
- Potential GDE - creekline

Priority 1

Euphorbia inappendiculata var. *queenslandica*

Priority 2

Euphorbia australis var. *glabra*
Euphorbia inappendiculata var. *inappendiculata*
Gompholobium karijini
Indigofera gilesii
Pentalepis trichodesmoides subsp. *hispida*

Priority 4

Acacia bromilowiana
Eremophila magnifica subsp. *magnifica*
Goodenia nuda
Ptilotus mollis
Rhynchosia bungarensis

Priority 3

Aristida jerichoensis var. *subspinulifera*
Astrebla lappacea
Eremophila magnifica subsp. *velutina*
Glycine falcata
Grevillea saxicola S.J.Dillon
Gymnanthera cunninghamii
Indigofera gilesii
Indigofera sp. Bungaroo Creek (S. van Leeuwen 4301)
Iotasperma sessilifolium
Oldenlandia sp. Hamersley Station (A.A. Mitchell PRP 1479)
Ptilotus subspinescens
Rhagodia sp. *Hamersley* (M. Trudgen 17794)
Rostellularia adscendens var. *latifolia*
Stackhousia clementii
Themeda sp. Hamersley Station (M.E. Trudgen 11431)
Triodia basitricha
Triodia sp. Robe River (M.E. Trudgen et al. MET 12367)
Whiteochloa capillipes

Eliwana Project

Terrestrial Fauna

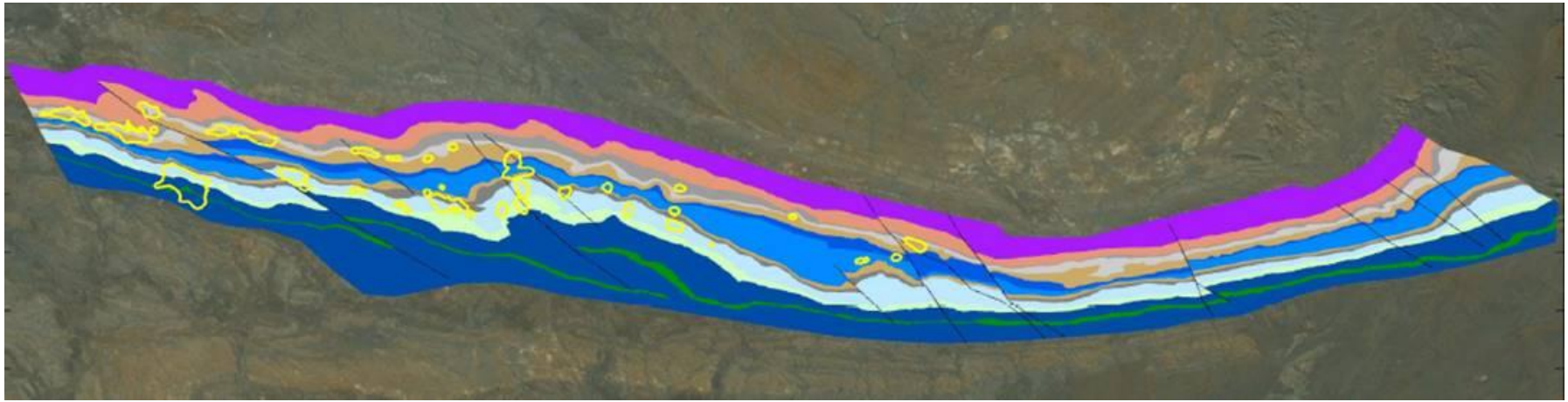
- Preliminary targeted PLNB/Ghost Bat survey work indicates a roost cave south of Eliwana (outside development envelopes)
- Ongoing surveys and targeted work

Schedule 2 (Endangered)	Priority 1
Dasyurus hallucatus (Northern Quoll)	*Anilios ganei* (Gane's Blindsnake) *Underwoodisaurus seorsus* (Pilbara Barking Gecko)
Schedule 3 (Vulnerable)	**Priority 4**
Liasis olivaceus barroni (Pilbara Olive Python) *Macroderma gigas* (Ghost Bat) *Rhinonicteris aurantia* (Pilbara Leaf-nosed Bat)	*Leggadina lakedownensis* (Short-tailed Mouse) *Notoscincus butleri* (Lined Soil-crevice Skink) *Pseudomys chapmani* (Western Pebble-mound Mouse)
Schedule 5 (Birds International Agreements)	
Apus pacificus (Fork-tailed Swift) *Merops ornatus* (Rainbow Bee-eater)	

Eliwana Project

Subterranean Fauna – Compartmentalised System

- Some previous subfauna work undertaken in 2011
- Increased understanding of conceptual hydrogeology
  - Flow is restricted to the north and south by shale units
  - Flow is restricted by a series of cross-cutting dolerite dykes.



Eliwana Project

Hydrological Processes/Inland Waters Environmental Quality

- Hydrogeological conceptual model being developed
- Low volumes of groundwater abstraction compared with Chichesters
- Horizontal extent of drawdown constrained by compartmentalised system
- Surface water model being developed for mine and rail areas

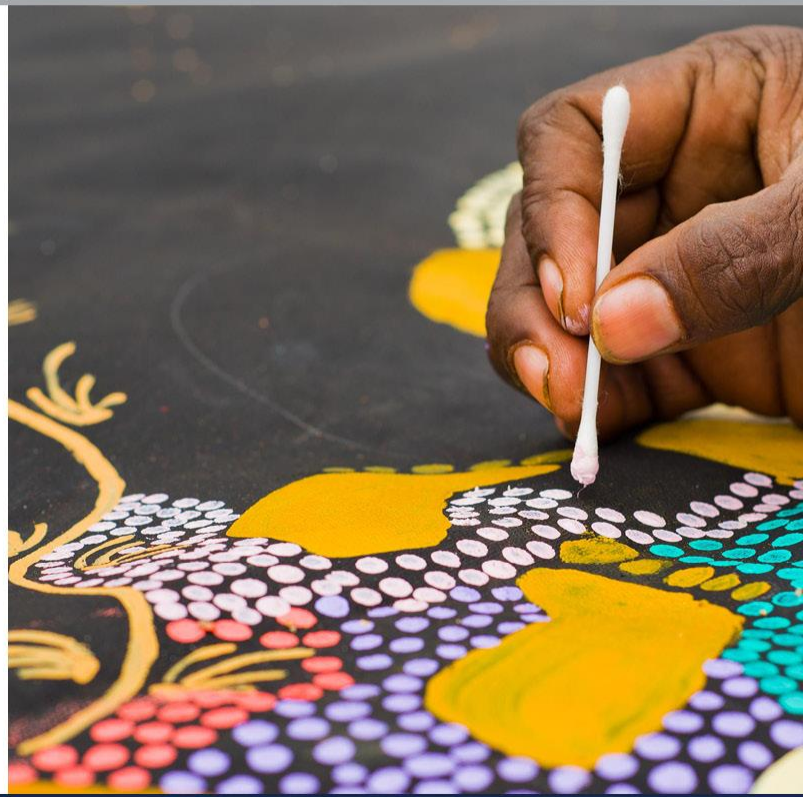
Geochemical Assessment

- Stage 1 test results received
- Assessment will inform EIA for groundwater quality

Eliwana Project

Consultation

- Pre-referral liaison commenced with Regulators
- Additional planned in the lead up to referral
- Established relationships with pastoral stations
- Established relationships with Native Title groups
- Limited external/public interest in Fortescue’s iron ore projects



Eliwana Project

Referral Scope

- Frederick Rail Spur – approved under Solomon original approval (MS 862) and current assessment (EPA Report 1588)
- Location being optimised so that Frederick Haul Road/Frederick Rail Spur can become part of Eliwana Rail

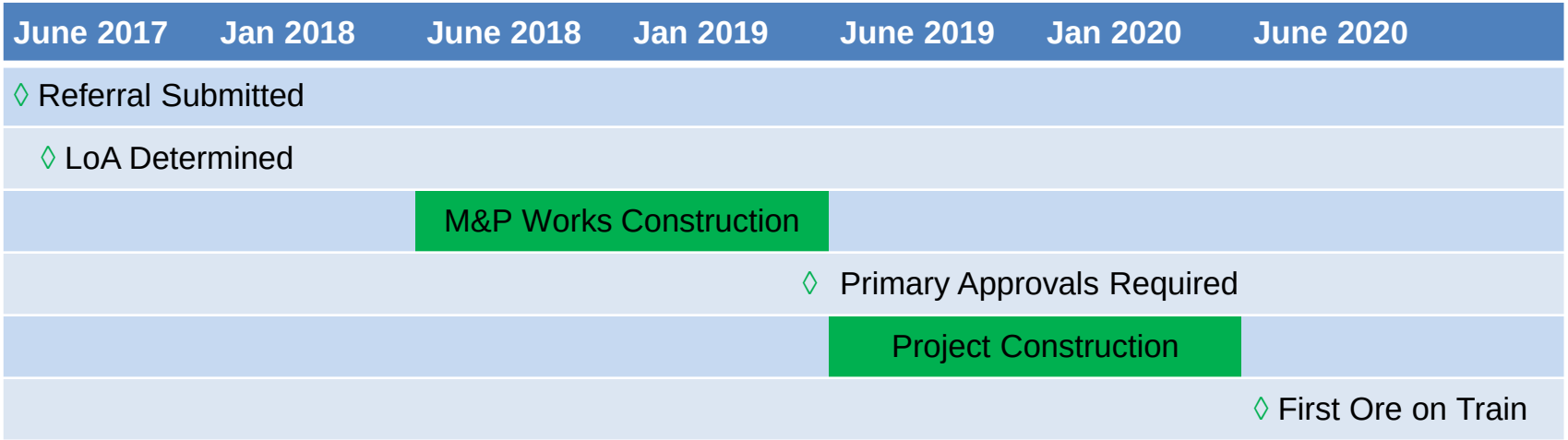
- Option to separate Rail and Mine similar timing but potentially different level of assessment

Minor and Preliminary Works

- Construction Camp
- Construction Water Supply
- Airstrip
- Access Roads
- Fuel Storage
- Communications infrastructure

Eliwana Project

Project Timing



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