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## Media Release

Fortescue Metals Group Limited (“Fortescue”; ASX: FMG) and Mineralogy Pty Ltd (“Mineralogy”) have signed a Memorandum of Understanding (“MoU”) to investigate geological, infrastructure, financial, technical and approval matters as a prelude to a potential project involving the blending of iron ore from both companies.

Fortescue will arrange for sinter tests to establish the productivity of a sinter blend comprising Mineralogy’s concentrate and material from Fortescue’s Resource within its Solomon tenement holding. On 15 November 2007 Fortescue announced an Inferred Resource estimate for the Serenity deposit which comprises part of the Solomon project area.

### INFERRED RESOURCE ESTIMATE – SERENITY

Ore Type	Tonnes Mt	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
<b>Total tonnes</b>	1,014	56	7.3	3.8	0.081	8.06
<b>Including Upper CID</b>	337	56.7	6.3	2.9	0.079	9.2

*Note: These estimates are based upon a minimum Fe grade of 52.5% and a minimum thickness of 2 metres.*

Mineralogy has indicated that the following concentrate specifications could be made available:

Element	Blast Furnace Grade	Direct Reduction Grade
Fe	69.5	71.0
Fe <sub>2+</sub>	22.5	23.1
SiO <sub>2</sub>	3.5	1.5
Al <sub>2</sub> O <sub>3</sub>	0.092	0.040
S	0.008	0.006
P	0.009	0.007
Na	0.019	0.015
K	0.028	0.017
Mn	0.013	0.010
CaO	0.096	0.070
MgO	0.202	0.148

The New Force in Iron Ore

Under the terms of the MoU, it is intended that port facilities would be investigated at Cape Preston capable of exporting a variety of products ranging from high grade magnetite concentrate through varying blends of magnetite/hematite mix to a 'direct ship' hematite. The plans encompass an initial export capability of around 50Mt/a, with the potential to expand to more than 100Mt/a.

The Chairman of Mineralogy, Professor Clive F. Palmer stated that "the blending of Western Australian iron ores to produce high quality direct shipping iron ore products for specific needs in the iron ore industry is the way of the future for Western Australian iron ore production."

Mr. Graeme Rowley of FMG stated that "with Fortescue having the largest iron ore tenement area holding in the Pilbara and Mineralogy having billions of tonnes of Magnetite resources and an approved port, the alliance makes sound business sense for both companies."

For more information contact:

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