

23 August 2010

The Companies Officer
Australian Securities Exchange Ltd.
2 The Esplanade
Perth WA 6000



Dear Sir

Re: Update of Solomon Resource Estimate, 860Mt Brockman Resource

With further advancement of the Solomon Definitive Feasibility Study, Fortescue Metals Group Ltd ("Fortescue") has re-calculated the resource estimate for its Solomon deposit as tabled in the ASX Release dated 15 July 2010, resulting in some minor changes to the grade elements within the Inferred DID resource. The overall Fe grade and the total volume of tonnes reported in the estimate are unaffected.

Of significance, the appropriate allocation of Brockman and Channel Iron Resources supplied in Attachment 4 underpins the Solomon Stage 1 60Mtpa operation with production of 40Mtpa CID and 20Mtpa Brockman.

The resource table below restates the original grade disclosure and the re-stated grades following a complete review. The changes in the DID schedule also flow through to the element reporting for the total Solomon resource and this has also been restated below.

A full schedule of the Solomon Resource Estimate is attached as Attachments 1, 2 and 3 reflecting the breakdown between the various JORC classifications.

Table 1 – Restated DID and Total Solomon Resource Estimate

Ore Type	Tonnes Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
DID Inferred Original	205	56.8	5.79	1.73	0.050	10.81
DID Inferred Restated	205	56.4	9.86	4.69	0.050	3.92
DID Total Original	386	56.7	7.74	3.20	0.048	7.37
DID Total Restated	386	56.5	9.90	4.77	0.049	3.71
Total Resource Original	2,860	56.3	6.87	3.15	0.077	8.79
Total Resource Restated	2,860	56.3	7.16	3.36	0.077	8.30

The 2.860 billion tonnes reported as the resource base for Solomon is presently divided into 2 stages of proposed mining development:

- 1) Stage 1 comprising the Firetail, Kings and Sheila Valley deposits (total resource base of 1.85 billion tonnes); and
- 2) Stage 2 comprising the Serenity deposit (1.01 billion tonnes).

As the Company progresses the Stage 1 Definitive Feasibility Study it has become evident that there will be two Ore Processing Facilities (OPF) for Solomon Stage 1 to treat the different iron ore types:

- 1) Firetail Brockman OPF (combined BID + DID); and
- 2) Kings CID OPF.

Mining of CID resources within the Kings channel will produce significant Brockman bedded and detrital ore to be blended into the Firetail OPF. The Kings CID OPF will be predominantly fed by the Kings Channel CID resources.

It is therefore considered appropriate to present the Resource numbers arranged in this format. Attachment 4 shows the estimates ordered in this fashion. Future Resource Estimate updates for the Solomon Project will all be presented in this way.

Yours sincerely
Fortescue Metals Group Ltd

Mark Thomas
Company Secretary

Attachment 1: Total Resources Solomon Hub

Ore Type	Tonnes Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
DID	386	56.5	9.90	4.77	0.049	3.71
Weathered CID	157	54.2	9.21	2.71	0.045	9.99
Upper CID	322	57.2	5.56	1.68	0.049	10.64
Lower CID	504	55.3	6.04	3.24	0.082	11.12
Bedded Iron	475	58.1	6.18	2.69	0.119	7.42
Total Stage 1 Resources	1,845	56.5	7.07	3.10	0.075	8.43
Serenity Resources	1,014	56.0	7.32	3.84	0.081	8.06
TOTAL SOLOMON	2,860	56.3	7.16	3.36	0.077	8.30

Attachment 2: Total Solomon Resource Estimate by Location

	Tonnes Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Kings						
- Measured	66	57.6	5.67	1.73	0.047	9.85
- Indicated	597	56	7.24	3.12	0.062	9
- Inferred	715	55.6	7.63	3.34	0.066	8.86
Sub Total	1,378	55.9	7.37	3.17	0.063	8.97
Firetail						
-Measured	42	59.7	5.05	2.49	0.139	6.43
- Indicated	153	58.3	6.88	2.89	0.109	6.13
- Inferred	167	57.8	6.76	2.96	0.11	6.92
Sub Total	362	58.3	6.61	2.87	0.113	6.53
Sheila Valley						
-Inferred BID	70	59.3	4.42	2.64	0.113	7.6
-Inferred DID	8	60.1	4.4	4.21	0.053	4.6
-Inferred CID	27	55.8	5.66	3.79	0.093	10
Sub Total	105	58.5	4.74	3.06	0.103	8
Serenity						
- Inferred	1,014	56	7.32	3.84	0.080	8.06
TOTAL	2,860	56.3	7.16	3.36	0.077	8.30

Attachment 3: Solomon Stage 1 Resource Estimate by JORC Classification

Measured	Tonnes Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Weathered CID	8	55.2	8.48	3.19	0.041	8.75
Upper CID	57	57.9	5.27	1.52	0.047	10.02
Bedded Iron	42	59.7	5.05	2.49	0.139	6.43
Sub Total	108	58.4	5.43	2.03	0.08	8.51
Indicated	Tonnes Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
DID	181	56.6	9.94	4.87	0.047	3.48
Weathered CID	38	54.5	9.34	2.21	0.049	10.02
Upper CID	180	57.1	5.54	1.71	0.049	10.76
Lower CID	220	55.2	6.09	3.16	0.085	11.18
Bedded Iron	131	58.2	6.74	2.54	0.120	6.90
Total	750	56.5	7.17	3.07	0.071	8.42
Inferred	Tonnes Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
DID	205	56.4	9.86	4.69	0.050	3.92
Weathered CID	110	54.0	9.21	2.85	0.044	10.07
Upper CID	86	56.8	5.79	1.73	0.050	10.81
Lower CID	283	55.3	6.00	3.30	0.079	11.06
Bedded Iron	302	57.9	6.10	2.78	0.115	7.78
Total	986	56.3	7.17	3.24	0.078	8.44
Grand Total	1,845	56.5	7.07	3.10	0.075	8.43

Attachment 4: Solomon Stage 1 Resource Estimate by JORC Classification

Firetail Brockman OPF Resources						
Measured	Tonnes Mt	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %
Bedded Iron	42	59.7	5.05	2.49	0.139	6.43
Sub Total	42	59.7	5.05	2.49	0.139	6.43
Indicated	Tonnes Mt	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %
DID	181	56.6	9.94	4.87	0.047	3.48
Bedded Iron	131	58.2	6.74	2.54	0.120	6.90
Sub Total	312	57.2	8.60	3.90	0.078	4.91
Inferred	Tonnes Mt	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %
DID	205	56.4	9.86	4.69	0.050	3.92
Bedded Iron	302	57.9	6.10	2.78	0.115	7.78
Sub Total	507	57.3	7.62	3.55	0.089	6.22
Total	Tonnes Mt	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %
DID	386	56.5	9.90	4.77	0.049	3.71
Bedded Iron	475	58.1	6.18	2.69	0.119	7.42
Grand Total	861	57.4	7.85	3.62	0.087	5.76

Kings CID OPF Resources						
Measured	Tonnes Mt	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %
Weathered CID	8	55.2	8.48	3.19	0.041	8.75
Upper CID	57	57.9	5.27	1.52	0.047	10.02
Sub Total	66	57.6	5.67	1.73	0.047	9.86
Indicated	Tonnes Mt	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %
Weathered CID	38	54.5	9.34	2.21	0.049	10.02
Upper CID	179	57.1	5.54	1.71	0.049	10.76
Lower CID	221	55.2	6.09	3.16	0.085	11.18
Sub Total	438	55.9	6.15	2.49	0.067	10.91
Inferred	Tonnes Mt	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %
Weathered CID	110	54.0	9.21	2.85	0.044	10.07
Upper CID	86	56.8	5.79	1.73	0.050	10.81
Lower CID	283	55.3	6.00	3.30	0.079	11.06
Sub Total	479	55.3	6.70	2.91	0.065	10.79
Total	Tonnes Mt	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %
Weathered CID	157	54.2	9.21	2.71	0.045	9.99
Upper CID	322	57.2	5.56	1.68	0.049	10.64
Lower CID	504	55.3	6.04	3.24	0.082	11.12
Grand Total	983	55.7	6.39	2.65	0.065	10.78

- The tables above summarise combined resources to each of the planned ore processing facilities (OPF) in the Solomon stage 1 project. Firetail Brockman OPF Resources contain Bedded Iron and DID resources from Firetail, Kings and Sheila Valley. Kings CID OPF Resources contain CID resources from Kings, Sheila Valley and Firetail.

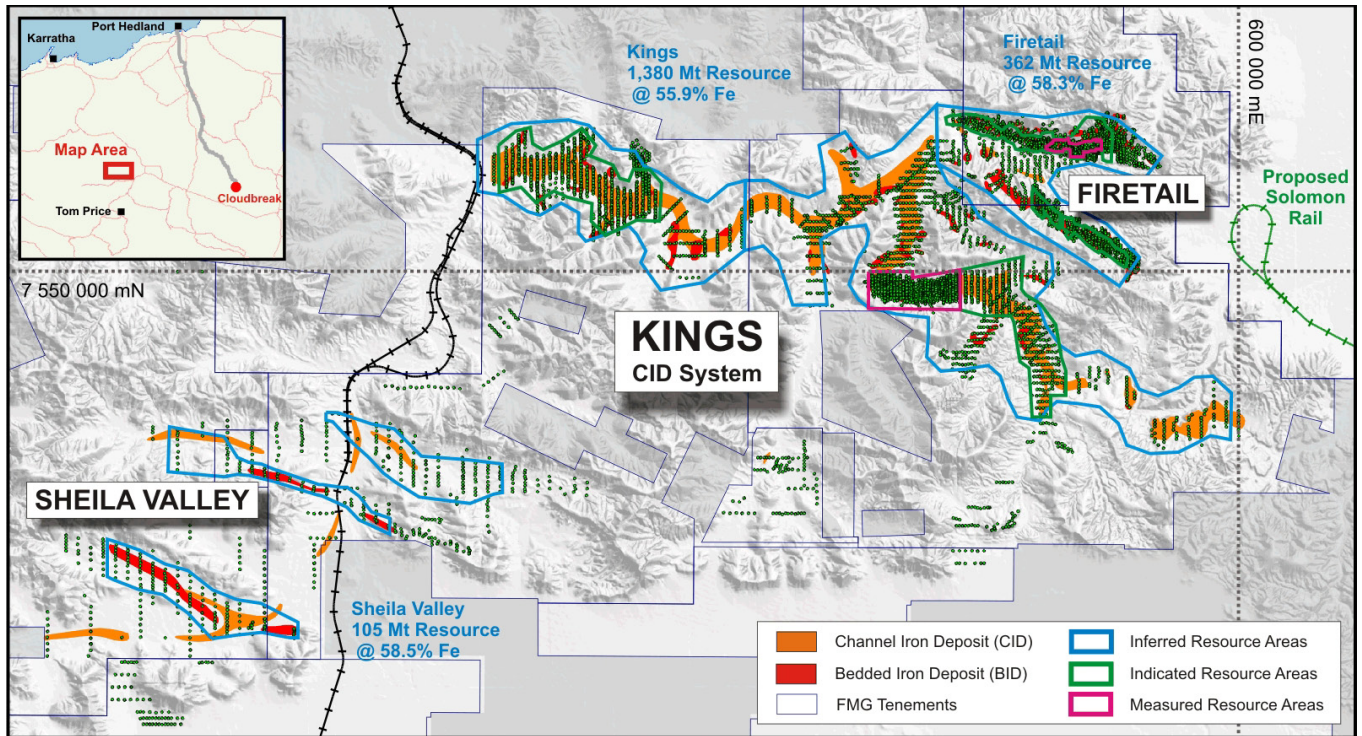


Figure 1. Location of Stage 1 Solomon Resources.

The information in the report to which this statement is attached that relates to Mineral Resources is based on information compiled by Mr Stuart Robinson, Mr Mark Glasscock and Mr Clayton Simpson who are all Members of The Australasian Institute of Mining and Metallurgy. Mr Stuart Robinson, Mr Mark Glasscock and Mr Clayton Simpson are full time employees of Fortescue Metals Group Ltd and provided geological interpretations for Mineral Resource calculations and compiled the exploration results. Mr Robinson, who is a Fellow of The Australasian Institute of Mining and Metallurgy, and Mr Glasscock and Mr Simpson who are Members of The Australasian Institute of Mining and Metallurgy have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Robinson, Mr Glasscock and Mr Simpson consent to the inclusion in this report of the matters based on this information in the form and context in which it appears.