



**JUPITER MINES
LIMITED**
ABN 51 105 991 740

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Issued Capital:

Ordinary Shares: 1,560,335,037
Deferred Shares: 262,255,799
Unlisted Opts: 6,000,000

ASX Symbol: JMS

Currently Developing:

- Iron Ore
- Manganese

Jupiter Mines Limited

MT MASON DSO HEMATITE SCOPING STUDY DELIVERS A ROBUST PROJECT

KEY POINTS

- Scoping Study based on 1.5 mtpa production rate and a mine life of approximately 4 years
- Robust project with <1yr payback, 70%+ IRR and \$80m+ free cash flow generation potential
- Feasibility Study drilling ongoing at Mt Mason

Jupiter Mines Limited (ASX: JMS) is pleased to announce that it has completed the Scoping Study on the Mt Mason DSO Hematite Project (Mt Mason). The Scoping Study completed by Promet Engineers Pty Ltd, has demonstrated a compelling and financially robust DSO Hematite operation. The Scoping Study was based on the previously announced Mt Mason inferred mineral resource of 5.75 million tonnes grading 59.9% Fe.

Two options were evaluated:

Option 1 Jupiter owning and operating the crushing and screening plant, with contract mining and haulage to rail at Menzies

Option 2 Mining, crushing and screening, and haulage to rail at Menzies, all done on a contract basis

The results of both these options are summarised in Table 1 below

	Option 1	Option 2
Capital, \$m	75.82	65.20
Operating Cost, \$/t FOB	51.08	55.03
NPV @ 8%, \$m	109.3	100.2
IRR, %	78	74

Table 1: Option Summary

Notes:

- Based on 1.5 mtpa DSO production rate
- Based on waste to ore strip ratio of 2.0 to 1
- Inclusive of a royalty of 5%, assuming full equity financing and ignoring taxation
- DSO Hematite price of \$110 per tonne
- All \$ are Australian

A lump/fines ratio of 50/50 was used for a base case price of \$108.67/tonne FOB Esperance. Both the operating scenarios were further evaluated for sensitivity to different iron ore prices and those results are summarised below.

	-10%	-5%	Base	15%	30%	45%	60%
DSO, \$/tonne	97.81	103.24	108.67	124.97	141.28	157.58	173.88
Irr, %	48	58	67	94	120	146	171
NPV 8%, \$m	69.61	87.89	106.18	161.05	215.92	270.79	325.66
NPV 10%, \$m	60.19	76.73	93.28	142.93	192.57	242.21	291.86

Table 2: Option 1 – Owner Crushing, contract mine and haul, Life of Mine

	-10%	-5%	Base	15%	30%	45%	60%
DSO, \$/tonne	97.81	103.24	108.67	124.97	141.28	157.58	173.88
Irr, %	48	59	70	101	131	160	189
NPV 8%, \$m	59.02	77.31	95.60	150.47	205.34	260.21	315.07
NPV 10%, \$m	51.04	67.58	84.13	133.77	183.42	233.06	282.70

Table 3: Option 2 – Contract mine, crush and haul, Life of Mine

	-10%	Base	60%
DSO, \$/tonne	97.81	108.67	173.88
Annual Revenue, \$m	146.7	163.0	260.8
Annual Free Cash, \$m	70.1	86.4	184.2
Capital Payback, years	1.1	0.9	0.4
Annual Free cash, \$m	64.2	80.5	178.3
Capital Payback, years	1.2	0.8	0.4

Table 4: Project Capital payback

Notes to tables 2, 3 and 4:

- Grade at 59.9% Fe
- Lump/Fines ratio of 50/50 assumed
- Royalty rates, Lump 7.5% and fines 5.625%
- Simple cash flow evaluation, assuming full equity financing and ignoring taxation
- All \$ are Australian

As previously announced, Jupiter has committed to complete a Feasibility Study on the Mt Mason DSO Hematite Project, with the drilling having commenced the first week of May. The Project albeit modest in DSO iron ore terms, will not only generate significant cash for Jupiter, but also establish Jupiter in the Central Yilgarn region leading up to the development of its flagship Mt Ida Magnetite Project. Jupiter is targeting Mt Mason production by early 2013 in line with the planned Esperance Port upgrade to increase iron ore exports.

Yours faithfully
Jupiter Mines Limited



Richard Mehan
Managing Director and CEO