



31 May 2012

FLINDERS MINES LIMITED (ASX: FMS)

SCHEME IMPLEMENTATION

AGREEMENT UPDATE

Flinders Mines Limited ("Flinders") provides shareholders with an update relating to its Scheme Implementation Agreement ("SIA") with Magnitogorsk Iron and Steel Works OJSC ("MMK") dated 25 November 2011.

Flinders' and MMK's appeals against the injunction obtained by Elena Egorova, restraining MMK from proceeding with the proposed acquisition of Flinders, were listed before the Appellate Court Number 18 (City of Chelyabinsk) on 30 May 2012.

Flinders' Russian legal advisers have advised that the Appellate Court took a recess until 6 June 2012, to allow time for MMK to provide a copy of its charter and a Russian language translation of the SIA. Flinders has also been advised that an application on behalf of Ms Egorova, that the appeals be closed to the public, was refused.

Flinders will continue to update shareholders with any developments.

GARY SUTHERLAND
MANAGING DIRECTOR

31 May 2012

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