

2 July 2012

The Manager
Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

**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.

SIA Quit Date

Flinders notes that the SIA Quit Date of 30 June 2012 has now passed.

Although the SIA remains in effect until it is validly terminated by either party, parts of the SIA no longer apply.

As the 30 June Quit Date has now passed, the exclusivity period under the SIA has ended. Flinders will continue to keep its shareholders informed regarding the SIA.



Gary Sutherland
Managing Director