

24 September 2015

Company Update

As previously released, Flinders Mines Limited (ASX:FMS) shareholders have today (Thursday 24 September, 2015) rejected the proposal by New Zealand's Todd Corporation for Todd to acquire Flinders' Pilbara Iron Ore Project (PIOP) in Western Australia, via an Option and Sale agreement executed on 8th of May, 2015.

Flinders' Chairman, Mr Robert Kennedy, said *"Our shareholders have considered the option proposal with the response clearly illustrating a rejection of the terms of the agreement. Your board intends to use the results of this process and feedback received from the shareholder base to deliver an outcome that is attractive and acceptable to all our investors"*.

Alliance Agreement

Flinders Mines confirms that its existing Alliance Agreement with Todd Corporation remains in effect until 31 December, 2015.

The Company intends to have further dialogue with Todd Corporation regarding the Alliance Agreement, to explore whether there are any opportunities to move the concept forward on a mutually acceptable basis.

Subject to any outcomes of the proposed Alliance dialogue with Todd referenced above, after 31 December 2015, Flinders Mines will also pursue with other parties, opportunities to develop the PIOP.

Future Activities

The Company will consider what further work will be required at PIOP to continue to maintain the tenements in good standing and will plan accordingly.



IAN GORDON
MANAGING DIRECTOR

For further information please contact:

Ian Gordon - Managing Director

Ph: 0427 306 947