

ASX ANNOUNCEMENT

24 March 2017

BBI Group signs a Memorandum of Understanding with China State Construction Engineering Corporation Limited

Flinders Mines Limited (**Flinders** or the **Company**) has been advised that BBI Group Pty Ltd (**BBIG**) has signed a Memorandum of Understanding (**MOU**) with China State Construction Engineering Corporation Limited for the construction of the Balla Balla Infrastructure project (**BBI Project**).

Further information regarding the MOU is available on the BBIG website, at www.bbig.com.au.

The Directors of Flinders wish to make it clear that the Company does not have any existing commercial agreements in place with BBIG. Flinders has a strategic review underway which will examine infrastructure solutions to bring the PIOP project iron ore resource to market.

About Flinders Mines Limited

Flinders Mines Limited is an ASX-listed (ASX:FMS) exploration and development company focused on the commercialisation of its hematite resource, the Pilbara Iron Ore Project (PIOP).

PIOP is located approximately 70km from Tom Price in Western Australia's iron ore-rich Pilbara region. The project consists of two 100% owned tenements – M47/1451 (Blacksmith) and E47/1560 (Anvil). The project has received environmental approvals and the Company is currently assessing the development path options.