

ASX ANNOUNCEMENT

29 June 2018

Market Update

It has come to the attention of Flinders Mines Limited (ASX:FMS) (**Flinders** or the **Company**) that a document containing a short presentation purportedly given by BBI Group Pty Ltd (**BBIG**) has recently gone into limited circulation and been accessed by some Flinders' shareholders.

The Company has contacted its major shareholder, TIO (NZ) Limited (**TIO**), the majority owner of BBIG, and sought information to facilitate an assessment of the materiality of the document and to properly inform Flinders' shareholders of its relevance (or otherwise).

In response to the Company's enquiries, TIO has advised the following:

- the document was not prepared by BBIG for external distribution. It was prepared for internal purposes only and some of the information in the document is preliminary, not verified, indicative only or out of date;
- future completion dates for certain activities in the document are current target dates only and are contingent on many factors outside TIO's control. As a result, they have the potential to change significantly;
- forecast financial information in the document about operating and capital costs, is a number of years old, unverified and based on various high level hypothetical assumptions;
- the nature of the document, including the circumstances in which it was prepared, means that the document should not be relied on.

Having carefully considered the document and information received from TIO, the Flinders' Directors are of the view that the document does not provide any information value to investors and should be disregarded. In particular, it should be disregarded by shareholders eligible to participate in the Entitlement Offer announced by the Company on 25 June 2018.

The Directors wish to make it clear that the Company does not have any existing commercial agreements in place with BBIG and any future negotiation with BBIG may or may not result in a commercial agreement to use BBIG infrastructure.

For further information please contact:

Shareholders
David McAdam
Executive Director
(08) 9389 4483

About Flinders Mines Limited

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