



## ASX ANNOUNCEMENT

26 November 2019

### Chairman's Address to Annual General Meeting

Good morning, ladies and gentlemen. My name is Neil Warburton. I am the Chairman of Flinders Mines Limited and I will Chair today's 2019 Annual General Meeting of Flinders Mines Limited.

This meeting has been convened in accordance with the Corporations Act and as a quorum of shareholders is present, I declare the meeting open.

On behalf of the Board of Directors, it is my pleasure to welcome you to the Meeting. We are delighted to have you all here today.

I would like to acknowledge and pay our respects to the traditional owners, past, present and future, on who's land we meet today. I am also pleased to advise that the Annual General Meeting today is being video recorded and will be posted on our website in due course.

I now wish to introduce my fellow directors, our Non-Executive Directors Cheryl Edwardes, Evan Davies, Michael Wolley and James Gurry.

Also present at today's meeting is our Chief Executive Officer, David McAdam, Chief Financial Officer Rebecca Broughton and a representative of the Company's auditors for the 2019 financial year, KPMG. Our Joint Company Secretary, Shannon Coates, is also in attendance.

As announced yesterday, Shannon Coates, has stepped down from her position as an independent Non-Executive director, and I wish to thank her for her substantial contribution as a Director of Flinders over the last 18 months.

I'd now like to make some comments about the past year, but in particular I'd like to focus on the past six months and the significant, positive progress on the development of our key asset, PIOP, in that time.

First and foremost, we have listened to minority shareholders. We have appointed two new independent non-executive directors in Cheryl Edwardes and James Gurry. Both of these Directors come with exceptional backgrounds and track records and, with their independence, they have been and will continue to be a strong voice for all shareholders.

In May this year, we established the PIOP Infrastructure Committee, chaired by Cheryl Edwardes, and comprised of Directors independent of the largest Company's shareholder. The Committee engaged PWC to look at all infrastructure options and the key finding of that review was that the BBIG proposal was the most favourable potential infrastructure pathway for a development of the PIOP. The Committee opened discussions with BBIG about a potential infrastructure solution for the PIOP.

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After substantial negotiations with BBIG, the Company then released details of a non-binding Terms Sheet which sets out the overarching framework of a potential farm-in and joint venture arrangement with BBIG. We undertook a roadshow to Brisbane, Sydney, Melbourne, Adelaide and Perth at that point to explain the proposed transaction to shareholders and seek their feedback.

The next step was the detailed negotiations to agree binding Transaction Documents. These agreements are taking longer than expected to conclude as we wanted to ensure we achieved the best possible deal for all Flinders shareholders. I can assure you the negotiations have been demanding and tough and we have taken on board feedback from minority shareholders.

At this point I would like to commend the work done by our CEO David McAdam, supported by the independent Directors, in driving and leading these negotiations on behalf of Flinders' shareholders.

The negotiations are nearing completion and we think the proposed deal will present an excellent outcome to shareholders and the best opportunity to see the PIOP finally developed and delivering value for all.

David's update will go into some "high level" detail about the transaction and the next steps, and there will be opportunities to ask questions then. Unfortunately, until the Transaction Documents are executed and announced to the market, we are unable to provide specific detail.

What is important to reiterate is that this potential transformational transaction requires shareholder approval and that our major shareholder, which is a related party to BBIG, will be excluded from that vote. This puts the decision on the development of the PIOP firmly in the hands of the minority shareholders.

Over the course of the next month, following completion of the negotiation of the Transaction Documents and the release of the Notice of Meeting, including the Independent Expert's Report, we will be engaging with minority shareholders to help explain the transaction with BBIG, including its potential benefits and risks. In advance of the shareholders meeting to consider the transaction, we also intend to host shareholder briefing sessions in all major capital cities and urge shareholders to attend so you can further understand the transaction and make a proper and informed decision.

Ladies and gentlemen, we are embarking on arguably the most exciting period in this Company's history. We have made real and genuine progress forward in the past six months and we look forward to continuing this journey with all our shareholders.

Thank you.

**Neil Warburton**  
**Non-Executive Chairman**

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