

28 October 2022

Quarterly Report

For the period ended 30 September 2022

HIGHLIGHTS

1. **The Company's Farm-In Agreement (FIA) with BBIG was terminated by BBIG in accordance with the terms of the FIA.**
2. **An associated termination payment of \$11.668 million was received from BBIG in October 2022.**
3. **Board skillset enhanced with Messrs Daniel Harris and Rob Foster appointed as Non-executive Directors of the Company.**

Pilbara Iron Ore Project (PIOP)

During the quarter ended 30 September 2022 and prior to the termination of the FIA, BBIH Pty Limited (**BBIH**), a wholly owned subsidiary of BBIG, continued to progress the development of the PIOP integrated project focusing on required rehabilitation projects.

Corporate

On 5 September 2022, the Company advised shareholders that the Company's FIA with BBIG had been terminated. The termination of the FIA by BBIG enables Flinders to pursue a more flexible and staged development of its PIOP as sole owner.

Preliminary discussions with third parties on a staged development of PIOP, which were initially enabled by the grant of a waiver by BBIG of various restrictions/agreements and were subsequently aided by the FIA termination, were progressed in the quarter, and continue to do so.

As previously stated, Flinders considers that a staged development of PIOP, encompassing a Stage One lower volume and near-term trucking operation, is the optimum strategy to commence operations on site and provide a near term cashflow.

BBIG remains important to Flinders as it continues to investigate the development of Stage Two of PIOP, a higher volume operation involving rail, road and/or port facilities. Discussions continue between Flinders and BBIG under the Non-Binding Indicative Offer (NBIO) on how Flinders might access BBIG's infrastructure solutions.

There is no guarantee that the Proposed Transaction or any transaction will eventuate from these discussions and negotiations.

Mr Daniel Harris was appointed as an independent Non-Executive Director on 8 August 2022, replacing Mr Neil Warburton who resigned effective 30 June 2022. Post the end of the quarter, Mr Rob Foster was appointed as a nominee Non-Executive Director of the Company's major shareholder, TIO (NZ) Limited, effective 6 October 2022. Mr Foster replaced Mr Evan Davies, who resigned from the Board on 11 April 2022. Biographies of Messrs Harris and Foster can be found in the announcements on 8 August 2022 and 6 October 2022, respectively.

Financial

As at 30 September 2022, the Company possessed \$2,232,000 in cash. Subsequent to the end of the September 2022 quarter, Flinders advised that in accordance with the provisions of the FIA between the Company and BBIG, the termination amount is \$11.668 million, of which \$9.045 million was received in October 2022, with the remaining \$2.624 million to be contributed to the rehabilitation program currently being progressed by BBIG under a Services Agreement dated 2 September 2022.

Further, the varied Loan Facility, as announced on 1 July 2022, with PIO Mines Pty Ltd, a subsidiary of the Company's major shareholder TIO (NZ) Limited, was repaid in October with the outstanding loan amount comprising \$1,261,291.71 principal and \$16,970.39 interest totalling \$1,278,262.10.

The Company's expenditure during the quarter was focused on negotiations on a Potential Transaction with BBIG and commercial negotiations with potential Phase One partners, and no substantive direct exploration activities were undertaken by the Company on Canegrass.

The Company notes that during the quarter, a total of \$97,000 was paid to related parties, including Directors and their associates. Non-executive Director fees paid to TIO (NZ) Limited for the quarter, the major shareholder of the Flinders Mines Limited, were \$13,000 for Director services provided by Mr Michael Wolley. Mr Wolley is no longer an employee of TIO (NZ) Limited, however remains as a nominee director of TIO (NZ) Limited. He was therefore paid \$4,000 directly for his services. The Company's independent Directors, Messrs Harris, Gurry and Ms Edwardes received a combined \$62,000, and \$18,000 was paid to Ms Jiang, a nominee of the Company's second largest shareholder, OCJ Investment (Australia) Pty Ltd.

Authorised by:
Board of Flinders Mines Limited

For further information please contact:

Investors and Shareholders

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About Flinders Mines Limited

Flinders Mines Limited is an ASX-listed (ASX: FMS) exploration and development company focused on the commercialisation of the Pilbara Iron Ore Project (PIOP). The PIOP is located approximately 70km from Tom Price in Western Australia's iron ore-rich Pilbara region.

Tenement Schedule

For the Quarter ending
30 September 2022

Tenement No.	Status	Tenement Name	Grant/ Application Date	Expiry Date	Area (Sq Km)	Registered Holder /Applicant	Interest	Related Agreement
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WESTERN AUSTRALIA

Canegrass Project

E58/232 ³	Granted	Boulder Well	29/07/2002	28/07/2022	16.1	Flinders Canegrass Pty Ltd	100%	
E58/236	Granted	Challa	22/03/2002	21/03/2023	12.7	Flinders Canegrass Pty Ltd	100%	
E58/282	Granted	HoneyPot	3/05/2007	2/05/2023	24.2	Flinders Canegrass Pty Ltd	100%	
E58/520 ⁴	Granted	Waramboo	14/09/2017	13/09/2022	3.1	Flinders Canegrass Pty Ltd	100%	
E58/5216 ⁴	Granted	Waramboo	14/09/2017	13/09/2022	15.1	Flinders Canegrass Pty Ltd	100%	
E58/522 ⁴	Granted	Waramboo	14/09/2017	13/09/2022	24.1	Flinders Canegrass Pty Ltd	100%	

Pilbara Iron Ore Project (PIOP)¹

R47/21 ²	Granted	Anvil	30/01/2020	29/01/2023	44.4	PIOP Mine Co NL	100%	Prenti Agreement
L47/728	Granted	PIOP Airstrip	29/05/2015	28/05/2036	3.0	PIOP Mine Co NL	100%	
L47/730	Granted	PIOP Village	29/05/2015	28/05/2036	0.1	PIOP Mine Co NL	100%	
L47/731	Granted	Northern Road	18/11/2019	17/11/2040	4.9	PIOP Mine Co NL	100%	
L47/734	Granted	Southern Road	29/05/2015	28/05/2036	4.2	PIOP Mine Co NL	100%	
M47/1451	Granted	Blacksmith ML	26/03/2012	25/03/2033	111.6	PIOP Mine Co NL	100%	Prenti Agreement

- Tenements related to the PIOP were transferred to PIOP Mine Co NL, along with the relevant regulatory approvals.
- E47/1560 was converted to a retention licence (R47/21) on 30/01/2020. R47/21 is not subject to any statutory minimum expenditure obligations which allows the Company to minimise activities and costs associated with the tenement.
- E58/232 Extension of Term (EOT) submitted pending approval.
- E58/520,521,522 Extension of Term (EOT) submitted pending approval.