

# **Flinders to acquire Balla Balla Infrastructure Project**

**18 January 2023**

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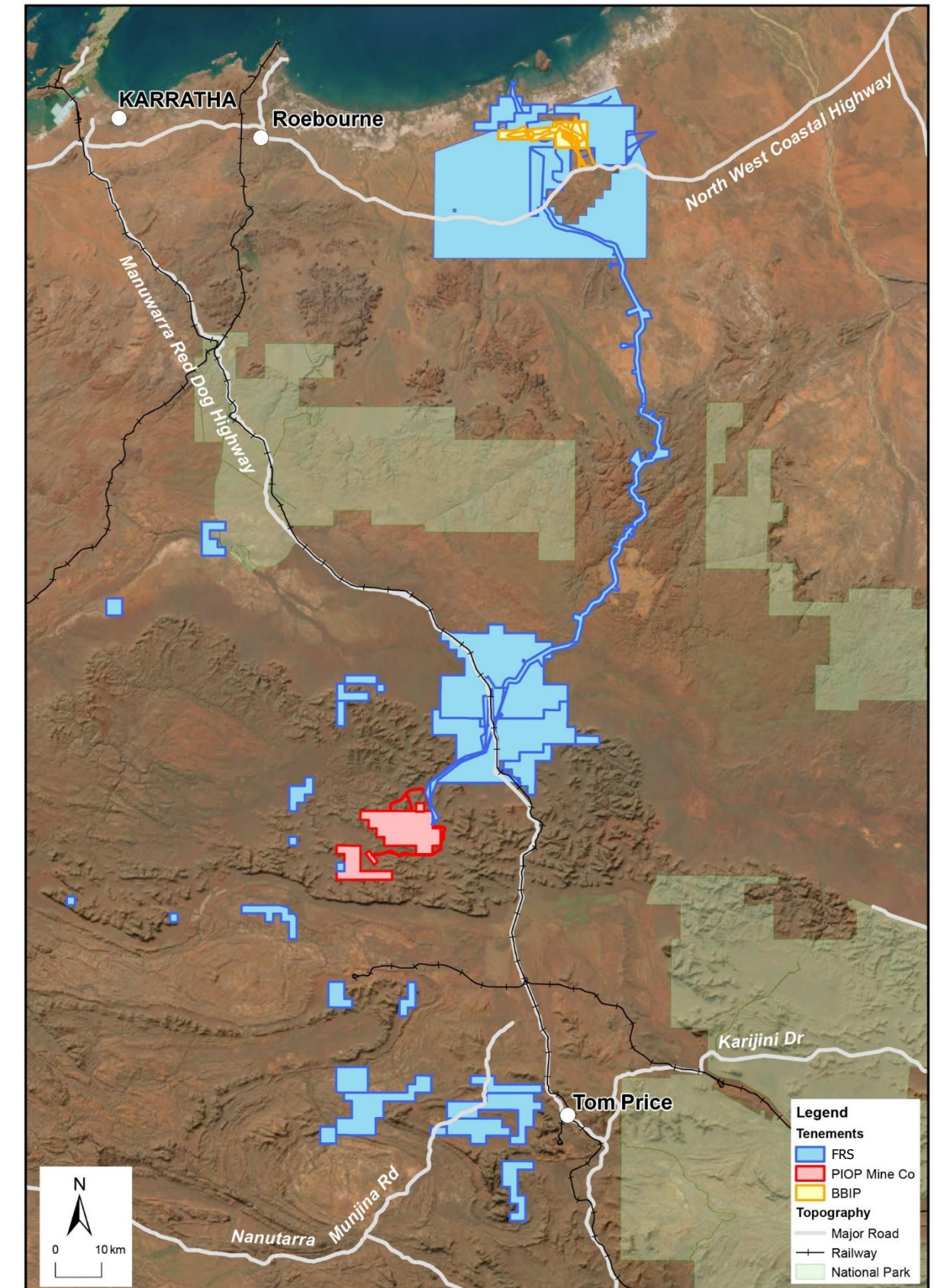
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*TIO (NZ) Limited ("TIO") is a majority shareholder in Flinders holding 59.46% of Flinders' shares on issue as at the date of the cover page. TIO owns approximately 94% of BBIG, and TIO is indirectly a wholly-owned subsidiary of Todd Group. TIO and BBIG are therefore related parties of Flinders for the purposes of the Corporations Act 2001 (Cth).*

# Balla Balla Infrastructure Project Acquisition

- Flinders has entered into binding agreements with BBIG in relation to the acquisition of Forge Resources Swan (FRS), the holder of various assets critical to the development of iron ore export infrastructure, including the Balla Balla Port
- Total consideration of \$3.3 million (Flinders held \$8.5 million in cash as at 31 December 2022)
- Proposed transaction provides Flinders shareholders with access to all of the BBIG agreements, licenses, permits, engineering and intellectual property
- Transaction in two stages with the potential acquisition of State Rail Agreement under stage two



# Steps to Completion

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## Stage One

1. FIRB approval for Flinders
2. Completion by BBIG of an internal restructure to give effect to the staged acquisition of the Infrastructure Project and BBIG's retention of assets held by FRS which do not form part of the Infrastructure Project. This internal restructure is conditional upon:
  - a) FIRB approval for BBIG
  - b) corporate reconstruction relief in respect of the transfer of assets held by FRS which do not form part of the Infrastructure Project to another BBIG subsidiary; and
  - c) consent from the Ngarluma Aboriginal Corporation in relation to the transfer of the assets held by FRS which are not part of the Infrastructure Project to the same BBIG subsidiary
3. Flinders estimates around 3 - 6 months for completion of Stage One

## Stage Two

1. Conditional upon the guarantors under the State Rail Agreement (which include various subsidiaries of Todd) being fully and finally released from their obligations as guarantors under that agreement, or upon Todd otherwise providing consent to the transfer of the shares in the Rail Entity to the Company
2. If the Proposed Transaction proceeds to Stage Two, Flinders can purchase all the shares in the Rail Entity for \$1

# Significant Acquisition Benefits

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- Gives Flinders substantially more flexibility in developing our flagship Pilbara Iron Ore Project to unlocking the latent value of the Project for its shareholders
- Removes the corporate difficulties both Flinders and BBIG have faced in the past, where the ownership of the proposed mine and proposed infrastructure were separated
- Flinders will have access to all the BBIG agreements, licenses, permits and intellectual property
- No ongoing royalties or other corporate structural hindrances to Flinders
- The agreement of no ongoing royalties includes the removal of a 5% sales royalty to BBIG originally proposed in 2020, which will enhance the commercial attractiveness of the PIOP

# PIOP Moving Forward

## Significant activity underway right now

Development options being assessed

- Assessing trucking options for accelerated path to market
- Reviewing a staged development of PIOP, encompassing a lower volume trucking operation, to commence operations and provide near-term cashflow

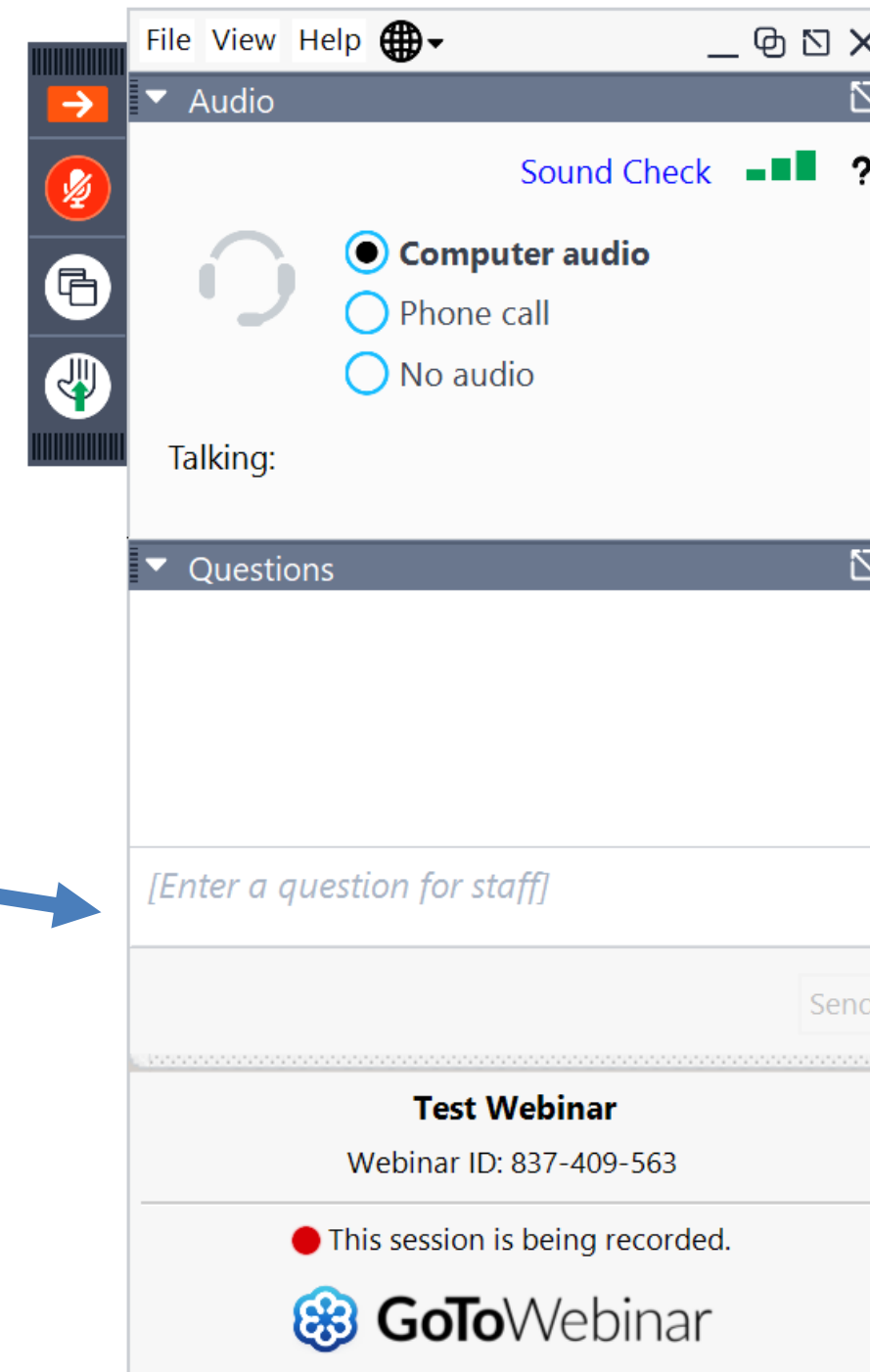
Stakeholder Re-engagement

- Moorditj Yorga Scholarship (Curtin University)
- Pilbara Universities Centre Sponsorship
- PIOP Rehabilitation
- Heritage Surveys – surveys conducted in 2022 ahead of PIOP rehabilitation and targeted surveys to commence in March 2023

# Q&A Session

## TEXT QUESTIONS

Type in your questions at any time in the question window on your GotoWebinar control panel and click “Send”



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THANK YOU

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