

28 April 2023

Quarterly Report

For the period ended 31 March 2023

HIGHLIGHTS

- **Agreements entered into with BBIG to acquire Forge Resources Swan Pty Ltd, the holder of various assets related to the potential development of export infrastructure for the PIOP**
- **Executive capacity strengthened with appointment of mining executive, Mr Steven Michael as Managing Director and CEO**

Flinders Mines Ltd (ASX:FMS) (**Flinders** or the **Company**) is pleased to provide the following activities report which summarise progress achieved during the quarter ended 31 March 2023 (**March Quarter**).

Pilbara Iron Ore Project (PIOP)

As announced on 17 January 2023, the Company entered into conditional agreements with BBI Group Pty Ltd (**BBIG**) to acquire 100% of the share capital in Forge Resources Swan Pty Ltd (**FRS**), via a two-stage process as summarised below:

1. **Stage One** – the Company will acquire FRS, which through its subsidiaries and controlled entities holds the majority of BBIG's assets related to the Infrastructure Project for purchase consideration of \$3.3 million. BBIG's subsidiaries which are parties to the Railway (BBI Rail Aus Pty Ltd) Agreement Act 2017 (WA) (**State Rail Agreement**) (**Rail Entity**) will be retained by BBIG as part of a corporate restructure prior to Stage One completion, with the effect that Flinders will not acquire the State Rail Agreement as part of Stage One ; and
2. **Stage Two** – subject to further preconditions being met, the Rail Entity will be transferred to the Company for further consideration of \$1.

During the March Quarter, the Company continued to progress with satisfying the various conditions precedent to Stage One, as set out in the ASX announcement released on 17 January 2023.

As previously foreshadowed, the Company continued to make significant progress on accelerated development options for the Pilbara Iron Ore Project (**PIOP**), including engaging geological, mining, project development, infrastructure, transport and logistics consultants to undertake a Scoping Study on a staged development of PIOP involving a lower volume trucking operation and publicly available road networks and third-party ports.

Site activities during the March Quarter focused on planning of cultural heritage and environmental surveys which are due to commence in the June quarter, including re-establishing the PIOP camp ahead.

Canegrass Project

The Company entered into a Farm-in Agreement (**Canegrass FIA**) with Viking Mines Limited (ASX: VKA) (**Viking**), for all minerals on the Canegrass tenements. On 5 January 2023, the Company confirmed that the necessary conditions precedent to the Canegrass FIA were now complete and Viking was commencing with Stage 1 earn-in.

During the March Quarter, Viking undertook an initial Reverse Circulation drill program, totalling 6 holes for 543 metres. Assay results from the initial drilling campaign are expected in the upcoming June quarter. In addition, Viking undertook a mapping and sampling program as part of its due diligence prior to commencing with the Stage 1 earn-in, with samples were collected from an >8km strike along the VTM horizon between the Kinks and Fold Nose Mineral Resource areas.

Viking have engaged experts to commence metallurgical testwork and undertake a geophysical survey in the upcoming June quarter.

Corporate

On 2 March 2023, the Company announced the appointment of Mr Steven Michael as Managing Director and Chief Executive Officer. Mr Michael has over 25 years' experience in the resources industry, in senior executive leadership roles with ASX listed mining and exploration companies and investment banking, corporate advisory and equities research positions with several global investment banks.

Most recently, Mr Michael was Managing Director of ASX-listed uranium company Vimy Resources Limited, which culminated in the successful \$658 million merger with Deep Yellow Limited, before subsequently serving as an Executive Director of Deep Yellow.

Financial

As at 31 March 2023, the Company held \$7.4 million in cash. No substantive direct exploration activities were undertaken by the Company on PIOP or Canegrass. The Company's main activities during the March Quarter centred around satisfying the conditions precedents to the FRS transaction, preparation ahead of cultural heritage and environmental surveys due to commence in the June quarter and engaging technical consultants to commence a Scoping Study on a staged development of PIOP.

The Company notes that during the December Quarter, a total of 161k 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 \$20.1k for Director services provided by Mr Rob Foster. Mr Wolley was paid \$27.1k directly for his services. The Company's independent Directors, Ms Cheryl Edwardes and Messrs Daniel Harris, James Gurry received a combined \$66.6k, and \$18.1k was paid to Ms Amy Jiang, a nominee director of the Company's second largest shareholder, OCJ Investment (Australia) Pty Ltd. In addition, communication fees of \$29.3k were paid to FTI Consulting (Australia) Pty Ltd a company that employs Ms Edwardes.

Conference Call

Flinders is holding a shareholder conference call on 4 May 2023, 11:30am AWST to discuss the March Quarterly Report. This call will be led by Mr Steven Michael, Managing Director and CEO. Shareholders can register for the conference call at the link below. Questions can be submitted ahead of the discussion to info@flindersmines.com.

Pre-Registration Link:

<https://register.gotowebinar.com/register/4554586611295647573>

Authorised by:

Board of Flinders Mines Limited

For further information please contact:

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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
31 March 2023

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

Pilbara Iron Ore Project (PIOP)¹

M47/1451	Granted	Blacksmith ML	26/03/2012	25/03/2033	111.6	PIOP Mine Co NL	100%
R47/21 ²	Granted	Anvil	30/01/2020	29/01/2028	44.4	PIOP Mine Co NL	100%
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%

- Tenements related to the PIOP were transferred to PIOP Mine Co Pty Ltd, along with the relevant regulatory approvals.

Canegrass Project

E58/232	Granted	Boulder Well	29/07/2002	28/07/2023	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 ³	Granted	Waramboo	14/09/2017	13/09/2027	3.1	Flinders Canegrass Pty Ltd	100%
E58/521 ³	Granted	Waramboo	14/09/2017	13/09/2027	15.1	Flinders Canegrass Pty Ltd	100%
E58/522 ³	Granted	Waramboo	14/09/2017	13/09/2027	24.1	Flinders Canegrass Pty Ltd	100%

- EOT submitted for E58/236.