

19 April 2022

# Quarterly Report

## For the period ended 31 March 2022

### HIGHLIGHTS

- **Discussions with BBIG on the non-binding indicative offer (NBIO) received in December 2020 to acquire the BBIG rail, port and marine infrastructure continued during the March 2022 quarter and remain ongoing.**

### Pilbara Iron Ore Project (PIOP)

During the quarter ended 31 March 2022, BBIH Pty Limited (**BBIH**), a wholly owned subsidiary of BBIG, as Manager of Flinders' flagship Pilbara Iron Ore Project (**PIOP**), continued to assess the development of the PIOP integrated project pursuant to the Farm-In Agreement (**FIA**) that was completed with BBIG in the September 2020 quarter.

BBIH planned rehabilitation activities are re-forecast to commence in July 2022, with the PIOP camp anticipated to be reinstated in May/June 2022 to support scheduled heritage work.

Key highlights during the March quarter:

- Care and maintenance inspection of the camp was completed in preparation for the planned rehabilitation work.
- Water monitoring of bores in Eagle and Delta completed.
- Road access condition assessment of the tracks on the Anvil tenement completed access to ~70% of tracks is possible to undertake any required rehabilitation work.

Key activities planned by BBIH for the next quarter include continued planning in support of WGAC scope for Heritage Surveys and continued planning in support of the 2022 Blacksmith rehabilitation programme.

### NBIO

In December 2020 the Company received a non-binding indicative offer (**NBIO**) from BBIG in relation to a potential ownership restructuring opportunity of the infrastructure associated with the PIOP integrated project (**Potential Transaction**), where the Potential Transaction would result in Flinders retaining 100% ownership of the PIOP as well as 100% of BBIG's port, marine and rail infrastructure assets, as an integrated project within one public corporate group (Flinders). Since that date, the independent Non-executive Directors, Messrs Neil Warburton, James Gurry and the Hon. Cheryl Edwardes AM (**Independent Directors**) and General Manager, Dr Andrew Whitehead, have continued to progress the Potential Transaction with BBIG, along with external advisors.

There is no guarantee that the Proposed Transaction or any transaction will eventuate from these discussions and negotiations, and if the Proposed Transaction or variations to the existing FIA framework does not eventuate, the existing FIA will remain in place.

### Canegrass

CSA Global was contracted to undertake a soil sampling and drill program during the March quarter.

The Canegrass project remains prospective for gold and vanadium mineralisation. Exploration activities during the quarter were focused on gold, and included soil sampling and reverse circulation percussion (RCP) drilling targeting structural trends interpreted to be associated to the Honey Pot prospect, located on E58/282-I. Soil sampling was completed on exploration licence E58/521-I and RC drilling (23 drill holes, 1,000m) across the remainder of the licences (E58/232-I, E58/236-I, E58/282-I, E58/520 and E58/522-I).

The work programme is summarised below:

E58/521-I: 36 soil samples collected. No anomalous results were returned.  
E58/232-I: 3 drill holes, 200m  
E58/236-I: 2 drill holes, 80m  
E58/282-I: 4 drill holes, 160m  
E58/520-I: 10 drill holes, 400m  
E58/522-I: 4 drill holes, 160m

Drill assay results are pending at the date of this announcement.

## **Financial**

As at 31 March 2022, the Company had \$5,210,325 in cash. The Company has an unsecured fully drawn loan with a principal amount of \$3.0m with PIO Mines Pty Ltd, a related entity to its major shareholder TIO (NZ) Limited, due to be repaid on or before 30 June 2022.

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

The Company notes that during the quarter, a total of \$122k was paid to related parties, including Directors and their associates. Of this, \$35k in Non-executive Director fees was paid to TIO for Director services provided by Messrs Michael Wolley and Evan Davies, \$70k was paid to the Company's independent Directors, Messrs Warburton, Gurry and Ms Edwardes and \$17k was paid to Ms Jiang, a nominee of the Company's second largest shareholder, OCJ Investment (Australia) Pty Ltd.

## **Corporate**

The Company lodged its Half Year Financial Report on 14 March 2022.

Post the March quarter end, Mr Evan Davies resigned as a director of the Company. The Board wishes to thank Evan and acknowledge his contribution to the Company and wish him all the best in his future endeavours.

Further, on 7 April 2022, the Company provided an update to Shareholders on the Railway (BBI Rail Aus Pty Ltd) Agreement Act 2017 (**State Agreement**), advising that BBI Group Pty Ltd (**BBIG**) had notified the Company that it has received, pursuant to clause 28 of the State Agreement, an 18-month extension from 31 March 2022 until 30 September 2023 for the submission of detailed proposals under clause 11(1) of the State Agreement from the West Australian Government.

Authorised by:  
Board of Flinders Mines Limited

For further information please contact:

## **Investors and Shareholders**

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## **Media**

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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.

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**Tenement Schedule**  
For the Quarter ending  
31 March 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	Granted	Boulder Well	29/07/2002	28/07/2022	16.1	Flinders Canegrass Pty Ltd	100%	
E58/236 <sup>3</sup>	Granted	Challa	22/03/2002	21/03/2022	12.7	Flinders Canegrass Pty Ltd	100%	
E58/282	Granted	HoneyPot	3/05/2007	2/05/2022	24.2	Flinders Canegrass Pty Ltd	100%	
E58/520	Granted	Waramboo	14/09/2017	13/09/2022	3.1	Flinders Canegrass Pty Ltd	100%	
E58/521	Granted	Waramboo	14/09/2017	13/09/2022	15.1	Flinders Canegrass Pty Ltd	100%	
E58/522	Granted	Waramboo	14/09/2017	13/09/2022	24.1	Flinders Canegrass Pty Ltd	100%	

### Pilbara Iron Ore Project (PIOP)<sup>1</sup>

R47/21 <sup>2</sup>	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.
- E58/236 Extension of Term (EOT) submitted pending approval.