



## ASX ANNOUNCEMENT

10 December 2018

### Balla Balla Infrastructure Project Update

Flinders Mines Limited (**Flinders** or the **Company**) has been advised by BBI Group Pty Ltd (**BBIG**) of certain updates in respect of its iron ore infrastructure development for the central Pilbara, the Balla Balla Infrastructure Project (**BBIG Project**).

The BBIG Project represents a potential transportation infrastructure solution for the Company's Pilbara Iron Ore Project (**PIOP**). The Company does not have any existing commercial agreements in place with BBIG – while there have been some discussions in the past between the Company and BBIG, there are no proposals in relation to the solution at this time and the Company is not proposing to engage in further discussions until other aspects of the PIOP are better understood (as described in the Company's last quarterly report released on 26 October 2018). Nonetheless, consistent with prior practice, the Board will update shareholders when it becomes aware of developments in relation to the BBIG Project. Todd Corporation, which through its subsidiary TIO (NZ) Limited holds approximately 55.6% of the fully paid ordinary shares of Flinders, is the majority shareholder in BBIG.

The Company has been provided with the information below:

1. As previously advised to shareholders, BBI Rail Aus Pty Ltd, a wholly owned subsidiary of BBIG, had signed a State Agreement with the Western Australian government for the BBIG Project. BBIG has received an extension for the performance of certain obligations, including to submit various proposals, under the Railway (BBI Rail Aus Pty Ltd) Agreement Act 2017 (**State Agreement**) from 31 March 2019 to 30 September 2020.
2. BBIG has entered into conditional non-binding offtake contracts with several China based counter-parties for the sale of up to 40Mtpa of iron ore. BBIG has advised that these contracts are highly conditional, do not represent a legally binding commitment on either party and that there can be no assurance that any of these contracts will result in unconditional legally binding agreements.
3. Following a drilling program over BBIG's Hay Stack Flats tenements, BBIG has advised that these tenements are unlikely to have sufficient tonnage to justify a standalone development.

For more information relating to the State Agreement, see previous ASX announcements from the Company dated 25 January 2017 and 12 December 2017.

For further information please contact:

#### 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 commercialization of its high quality hematite resource, the Pilbara Iron Ore Project (PIOP).