



ASX ANNOUNCEMENT

9 June 2021

PIOP Feasibility Study Update - Shortfall Advance

Flinders Mines Limited (ASX: FMS) (**Flinders** or the **Company**) provides an update on the feasibility study being undertaken on the flagship Pilbara Iron Ore Project (PIOP) by BBI Group Pty Ltd.

BBIG has advised that it expects that there will be a shortfall in project expenditure for the first year (ending 2 September 2021) under the terms of Farm-In Agreement (FIA) that requires BBIG to procure a minimum annual spend on the feasibility study of \$15 million. Under the FIA, if BBIG does not procure this minimum spend in any year, it must contribute the difference to PIOP Mine Co NL, which is then required to be escrowed and distributed to Flinders.

BBIG has agreed to contribute \$2,000,000 of the predicted shortfall amount to PIOP Mine Co NL as a "Shortfall Advance" in part satisfaction of BBIG's obligations. PIOP Mine Co NL will pay the amount to Flinders by way of a selective capital reduction.

If the Shortfall Amount for this first year turns out to be less than the Shortfall Advance, then the difference will be rolled over to reduce the Feasibility Spend requirement for the following year.

The Shortfall Advance of \$2,000,000 received by Flinders will be used for working capital purposes.

Authorised by:
The Board of Flinders Mines Limited

Investors and Shareholders
Andrew Whitehead
General Manager – AWhitehead@flindersmines.com

Media
Michael Weir
Citadel-MAGNUS - 0402 347 032