

1 September 2011

Pilbara Project Strategic Review – Appointment of Citi Global Banking

Flinders Mines Limited (“**Flinders**” or the “**Company**”) has engaged the Global Banking division of Citi (“**Citi**”) to undertake an in-depth review of the strategic options open to the Company in finalising its future partners for the Company’s Pilbara Iron Ore Project (“**PIOP**”) in Western Australia.

The Company is one of the last remaining independent iron ore developers in the Pilbara with a well progressed world-class, large-scale, hematite development at its PIOP.

As a result of Flinders’ ongoing development planning for the PIOP, the Company has been engaged in discussions with a number of parties looking to partner with Flinders.

On the basis of the strong levels of interest resulting from these incomplete and non-binding discussions, Flinders has engaged Citi with the objective of maximising value for all of the Company’s shareholders by assessing those expressions of interest from third parties, as well as reviewing other value enhancing business strategies on behalf of the Flinders’ Board.

Flinders will keep shareholders informed of progress with this review.



MR GARY SUTHERLAND
MANAGING DIRECTOR

1 September 2011

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