

11 April 2012

The Manager
Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

FLINDERS MINES LIMITED (FMS)

Flinders Mines Limited ("Flinders") provides shareholders with an update relating to its Scheme Implementation Agreement ("SIA") with Magnitogorsk Iron and Steel Works OJSC ("MMK") dated 25 November 2011.

Regarding the injunction granted by the Arbitration Court of Chelyabinsk Region, Russian Federation, in relation to the MMK and Flinders scheme of arrangement, MMK has informed Flinders that:

1. On Friday 6 April 2012 MMK lodged a motion with the Arbitration Court of Chelyabinsk Region (Russian Federation) seeking the discharge of the injunction. That motion will most likely be heard no later than April 13, 2012;
2. As a consequence of the injunction MMK has postponed its decision in relation to the execution of a loan facility agreement proposed to complete the scheme of arrangement.

Flinders will continue to keep its shareholders informed regarding these developments and requests a lift of the trading halt in the Company's securities.

A handwritten signature in black ink, appearing to read "Gary Sutherland".

Gary Sutherland
Managing Director