
Company Update

20 November 2020

Disclaimer

This presentation includes information which summarises the terms of binding agreements that Flinders Mines Ltd ("Flinders" or "Company") has entered into with BBI Group Pty Ltd ("BBIG") in relation to an incorporated joint venture for the Pilbara Iron Ore Project ("Transaction Documents").

This presentation is authorised by the Board of Flinders Mines Limited and is current as at the date of the cover page. The information in this presentation remains subject to change. The Company is under no obligation to update the presentation and the information in this presentation remains subject to change by the Company in its absolute discretion and without notice. To the maximum extent permitted by law, the Company and its advisers make no representation and give no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omissions, from any information, statement or opinion contained in the presentation.

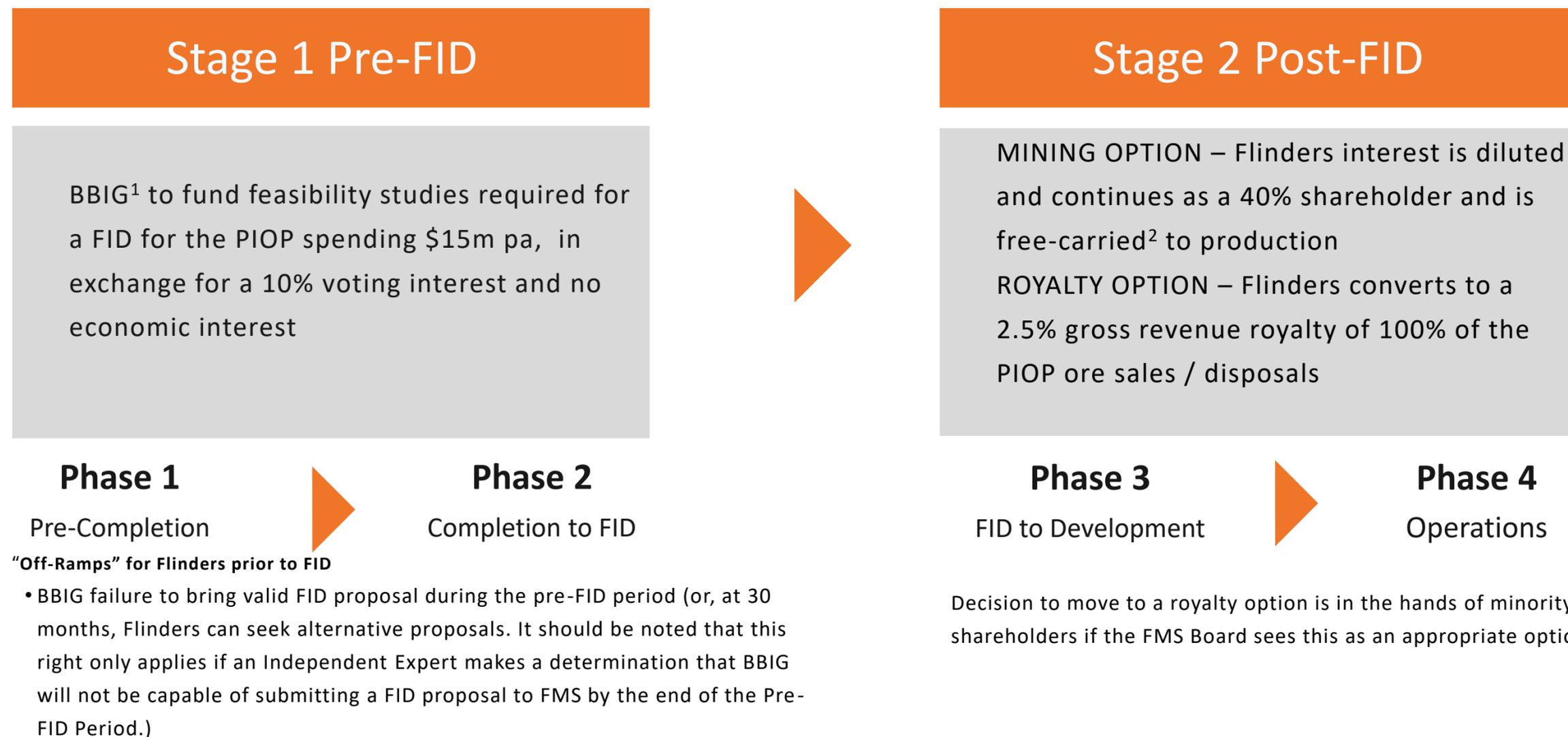
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Nothing contained in this presentation constitutes investment, legal, tax or other advice.

TIO (NZ) Limited ("TIO") is a majority shareholder in Flinders holding 59.46% of Flinders' shares on issue as at the date of the cover page. TIO owns approximately 94% of BBIG, and TIO is indirectly a wholly-owned subsidiary of Todd Group. TIO and BBIG are therefore related parties of Flinders for the purposes of the Corporations Act 2001 (Cth).

Transaction recap

- Binding agreements with BBIG executed on 3 September 2020
- Formation of the incorporated joint venture PIOP Mine Co following all conditions precedent being completed or waived
- PIOP Mine Co joint venture met on 21st September 2020



Notes

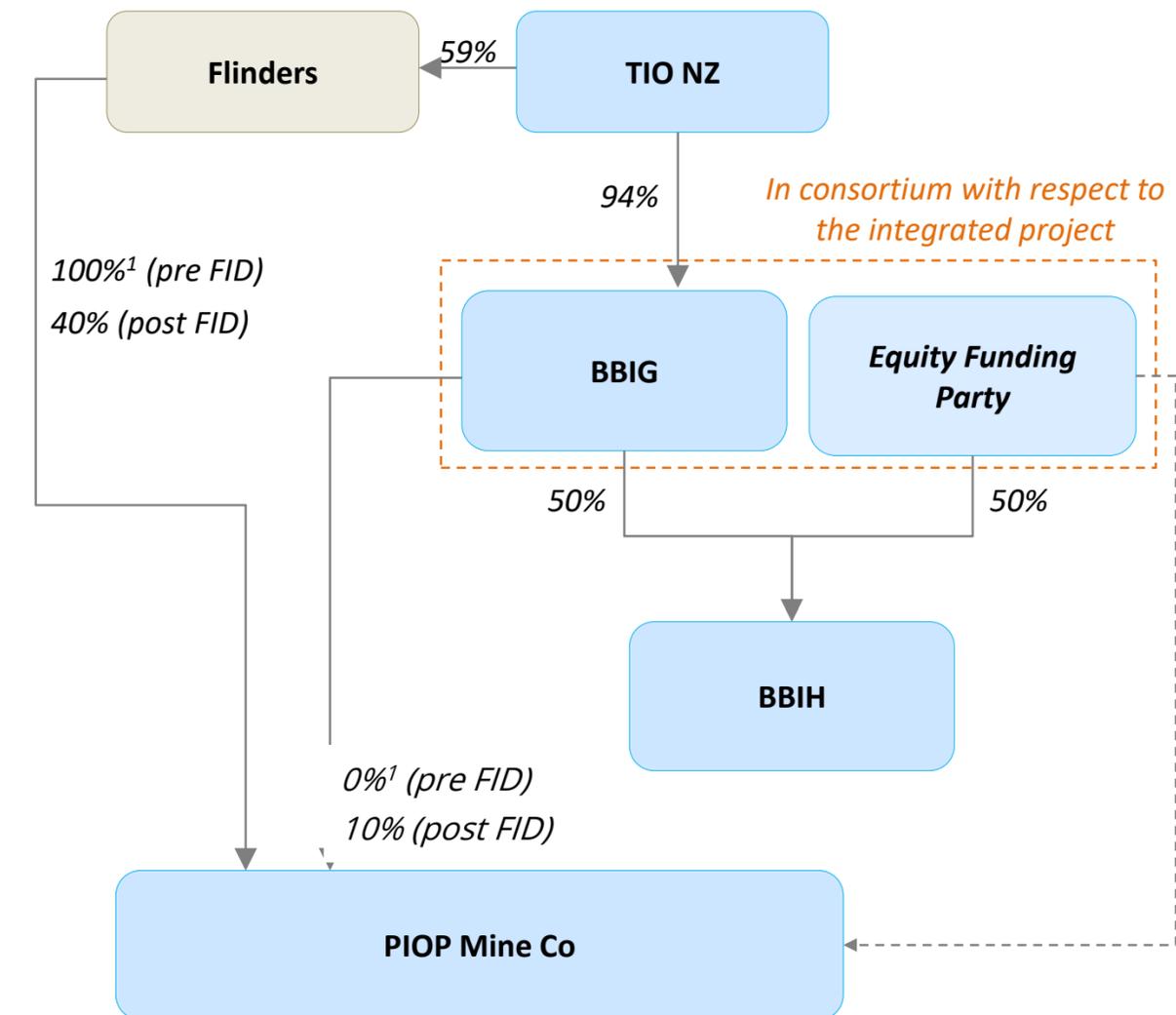
1 Or an entity controlled by it

2 Subject to pro rata responsibility for capital cost overruns above, in some circumstances, an appropriate contingency during construction and costs associated with provision of any required completion security.

PIOP control recap

Flinders retains 100% of the economic interest in PIOP Mine CO (pre-FID)

- BBIG receives no economic interest in PIOP Mine Co until it delivers an FID proposal that meets specific criteria
- If BBIG does not meet the FID² criteria and demonstrate a viable project within the pre-FID period, Flinders will retain 100% of PIOP
- 50% of PIOP Mine Co will only be issued to the Equity Funding Party in exchange for funding 100% of the equity development costs – a financing transaction, not a sale
- Equity Funding Party is potentially a consortium of Chinese partners – but it is possible under the Transaction Documents that the Equity Funding Party is BBIG



Notes

1. Flinders will have 100% economic interest and 90% voting interest in PIOP Mine Co pre-FID; BBIG will have 0% economic interest and 10% voting interest in PIOP Mine Co pre-FID
2. FID = Final Investment Decision

0% (pre FID)
50% (post FID)

BBIH appointed as Manager of PIOP

- With the Transaction completed, BBIH Pty Limited (BBIH), a wholly owned subsidiary of BBIG was appointed as Manager of PIOP
- BBIH carried out a range of activities in September 2020 quarter advancing the PIOP Feasibility Study including:
 - maturing the development of a preferred mine plan.
 - lab based metallurgical test work to better determine ore product specification.
 - planning for a larger field based metallurgical test work program .
 - assessing the optimum location and layout of the ore processing facility.
 - updating safety management framework, plans and procedures ahead of re-commencing field activities.
- Flinders continues to work with BBIH to progress PIOP within the PIOP Mine Co joint venture.



Challenges and risks remain for PIOP

- Since shareholders supported the Farm-in Agreement (FIA) at the Extraordinary General Meeting in March 2020, Australia's economy along with its major trading partner China and the rest of the world's economies have been impacted by the COVID – 19 pandemic.
- The investment environment for Chinese companies in Australia has become challenging. This is a particular issue and a risk for the PIOP as it was proposed that the primary investor and funding post-FID would be from a syndicate of Chinese investors including important Chinese State Owned Enterprises (SOEs).
- Under the FIA BBIG/H have 4 years to reach FID with the option for extension of 12 months for circumstances beyond the control of BBIG/H.



Canegrass Project

To meet minimum expenditure requirements, a soil and rock chip sampling program and drill program were developed by CSA Global.

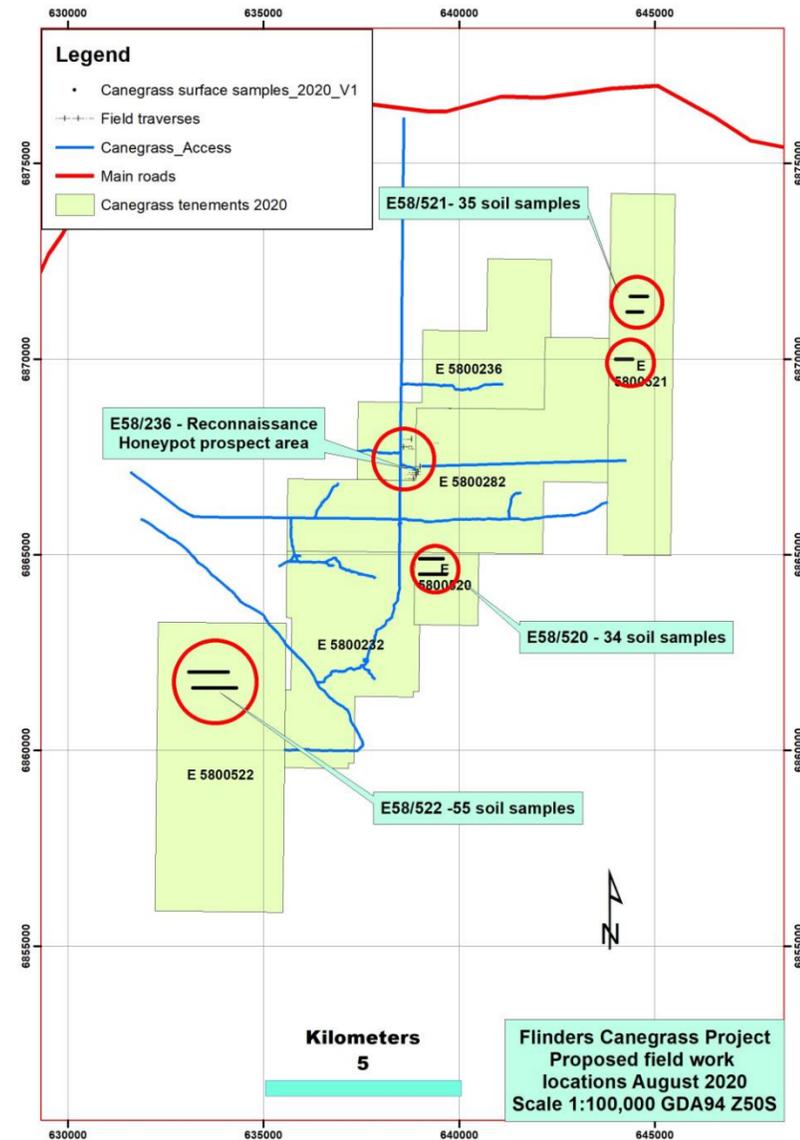
- CSA Global undertook soil sampling programs within the tenements E58/520 and E58/522 (89 samples), targeting potential gold bearing structural trends.
- The soil sampling within E58/521 (35 samples) was designed to test for possible platinum group metals (PGM).
- 10 rock chip samples were taken across E58/236 targeting gold.

These results are currently being reviewed to determine next steps.

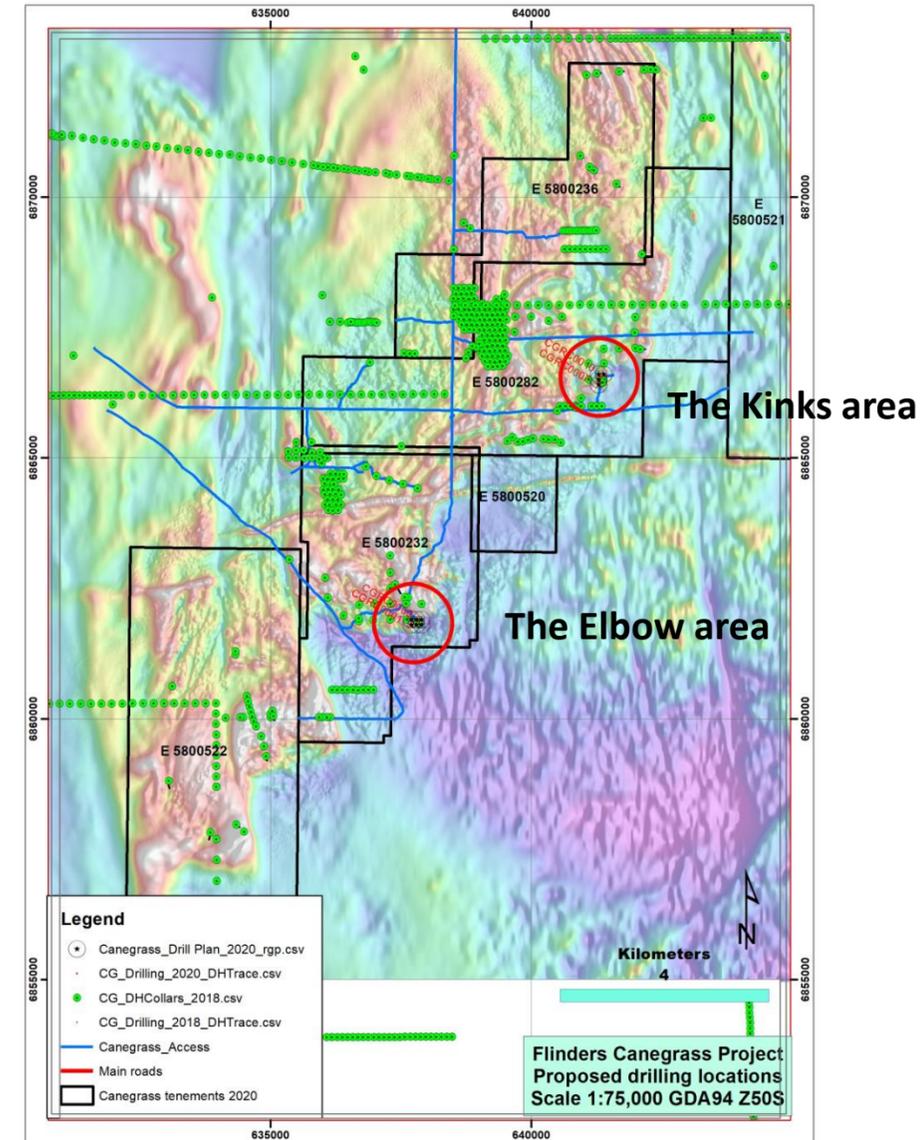
- A Reverse Circulation Percussion (RCP) drill program was also designed by CSA Global across E58/232 and E58/282 to improve the definition of the higher-grade vanadium zones.
 - Elbow area – 6 drill holes for 412m
 - Kinks area – 4 drill holes for 420m

This program was completed in October 2020 with drill results still pending.

Canegrass Project Maps



Location of soil and rock sampling



Location of VTM RCP drilling

Thank you

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