

1 July 2022

Variation to Loan Facility

Flinders Mines Limited (ASX:FMS) (**Flinders** or the **Company**) advises that it has varied the Loan Facility with PIO Mines Pty Ltd, a subsidiary of the Company's major shareholder TIO (NZ) Limited, which is currently fully drawn to \$3,000,000 and which was due for repayment on 30 June 2022 .

Pursuant to the variation, Flinders has made a partial repayment of \$2,000,000 (comprising principal of \$1,738,708.29 and interest of \$261,291.71) of the outstanding amount, with the remaining \$1,261,291.71 in principal, plus interest capitalising quarterly at a bank bill swap mid-rate plus 2%, to be repaid on the earlier of: (1) 31 December 2022; (2) any shortfall or withdrawal payment from BBI Group Pty Ltd (**BBIG**) under the provisions of the PIOP Farm-In Agreement (**FIA**).

Under the provisions of the FIA between Flinders, BBIG and PIOP Mine Co NL (**PIOP**) dated 27 November 2019 and completed on 3 September 2020, BBIG is required to procure an annual feasibility spend of no less than \$15 million. Under the FIA, if BBIG does not procure this minimum spend in any year, it must contribute the difference to PIOP, which is then required to be escrowed and distributed to the Company.

At 31 March 2022, Flinders possessed cash and cash equivalents of \$5.3 million (see ASX announcement 19 April 2022).

Authorised by:

Board of Flinders Mines Limited

For further information please contact:

Investors and Shareholders

Andrew Whitehead

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About Flinders Mines Limited

Flinders Mines Limited is an ASX-listed (ASX: FMS) exploration and development company focused on the commercialisation of the Pilbara Iron Ore Project (PIOP). The PIOP is located approximately 70km from Tom Price in Western Australia's iron ore-rich Pilbara region.

