

7 October 2016

## Flinders to undertake a 1:10 Non-renounceable Entitlement Offer to raise A\$5M

Flinders Mines Limited (ASX: FMS) (**Flinders**) is pleased to announce a non-renounceable entitlement offer (**Entitlement Offer** or **Offer**) at A\$0.017 (1.7 cents) per share to raise approximately A\$5 million.

The Entitlement Offer will be an offer of approximately 295 million new fully paid ordinary shares in the Company (**New Shares**) on the basis of 1 New Share for every 10 existing shares held by eligible shareholders on the Record Date (**Entitlement**). The offer price is a discount of approximately 32% to the 30-day volume weighted average price of Flinders shares on the ASX for the period ending 30 September 2016.

Only holders of shares in the Company with a registered address in Australia or New Zealand as at 7.00 pm (AEST) on Wednesday, 12 October 2016 will be eligible to participate in the Entitlement Offer.

The Offer Booklet will be lodged with the ASX on 7 October 2016 and will be sent to eligible shareholders together with a personalised Entitlement and Acceptance Form on 17 October 2016. The Entitlement Offer is not underwritten. There is no shortfall facility as part of the Offer. Neither eligible shareholders nor any other parties may apply for shortfall shares.

### Use of Proceeds

The Company will use the funds raised under the Entitlement Offer to:

- repay the loan (including interest) from PIO Mines Pty Ltd (a subsidiary of TIO (NZ) Limited);
- meet minimum tenement expenditure commitments for PIOP for the next 12 months;
- meet the cost of the reviews proposed by TIO in sections 7.3(d), (e), and (f) of the Original Bidder's Statement dated 17 March 2016 (if implemented); and
- provide working capital to the Company.

## Indicative Timetable

The proposed timetable for the Entitlement Offer is set out in Table 1. All dates are indicative only and the Company reserves the right to vary them (subject to the Corporations Act and the ASX Listing Rules).

**Table 1**      *Indicative Timetable\**

1.	ASX Announcement of Entitlement Offer	Friday, 7 October 2016
2.	Entitlement Offer Record Date	Wednesday, 12 October 2016
3.	Entitlement Offer Opens and Offer Booklet dispatched	Monday, 17 October 2016
4.	Entitlement Offer Closes	Friday, 4 November 2016
5.	ASX Notified of under subscriptions	Wednesday, 9 November 2016
6.	Issue date for New Shares	Friday, 11 November 2016
7.	Trading of New Shares commences	Monday, 14 November 2016

**\*IMPORTANT NOTE:** The indicative timetable above is subject to change without notice. Flinders reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws.



**ROBERT KENNEDY**  
**CHAIRMAN**