



9 November 2016

ENTITLEMENT OFFER SHORTFALL NOTICE

Flinders Mines Limited (ASX:FMS) (**Flinders**) confirms that the 1 for 10 non-renounceable entitlement offer (**Entitlement Offer** or **Offer**) announced on 7 October 2016 closed at 5:00 pm Adelaide time on Friday, 4 November 2016. The Entitlement Offer offered up to 294,264,081 New Shares to eligible shareholders at an issue price of \$0.017 per New Share to raise approximately A\$5 million.

Flinders advises that it has received valid applications for a total of 246,175,757 New Shares raising \$4,184,989 (before issue costs).

As there is no shortfall facility as part of the Offer, there will be no allocation or placement of the 48,088,324 New Shares not taken up by shareholders.

The issue of New Shares under the Entitlement Offer will occur on Friday, 11 November 2016 and ASX trading of the New Shares is expected to commence on Monday, 14 November 2016.

The Flinders Board would like to express their thanks to the participants in the capital raising, particularly major shareholders TIO (NZ) Limited and OCJ Investment (Australia) Pty Ltd.

A handwritten signature in blue ink, appearing to read 'Robert Kennedy', with a large loop at the end.

Robert Kennedy
Chairman