



25 May 2009

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

ASX Announcement SHARE PURCHASE PLAN

On 18 May 2009 Flinders Mines Limited ("Flinders" or "Company") announced that it had successfully completed a \$5.0 million placement ("Placement") to sophisticated and professional investors to provide funds for an accelerated resource delineation drilling program at the Company's Hamersley iron ore project in the Pilbara Region of Western Australia. A total of 94.34 million fully paid ordinary shares in the Company were placed at an issue price of 5.3 cents per share raising \$5 million before costs. Support from these sophisticated investors was very strong with the placement oversubscribed.

The placement was managed by Bell Potter Securities Limited with Adelaide Equity Partners acting as corporate advisers to Flinders.

As advised on 18 May 2009, shareholders will be given the opportunity to subscribe for shares via a Share Purchase Plan ("SPP") which will raise up to \$5 million.

Under the SPP, eligible shareholders on the Register at the close of business on the Record Date will have the opportunity to purchase either \$5,000 or \$2,000 worth of fully paid ordinary shares ("SPP Shares") in Flinders at a discount to the market price and without brokerage costs. All shares issued under the SPP will rank equally with existing ordinary shares.

The net proceeds from the Placement and Share Purchase Plan will be used to accelerate the resource delineation drilling on the Hamersley Project in order to advance the project to Indicated Resource category under the JORC Code. A portion of the funds raised will also be utilised to progress the Hamersley Project pre-feasibility study and for working capital.

Eligible shareholders will be offered SPP Shares for subscription at 5.3 cents per share which represents a discount of approximately 9% from the volume weighted average closing market price traded on ASX over the five business days immediately prior to today's announcement.

Shareholders with a registered address in Australia and New Zealand on 3 June 2009 ("Record Date") will be eligible to participate in the SPP.

The offer is non-renounceable and will open on 9 June 2009. Applications close on 26 June 2009, however, the Directors

reserve the right to close the SPP early. Applications will be accepted on a first come, first accepted basis or scaled back on a pro-rata basis as the Directors decide.

Participation in the SPP is optional. The Directors of Flinders intend to subscribe for shares under the SPP in respect of their own shareholding.

Pursuant to ASX Listing Rule 7.2, the SPP will not require shareholder approval. The maximum number of shares that will be issued under the SPP is 94,339,622.

Key Dates for Share Purchase Plan

Date	Event	Details
3 June 2009	Record date	The date Flinders will determine Eligible Shareholders able to participate in the SPP.
9 June 2009	Opening date	The date the SPP opens for subscriptions.
26 June 2009	Closing date	The date that SPP subscriptions close (all applications must be received by Flinders' share registrar by 5.00pm Adelaide time).
3 July 2009	Issue date	The date shares subscribed under the SPP will be issued by Flinders.
10 July 2009	Anticipated quotation date	The date that shares issued under the SPP are expected to commence quotation on ASX.

Further details of the offer together with a personalised SPP application form will be sent to all eligible shareholders on 9 June 2009.

Dr Kevin Wills
MANAGING DIRECTOR

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