



29 October 2010

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

Dear Sir/Madam

**Notice of Annual General Meeting and Proxy Form**

Please find attached for release to the market the 2010 Notice of Annual General Meeting and Proxy Form for Flinders Mines Limited (ASX: FMS).

The Notice of Annual General Meeting and personalised Proxy Form have been sent to all shareholders.

The 2010 Annual Report will also be sent by post to those shareholders who have previously elected to receive a hard copy Annual Report.

An electronic copy of the 2010 Annual Report is available on the Company's website at:  
[www.flindersmines.com/corporate/reports/2010/fms\\_ar2010.pdf](http://www.flindersmines.com/corporate/reports/2010/fms_ar2010.pdf).

Yours faithfully

D W Godfrey  
Company Secretary



Flinders Mines Limited  
ABN 46 091 118 044

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Shareholders of Flinders Mines Limited (the Company) will be convened at 10.00 a.m. on Tuesday, 30 November 2010, at Enterprise House, 136 Greenhill Road, Unley South Australia, to consider, and if thought fit, to pass the following resolutions.

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

If you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form. The completed Proxy Form must be received by the Company at least 48 hours before the commencement of the meeting.

## Agenda

### ORDINARY BUSINESS

#### Financial Report

To receive and consider the Company's financial statements and reports of the directors and the independent auditor for the year ended 30 June 2010.

The Annual Report incorporating the financial statements is available at <http://flindersmines.com/reports.html>

#### RESOLUTION 1 – Adoption of the Remuneration Report

To consider and, put the following resolution to a non-binding vote:

“That the Remuneration Report required by section 300A of the Corporations Act 2001, as contained in the Company's Directors' Report for the year ended 30 June 2010 be adopted.”

Note: the vote on this resolution is advisory only and does not bind the directors.

#### RESOLUTION 2 – Re-election of Mr Ewan Vickery as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr E J Vickery, being a Director of the Company who retires by rotation in accordance with the Company's Constitution, and being eligible, is re-elected as a Director of the Company.”

#### RESOLUTION 3 – Election of Mr John Cooper

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr J D Cooper, having been appointed by the Directors to a casual vacancy during the year, retires in accordance with the Company's Constitution, and being eligible, is elected as a Director of the Company.”

#### RESOLUTION 4 – Approve an Incentive Rights Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, approval be given for the purpose of ASX Listing Rule 7.2 and for all other purposes, to issues of securities under the Incentive Rights Plan summarised in the explanatory memorandum accompanying the notice convening this meeting.”

Dated this 27th day of October, 2010.

BY ORDER OF THE BOARD

**David Godfrey**  
Company Secretary

## NOTES

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. In accordance with Regulation 7.11.37 of the Corporations Regulations, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 10 a.m. on 28 November 2010.
3. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the proxy instructions on that form.
4. Terms used in this Notice have the meanings set out in the Explanatory Statement.
5. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## CUSTODIAN VOTING

For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

## Explanatory Statement

This Explanatory Statement accompanies and forms part of the Notice of Annual General Meeting dated 27 October 2010 (Notice) and has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of the Company. Amongst other things, this Explanatory Statement provides Shareholders with the information required to be provided to Shareholders by the Corporations Act 2001 and the Listing Rules of the ASX (ASX Listing Rules).

The Explanatory Statement sets out an explanation of each of the resolutions to be put to Shareholders. Shareholders should read this Explanatory Statement carefully before determining how to vote in respect of the resolutions.

### Annual Financial Reports and Accounts for the year ended 30 June 2010

The first item of the Notice is to receive and consider the annual financial reports and accounts of the Company for the year ended 30 June 2010, comprising the Financial Statements and Notes together with the Directors' Report and the Auditor's Report. No resolution is required in respect of this agenda item. However, it provides Shareholders with the opportunity to ask questions of the Company's management and auditors in relation to the Company's results and operations for that financial year.

### **RESOLUTION 1 – Remuneration Report**

In accordance with section 250R(2) of the Corporations Act the Company is required to present to the Shareholders the Remuneration Report for the year ended 30 June 2010. The vote on the resolution is advisory only and does not bind the Directors of the Company. The remuneration report is set out in the Directors' Report in the Company's 2010 Annual Report.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to Directors of the Company, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

### **RESOLUTION 2 - Election of Director**

Under the Company's constitution and the ASX Listing Rules, one third of the Directors must retire at the annual general meeting. The director will be eligible for re-election. The director required to retire under the above framework is Mr Ewan J Vickery. Mr Vickery has indicated that he will offer himself for re-election.

In accordance with the Company's Constitution, Mr Vickery retires and being eligible, has offered himself for re-election. The remaining Directors recommend to Shareholders that Mr Vickery be re-elected as a director.

### **RESOLUTION 3 – Election of Director**

Under the Company's constitution and the ASX Listing Rules, Directors appointed to casual vacancies during the year must retire at the next annual general meeting. The directors will be eligible for re-election. The director required to retire under the above framework is Mr John Cooper. Mr Cooper has indicated that he will offer himself for election.

In accordance with the Company's Constitution, Mr Cooper retires and being eligible, has offered himself for election. The remaining Directors recommend to Shareholders that Mr Cooper be elected as a director.

### **RESOLUTION 4 – Approval of an Incentive Rights Plan**

ASX Listing Rule 7.1 prohibits the company from issuing, or agreeing to issue, equity securities in any 12 month period which amount to more than 15% of its ordinary securities on issue at the start of that 12 month period. An exception to this rule exists under Listing Rule 7.2 where a company has an employee incentive scheme approved by its ordinary security holders. Approval of this type lasts for 3 years from the date of approval at the meeting.

If approval for the Incentive Rights Plan ("the Plan") is given here, approval for issues under the Plan within the next 3 years will not be required under Listing Rule 7.1.

The following information is required under Listing Rule 7.2, Exception 9(b):

- There have been no securities issued under the Plan
- Summary of the terms of the Plan

The Company proposes to introduce an Incentive Rights Plan to:

1. align the interests of the Company and its employees to produce higher returns for shareholders;
2. assist in attracting high quality people to join the Company for its success; and
3. minimise employee departure rates, providing greater stability for the Company.

Full-time and permanent part-time employees of the Company who have completed six (6) months service will be eligible to participate in the Plan. Casual employees, independent contractors and non-executive directors of the Company are not eligible.

The Board will, at its complete discretion, determine the offer of Incentive Rights to eligible employees. The number of Incentive Rights ("the Rights"), and the terms and conditions of each offer may vary from each eligible employee.

The Rights will comprise of Retention Rights, and Performance Rights. Retention rights vest on the completion of a determined length of service of the eligible employee, and Performance Rights vest on the successful achievement of specified performance objectives.

The Company will grant the Rights within one (1) month of the offer being accepted by the eligible employee.

The Rights will vest according to formulas associated with the performance criteria set by the Board.

When the Rights vest, the eligible employee will be issued Restricted Shares ("Shares") in the Company, or the Shares will be held for the employee's benefit on trust within the Employee Share Trust ("EST"). When Shares are to be acquired by the EST, the Company will contribute the then market value of the Shares to be acquired to the trustee of the EST and the trustee shall apply those funds to acquire Shares by on-market purchase or subscription to a new issue as directed by the Board. The employee will pay nothing for the Shares.

Restricted Shares means that they may not be sold or otherwise disposed of until first advised by the Company, which the Company shall do at the first opportunity, when Shares may be sold without breaching the insider trading provisions of the Corporations Act or the Company's share trading policy.

Eligible employees cannot transfer any of the Rights, or use them as security for a loan, or deal with them in any other way.

In the case of dismissal (termination due to cause) or resignation, all unvested Rights are forfeited by the employee.

In the cases of death, Total Permanent Disablement ("TPD"), retirement (with the approval of the Board), and termination without cause (e.g. retrenchment or redundancy):

#### **Unvested Retention Rights**

1. Retention Rights granted in the financial year of termination of employment are forfeited in the same proportion as the remainder of the financial year bears to the full financial year.
2. Retention Rights that do not lapse at the termination of employment will continue to be held by employees with a view to testing for vesting at the end of the period to be determined by the Board.
3. If the share price at the date of testing is less than the share price at the date of termination of employment then all unvested Retention Rights lapse.
4. If the share price at the date of testing is not less than the share price at the date of termination of employment then Retention Rights granted in the financial year of termination and prior years that have not been forfeited will vest.

#### **Unvested Performance Rights**

1. Performance Rights granted in the financial year of termination of employment are forfeited in the same proportion as the remainder of the financial year bears to the full financial year.
2. Performance Rights that were granted in a year prior to the year of termination of employment and were first tested for vesting not later than the date of termination of employment, will be forfeited.
3. Performance Rights that do not lapse at the termination of employment will continue to be held by employees with a view to testing for vesting at the end of the period to be determined by the Board.
4. If the share price at the date of testing is less than the share price at the date of termination of employment then all unvested Performance Rights lapse.
5. If the share price at the date of testing is not less than the share price at the date of termination of employment then Performance Rights granted in the financial year of termination and prior years that have not been forfeited will be tested once for vesting at the end of the period to be determined by the Board. If they do not vest at that time then they will be forfeited.

#### **• Voting Exclusion Statement**

The Company will disregard any votes cast in relation to Resolution 4 by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form; and
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on a valid proxy form to vote as the proxy decides.

The directors (none of whom are eligible to participate in the Plan) recommend shareholders vote in favour of resolution 4. The Chairman intends to vote undirected proxies in favour of resolution 4.



ABN 46 091 118 044

000001 000 FMS  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



### Lodge your vote:



#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

#### For all enquiries call:

(within Australia) 1300 556 161  
(outside Australia) +61 3 9415 4000

## Proxy Form

For your vote to be effective it must be received by 10:00am (Adelaide time) Sunday, 28 November 2010

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

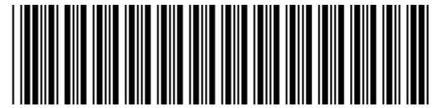
**SRN/HIN: I999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Flinders Mines Limited hereby appoint

the Chairman of the meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Flinders Mines Limited to be held at Enterprise House, 136 Greenhill Road, Unley SA on Tuesday, 30 November 2010 at 10:00am (Adelaide time) and at any adjournment of that meeting.

### STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Ewan Vickery as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mr John Cooper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approve an Incentive Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SAMPLE

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_