



20 April 2012

## Update regarding Scheme Implementation Agreement

Flinders Mines Limited ("Flinders") provides shareholders with an update regarding the Scheme Implementation Agreement ("SIA") it has entered into with Magnitogorsk Iron and Steel Works OJSC ("MMK"). The SIA relates to a proposed scheme of arrangement between Flinders and its shareholders ("Scheme").

By letter dated 2 April 2012, the Australian Securities & Investments Commission ("ASIC") gave Flinders advice under section 411(17)(b) of the Corporations Act 2001 (Cth), that it has no objection to the Scheme ("no objection letter").

ASIC has advised Flinders that the no objection letter is withdrawn, because of the failure to meet one of the conditions precedent under the SIA and the postponement of the Court hearing to approve the Scheme, to a date to be fixed.

The failure to meet one of the conditions precedent under the SIA and the postponement of the Court hearing arose because of the injunctive relief obtained in Russia by a minority MMK shareholder, announced to ASX on 3 April 2012.

Flinders will be able to request that ASIC reissues its no objection letter once all of the conditions under the SIA have been met (apart from the condition relating to Court approval of the Scheme) and the matter has been relisted for approval by the Court.

Flinders is not aware of any reason why the no objection letter should not be reissued in those circumstances.

**GARY SUTHERLAND**  
MANAGING DIRECTOR

20 April 2012

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**For further information please contact:**

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