

19 November 2014

Placement and Share Purchase Plan



highlights

- *Placement to raise \$4.7m at \$0.015*
- *Todd Corporation Limited to make significant investment via placement*
- *Share Purchase plan to be conducted on same terms to raise up to \$2.0m*

Placement

The Directors of Flinders Mines Limited (ASX:FMS) are pleased to announce a capital raising of up to \$6.7 million comprising:

- A placement ("Placement") of approximately 313.3 million fully paid ordinary shares at \$0.015 per share to raise approximately A\$4.7 million; and
- A share purchase plan ("SPP") at \$0.015 per share to raise up to \$2.0 million via the issue of up to approximately 133.3 million fully paid ordinary shares

The Placement is being made to sophisticated and professional investors under the Company's existing 15% placement capacity so shareholder approval for the proposed issue will not be required nor sought. The issue will not be to a class of security holders.

Settlement of the Placement is expected to occur on or around Tuesday, 25 November, 2014. New shares issued under the Placement will rank equally with existing shares in Flinders.

In particular, Flinders would like to thank Tio (NZ) Limited ("Todd"), a subsidiary of New Zealand based Todd Corporation Limited, for their continued support of the Pilbara Iron Ore Project via their firm placement commitment of approximately \$4.5m in what is a difficult market for junior developers.

Flinders has agreed that Todd Corporation, whilst they maintain a shareholding of at least 19%, shall have the right, subject to consultation, to nominate and have appointed a person to the Board of Directors of Flinders. Appointment of such person shall be subject to the requirements of the Company's constitution and the Corporations Act.

Share Purchase Plan

The Company is pleased to offer its eligible shareholders the opportunity to each acquire up to a maximum of \$15,000 worth of new fully paid ordinary shares at an issue price of \$0.015 per share, free of all brokerage and commissions.

The right to participate in the SPP is available to shareholders who were registered as holders of Flinders shares at 6:30PM Adelaide time on Tuesday, 18 November, 2014 and who have a registered address in Australia or New Zealand ("Eligible Shareholders").

The complete terms and conditions of the SPP will be mailed to all Eligible Shareholders on or about Tuesday, 25 November, 2014. Shareholders are urged to read the SPP terms and conditions in their entirety before deciding whether to participate in the SPP and, if in doubt, to seek advice from their professional advisor.

Indicative SPP Timetable

Event	Date
SPP Record Date	18 November 2014
SPP Announced	19 November 2014
SPP Opening Date and Despatch of Offer Documentation	25 November 2014
SPP Closing Date	12 December 2014
SPP Results Announced	17 December 2014
SPP Shares Issued	19 December 2014
Quotation of New Shares	22 December 2014

This timetable is indicative and subject to change. Flinders reserves the right to vary the timetable without notice. The commencement of trading of new shares is subject to confirmation from the ASX.

Use of Funds

The Placement and SPP will allow the Company to complete its Bankable Feasibility Study "BFS" for the Pilbara Iron Ore Project "PIOP" and then make a Final Investment Decision.

Flinders has completed an extensive infill drilling program on the PIOP over the past six months and is currently finalising a new global resource estimate for the project. Once this has been completed, mine planning, plant design and feasibility studies will be completed for the resource.



IAN GORDON
MANAGING DIRECTOR

19 November 2014

For further information please contact:

Ian Gordon

Managing Director
Ph: (08) 8132 7950
Email: info@flindersmines.com

Investor Relations

Duncan Gordon

Executive Director - Adelaide Equity Partners
Ph: (08) 8232 8800 or 0404 006 444
Email: dgordon@adelaideequity.com.au

Head Office

Level 1, 135 Fullarton Road
Rose Park
South Australia 5067

PO Box 4031
Norwood South
South Australia 5067

Ph: (08) 8132 7950
Fax: (08) 8132 7999
Email: info@flindersmines.com

www.flindersmines.com