



17 September 2015

## Todd Corporation Clarification

Attached is a letter from Todd Corporation (Todd) which addresses a situation that has arisen in respect of a script used for a Todd shareholder telephone canvassing campaign.

The Directors of Flinders wish to make it clear that the Todd shareholder telephone canvassing campaign was not initiated, commissioned or approved by Flinders.

The Directors of Flinders reiterate that shareholders should read the meeting documentation, including the report by independent expert, Deloitte Corporate Finance Pty Ltd before deciding how to vote.

Voting can be completed online at [www.investorvote.com.au](http://www.investorvote.com.au) by following the prompts. To use this facility you will need your holder number (SRN or HIN), postcode and control number as shown on the Proxy Form.

Alternatively, you would need to return the proxy forms:

- by post to **Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001**; or
- by facsimile to Computershare on (within Australia) **1800 783 447** (outside Australia) **+61 3 9473 2555** or the Company on **+61 8 8132 7999**

A handwritten signature in blue ink, appearing to read 'R. Kennedy', written over a horizontal line.

**ROBERT KENNEDY**  
CHAIRMAN

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**For further information please contact:**

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17 September 2015  
Mr Robert Kennedy  
Chairman  
Flinders Mines Limited  
PO Box 4031  
Norwood SA 5067

**TIO (NZ) Limited offer for the Pilbara Iron Ore Project**

Dear Robert,

It has come to our attention that the script previously used for Todd's shareholder telephone canvassing campaign in relation to the option proposal referred to the proposed 0.25 cent (one quarter of a cent or \$0.0025) cash payment per share to Flinders shareholders (the Proposed Payment) as a "special dividend" and did not specifically mention that it is subject to Flinders obtaining a favourable Australian Tax Office (ATO) ruling.

For clarity, Todd confirms that its understanding of Flinders' intentions in relation to the Proposed Payment is as outlined on pages 11 to 13 of the Explanatory Statement to the Notice of Meeting dated 21 August 2015. More specifically:

- the Proposed Payment to Flinders shareholders would be made via a capital return (rather than a special dividend) and is subject to Flinders obtaining a favourable Australian Tax Office ruling that no part will be treated as a dividend for Australian taxation purposes; and
- if a favourable ruling is not obtained, the Proposed Payment will not proceed and other capital initiatives will be considered.

Yours sincerely



MB Wolley  
Vice President Todd Minerals and Coal