

ASX ANNOUNCEMENT

25 June 2018

Flinders to undertake a 1:25 Non-renounceable Entitlement Offer to raise A\$9.4M

Flinders Mines Limited (ASX: FMS) (**Flinders**) is pleased to announce a non-renounceable entitlement offer (**Entitlement Offer** or **Offer**) at A\$0.07 (7 cents) per share to raise approximately A\$9.4 million.

The Entitlement Offer will be an offer of approximately 134,678,058 new fully paid ordinary shares in the Company (**New Shares**) on the basis of 1 New Share for every 25 existing shares held by eligible shareholders on the Record Date (**Entitlement**). The offer price is a discount of approximately 23.7% to the 30-day volume weighted average price of Flinders shares on the ASX for the period ending 8 June 2018, and a discount of 16.7% to the closing price of the Company's shares on 22 June 2018.

Only holders of shares in the Company with a registered address in Australia or New Zealand as at 5.00 pm (WST) on 28 June 2018 will be eligible to participate in the Entitlement Offer.

The Offer Booklet will be lodged with the ASX on 25 June 2018 and will be sent to eligible shareholders together with a personalised Entitlement and Acceptance Form on 3 July 2018.

The Entitlement Offer is not underwritten. There is no shortfall facility as part of the Offer. Neither eligible shareholders nor any other parties may apply for shortfall shares.

Use of Proceeds

The proceeds of the Entitlement Offer will be used to repay a A\$5 million unsecured loan from PIO Mines Pty Ltd, a subsidiary of its major shareholder, TIO (NZ) Limited due on 31 August 2018, tenement maintenance expenses and costs of the Offer. Full details of the use of funds are contained in the Offer Booklet.

Indicative Timetable

The proposed timetable for the Entitlement Offer is set out in Table 1. All dates are indicative only and the Company reserves the right to vary them (subject to the Corporations Act and the ASX Listing Rules).

Table 1 *Indicative Timetable**

ASX Announcement of Entitlement Offer	25 June 2018
Entitlement Offer Record Date	28 June 2018
Entitlement Offer Opens and Offer Booklet dispatched	3 July 2018
Entitlement Offer Closes	30 July 2018

ASX Notified of under subscriptions	2 August 2018
Issue date for New Shares	6 August 2018
Trading of New Shares commences	7 August 2018

***IMPORTANT NOTE:** *The indicative timetable above is subject to change without notice. Flinders reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws.*

For further information please contact:

Shareholders

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About Flinders Mines Limited

Flinders Mines Limited is an ASX-listed (ASX: FMS) exploration and development company focused on the commercialisation of its large, high quality hematite resource - the Pilbara Iron Ore Project (PIOP).