

26 June 2018

Dear Shareholder

Non-Renounceable Entitlement Offer

On Monday, 25 June 2018, Flinders Mines Limited (**Flinders** or the **Company**) announced a 1 for 25 non-renounceable entitlement offer of ordinary shares in the Company (**New Shares**) at an issue price of \$0.07 (7 cents) per share (**Entitlement Offer**).

The Entitlement Offer seeks to raise approximately \$9.4 million (before issue costs), through the issue of up to approximately 134,678,058 New Shares.

Flinders invites shareholders who are registered as shareholders of the Company at 5.00pm (WST) on Thursday, 28 June 2018 (**Record Date**), and who have a registered address in Australia and New Zealand (**Eligible Shareholders**) to participate in the Entitlement Offer.

This offer is only being extended to shareholders with registered addresses in Australia and New Zealand. All other shareholders (**Non-Resident Shareholders**) will not be offered entitlements under this issue. The Company has determined, in accordance with the Corporations Act and the ASX Listing Rules, that it would be unreasonable to make the offer to Non-Resident Shareholders having regard to the number of shareholders in the places where the offer would be made, the number and value of the rights that would be offered, and the cost of complying with the legal requirements in those places.

Full details of the Entitlement Offer are contained in the offer booklet lodged with ASX on Monday, 25 June 2018 (**Offer Booklet**). The Offer Booklet together with the Entitlement and Acceptance Form will be mailed to all Eligible Shareholders on Tuesday, 3 July 2018. A copy of the Offer Booklet is available on the Flinders website. Pursuant to section 708AA of the Corporations Act, the Company is not required to prepare a disclosure document for the Entitlement Offer.

Key dates which shareholders should note are as follows:

Date	Event
Thursday, 28 June 2018	Entitlements Issue Record Date
Tuesday, 3 July 2018	Entitlements Issue opens and Offer Booklet dispatched
Monday, 30 July 2018	Entitlements Issue offer closes at 5.00 pm (WST)
Tuesday, 31 July 2018	New Shares quoted deferred settlement basis
Thursday, 2 August 2018	Entitlements Issue shortfall notified to ASX
Monday, 6 August 2018	Entitlements Issue shares allotted Deferred settlement trading ends
Tuesday, 7 August 2018	Normal (T+2) trading of New Shares commences

The above dates are indicative and may be subject to change. The Company reserves the right to amend this timetable subject to the Corporations Act and the ASX Listing Rules.

Use of funds

The proceeds of the Entitlement Offer will be used to repay an 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.

Yours faithfully



Neil Warburton
Chairman