

ASX ANNOUNCEMENT

31 March 2020

Flinders to undertake a 1:6 Non-renounceable Entitlement Offer to raise A\$14.52M

Flinders Mines Limited (ASX: FMS) (**Flinders**) is pleased to announce a non-renounceable entitlement offer (**Entitlement Offer** or **Offer**) at A\$0.025 (2.5 cents) per share to raise approximately A\$14.52 million.

The Entitlement Offer will be an offer of approximately 580,861,680 new fully paid ordinary shares in the Company (**New Shares**) on the basis of one (1) New Share for every six (6) existing shares held by eligible shareholders on the Record Date (**Entitlement**). The offer price is a discount of approximately 24.7% to the 5-day volume weighted average price of Flinders shares on the ASX for the period ending 30 March 2020.

Only holders of shares in the Company with a registered address in Australia or New Zealand as at 5.00pm (WST) on 3 April 2020 will be eligible to participate in the Entitlement Offer.

The Offer Booklet will be lodged with the ASX today, 31 March 2020 and will be sent to eligible shareholders together with a personalised Entitlement and Acceptance Form on 7 April 2020.

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 the \$7 million unsecured loan from PIO Mines Pty Ltd (**PIO**), a subsidiary of its major shareholder, TIO (NZ) Limited that is due on 30 April 2020 (plus interest), fees associated with the BBI Group Pty Ltd transaction recently approved by shareholders, and to provide working capital, including any costs of the Offer. Should the proceeds be insufficient for Flinders to repay the unsecured loan from PIO in full whilst retaining a minimum \$3 million in working capital, then the loan will be partially repaid and a second capital raise will be considered to ensure the balance of the loan is paid by 30 June 2020 as agreed with PIO. 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	31 March 2020
Entitlement Offer Record Date	3 April 2020
Entitlement Offer Opens and Offer Booklet dispatched	7 April 2020

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Entitlement Offer Closes	23 April 2020
ASX Notified of under subscriptions	28 April 2020
Issue date for New Shares	29 April 2020
Trading of New Shares commences	1 May 2020

***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.*

Authorised by:
The Board of Flinders Mines Limited

Investors and Shareholders

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