

ASX ANNOUNCEMENT

15 May 2020

Flinders to undertake a further Non-renounceable Entitlement Offer to raise A\$5.5M

Flinders Mines Limited (ASX: FMS) (**Flinders**) announces a capital raising via a non-renounceable entitlement offer (**Entitlement Offer** or **Offer**) at A\$0.013 (1.3 cents) per share to raise approximately A\$5.5 million. A possible further capital raising was flagged last month when the previous entitlement offer fell short of requirements.

The Entitlement Offer will comprise the offer of approximately 425,895,854 new fully paid ordinary shares in the Company (**New Shares**) on the basis of one (1) New Share for every nine (9) existing shares held by eligible shareholders on the Record Date (**Entitlement**). The offer price is a discount of approximately 47.6% to the 10-day volume weighted average price of Flinders shares on the ASX for the period ending Wednesday, 13 May 2020.

Eligible Shareholders will include those holders of shares in the Company with a registered address in Australia or New Zealand as at 5.00pm (WST) on Thursday, 21 May 2020 (**Record Date**). The Offer Booklet will be lodged with the ASX today, Friday, 15 May 2020 and will be sent to eligible shareholders together with a personalised Entitlement and Acceptance Form on Tuesday, 26 May 2020. The Entitlement Offer is not underwritten, nor allows for a shortfall facility.

Use of Proceeds

The proceeds of the Entitlement Offer will be used to repay the balance of the \$7 million unsecured loan from PIO Mines Pty Ltd (**PIO**) (being approximately \$1.5 million, plus accrued interest), a subsidiary of Flinders' major shareholder, TIO (NZ) Limited, costs of the Offer and working capital. The loan to PIO was previously due on 30 April 2020 but the repayment date has been extended to 30 June 2020.

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**

Business Day "0" for the purposes of the timetable in Appendix 7A to the ASX Listing Rules	Monday, 18 May 2020
Entitlement Offer Record Date	Thursday, 21 May 2020
Entitlement Offer Opens and Offer Booklet dispatched	Tuesday, 26 May 2020
Entitlement Offer Closes	Monday, 22 June 2020
ASX Notified of under subscriptions	Thursday, 25 June 2020
Issue date for New Shares	Friday, 26 June 2020
Trading of New Shares commences	Tuesday, 30 June 2020

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***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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