



Telephone + 61 8 9389 4483 email info@flindersmines.com

26 June 2018

Dear Shareholder

### **Notice to Non Resident Shareholders**

On Monday, 25 June 2018 Flinders Mines Limited (**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**).

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter.**

### **The Entitlement Offer and use of proceeds**

The Company is making a non-renounceable Entitlement Offer of approximately 134,678,058 New Shares to eligible shareholders at an issue price of \$0.07 (7 cents) per New Share to raise approximately \$9.4 million.

The Entitlement Offer is being made in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Act**), meaning that no prospectus needs to be prepared.

An offer booklet was lodged with the ASX on Monday, 25 June 2018 and will be mailed to eligible shareholders on or around Tuesday, 3 July 2018.

### **Use of funds**

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.

### **Eligibility Criteria**

Only shareholders of the Company with an address on the Company's register in Australia or New Zealand at 5.00pm (WST) on Thursday, 28 June 2018 (**Record Date**) will be eligible to participate in the Entitlement Offer (**Eligible Shareholder**).

The Company has determined, in accordance with ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Act, that it would be unreasonable to make the Entitlement Offer to shareholders whose registered addresses are outside of Australia and New Zealand (Non Resident Shareholders) having regard to the number of Non Resident Shareholders in each country other than Australia or New Zealand, the number and value of the entitlements that would be offered to them and the cost of complying with the legal requirements in those places.

According to our records you are a Non Resident Shareholder and as such you do not satisfy the eligibility criteria for participation in the Entitlement Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Act, the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent documents relating to the Entitlement Offer.

**You are not required to do anything in response to this letter.**

For further information on the Entitlement Offer or if you believe that you are an Eligible Shareholder, please contact the Company's Share Registry, Computershare Investor Services Pty Ltd, on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia). If you have any further questions, you should contact your stockbroker, accountant or professional adviser.

On behalf of the Board of the Company, thank you for your continued support.

Yours faithfully

A handwritten signature in black ink, appearing to read "N. Warburton". The signature is fluid and cursive, with a prominent flourish at the end.

**Neil Warburton**  
**Chairman**

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