

## ASX ANNOUNCEMENT

2 August 2018

# Close of Entitlement Offer and Notice of Shortfall

Flinders Mines Limited (ASX: FMS) (**Flinders** or the **Company**) advises that its non-renounceable entitlement offer (**Entitlement Offer** or **Offer**), as announced on 25 June 2018, closed on Monday, 30 July 2018 at 5.00pm WST. The Entitlement Offer sought to raise up to approximately \$9.4 million through the offer of approximately 134,678,058 new fully paid ordinary shares at A\$0.07 (7 cents) on the basis of 1 New Share for every 25 existing shares held by eligible shareholders.

The Company has received valid applications for a total of 118,218,635 New Shares raising approximately \$8.275 million (before issue costs). As there is no shortfall facility as part of the Offer, there will be no allocation or placement of the remaining 16,460,426 New Shares not taken up by shareholders.

The issue of New Shares under the Entitlement Offer is expected to occur on Monday, 6 August 2018 and ASX trading of the New Shares is expected to commence on Tuesday, 7 August 2018. Following the issue of the New Shares, the capital structure of the Company will be 3,485,170,081 fully paid ordinary shares.

The \$8.275 million in funds raised represents approximately 88% of the Offer. In accordance with the Offer documentation, these funds 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, tenement management expenditure, costs of the Offer and working capital.

Flinders' independent non-executive Chairman, Mr Neil Warburton, said: "We are extremely pleased with the support shown by all shareholders and now look forward to progressing the options to develop the PIOP".

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).