

ASX ANNOUNCEMENT

25 June 2020

Close of Entitlement Offer and Notice of Shortfall

Flinders Mines Limited (ASX: FMS) (**Flinders** or the **Company**) advises that its pro rata non-renounceable entitlement offer (**Entitlement Offer** or **Offer**), as announced on 15 May 2020, closed on Monday, 22 June 2020 at 5.00pm WST. The Entitlement Offer sought to raise up to approximately \$5.5 million through the offer of new fully paid ordinary shares at an issue price of A\$0.013 (1.3 cents) per share on the basis of 1 New Share for every 9 existing shares held by eligible shareholders.

The Company has received valid applications from 747 eligible shareholders for a total of 388,123,198 New Shares, raising \$5,045,601.57 (before issue costs). As there is no shortfall facility as part of the Offer, there will be no allocation or placement of the remaining 37,774,697 New Shares not taken up by shareholders.

The issue of New Shares under the Entitlement Offer is expected to occur on Friday, 26 June 2020 and ASX trading of the New Shares is expected to commence on Tuesday, 30 June 2020. Following the issue of the New Shares, the capital structure of the Company will be 4,221,185,881 fully paid ordinary shares.

The \$5,045,601.57 in funds raised represents approximately 91.13% of the Offer. In accordance with the Offer documentation, these funds will be used to repay the balance of the \$7 million unsecured loan (being approximately \$1.5 million, plus accrued interest) from PIO Mines Pty Ltd (PIO), a subsidiary of Flinders' major shareholder, TIO (NZ) Limited, costs of the Offer and working capital.

Flinders' independent non-executive Chairman, Mr Neil Warburton, said: *"We are extremely pleased with the support shown from our shareholders, which has seen us raise over \$5 million. The funds raised from this successful entitlement offer allow us to repay the outstanding loan balance to PIO in full before 30 June 2020, and have sufficient funds to effectively manage the Company's activities."*

"Importantly, we can now turn our attention to continuing to advance our Pilbara Iron Ore Project towards production with our JV partner, BBI Group Pty Ltd."

Authorised by:
The Board of Flinders Mines Limited

Investors and Shareholders

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