

ASX ANNOUNCEMENT

1 December 2011

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

MMK Scheme Implementation Agreement

Flinders Mines Limited (ASX code:FMS) (Flinders) notes the orders made by the Federal Court of Australia on 25 November 2011 (copy attached) and 28 November 2011, freezing certain Australian assets of Magnitogorsk Metallurgical Kombinat (MMK). Flinders and MMK signed a Scheme Implementation Agreement dated 25 November 2011.

MMK has informed Flinders it is of the view that the freezing order currently in place does not and will not impact on MMK's ability to complete the scheme. Both MMK and Flinders remain committed to continuing with the scheme and Flinders' directors continue to unanimously recommend the scheme, in the absence of a superior proposal.

David W Godfrey
Company Secretary

Order Entered

No: (P)NSD2110/2011

Federal Court of Australia
District Registry: New South Wales
Division: General

ENRC MARKETING AG
Applicant

OJSC "MAGNITOGORSK METALLURGICAL KOMBINAT" and another named in
the schedule
Respondent

ORDER

JUDGE: Justice Rares
DATE OF ORDER: 25 November 2011
WHERE MADE: Sydney

THE COURT ORDERS THAT:

1. Ex parte freezing and other orders be made in the form annexed and marked "A".
2. Leave to file and serve subpoenas to the following entities:
 - (a) HSBC Custody Nominees (Australia) Limited;
 - (b) JP Morgan Nominees Australia Limited;
 - (c) National Nominees Limited,which call for production of "Any document or statement of account evidencing or recording the holding of shares in Fortescue Metals Group Limited for or on behalf of one or both of the respondents."
3. The time for service of the said subpoenas be abridged to 2.00pm, Friday 25 November 2011.

4. The said subpoenas be returnable before the Duty Judge at 10:15 a.m. on Monday, 28 November 2011.
5. Leave be granted to the Applicant to enter these orders forthwith.
6. The proceedings stand over to 28 November 2011 at 10:15 a.m. before the Duty Judge for hearing.

Date that entry is stamped:

Deputy District Registrar

ANNEXURE A

Originating application for relief under Model Law (section 16 of the International Arbitration Act 1974)

No. of 20

Federal Court of Australia

District Registry: New South Wales

Division: General

ENRC MARKETING AG

Applicant

OJSC "MAGNITOGORSK METALLURGICAL KOMBINAT" and another
Respondents

PENAL NOTICE

TO: OJSC "MAGNITOGORSK METALLURGICAL KOMBINAT"

AND

MMK MINING ASSETS MANAGEMENT S.A.

IF YOU:

- (A) REFUSE OR NEGLECT TO DO ANY ACT WITHIN THE TIME SPECIFIED IN THIS ORDER FOR THE DOING OF THE ACT; OR**
- (B) DISOBEY THE ORDER BY DOING AN ACT WHICH THE ORDER REQUIRES YOU TO ABSTAIN FROM DOING,**

YOU WILL BE LIABLE TO IMPRISONMENT, SEQUESTRATION OF PROPERTY OR OTHER PUNISHMENT.

ANY OTHER PERSON WHO KNOWS OF THIS ORDER AND DOES ANYTHING WHICH HELPS OR PERMITS YOU TO BREACH THE TERMS OF THIS ORDER MAY BE SIMILARLY PUNISHED.

TO: OJSC "MAGNITOGORSK METALLURGICAL KOMBINAT"

AND

MMK MINING ASSETS MANAGEMENT S.A.

This is a '*freezing order*' made against you on 25 November 2011 by Justice Rares at a hearing without notice to you after the Court was given the undertakings set out in Schedule A to this order and after the Court read the affidavits listed in Schedule B to this order.

THE COURT ORDERS:

INTRODUCTION

1.
 - (a) The application for this order is made returnable immediately.
 - (b) The time for service of the application and supporting affidavit, excluding exhibits, is abridged to noon on 25 November 2011 and service is to be effected by:
 - (A). facsimile addressed to the First Respondent and Second Respondent, +7 (3519) 24-75-46;
 - (B). facsimile addressed to the First Respondent and Second Respondent, + 7 (3519) 25-44-77;
 - (C). facsimile addressed to Valentina Khavanceva, Corporate Secretary, +7 (3519) 24-31-43; and
 - (D). emailing Valentina Khavanceva, Corporate Secretary, at khavantseva.vn@mmk.ru;
 - (c) Upon confirmation of transmission of the application and supporting affidavit in accordance with the methods for service set out in paragraph (b) above, those documents will be taken to have been served on the First Respondent and the Second Respondent in accordance with Rule 10.48 of the *Federal Court Rules* 2011.
2. Subject to the next paragraph, this order has effect up to and including Monday, 28 November 2011 or such other date as the Court may order ('the Return Date'). On the Return Date at 10.15am there will be a further hearing in respect of this order before the Duty Judge.
3. Anyone served with or notified of this order, including you, may apply to the Court at any time to vary or discharge this order or so much of it as affects the person served or notified.

4. In this order:
- (a) 'applicant', if there is more than one applicant, includes all the applicants;
 - (b) 'you', where there is more than one of you, includes all of you and includes you if you are a corporation;
 - (c) 'third party' means a person other than you and the applicant;
 - (d) 'unencumbered value' means value free of mortgages, charges, liens or other encumbrances.
- 5.
- (a) If you are ordered to do something, you must do it by yourself or through directors, officers, partners, employees, agents or others acting on your behalf or on your instructions.
 - (b) If you are ordered not to do something, you must not do it yourself or through directors, officers, partners, employees, agents or others acting on your behalf or on your instructions or with your encouragement or in any other way.

FREEZING OF ASSETS

- 6.
- (a) You must not remove from Australia or in any way dispose of, deal with or diminish the value of any of your assets in Australia ('Australian assets') up to the unencumbered value of AUD\$857,639,955 ('the Relevant Amount').
 - (b) If the unencumbered value of your Australian assets exceeds the Relevant Amount, you may remove any of those assets from Australia or dispose of or deal with them or diminish their value, so long as the total unencumbered value of your Australian assets still exceeds the Relevant Amount.
7. For the purposes of this order:
- (i). your assets are all or any of your assets in Australia including shares in Fortescue Metals Group Limited ACN 002 594 872:
 - (A). whether or not they are in your name and whether they are solely or co-owned;
 - (B). which you have the power, directly or indirectly, to dispose of or deal with as if it were your own (you are to be regarded as having such power if a third party holds or controls the asset in accordance with your direct or indirect instructions); and
 - (ii). the value of your assets is the value of the interest you have individually in your assets.

PROVISION OF INFORMATION

8. Subject to paragraph 9, you must:

- (a) at or before the further hearing on the Return Date (or within such further time as the Court may allow) to the best of your ability inform the applicant in writing of all your assets in Australia including but not limited to your shares in Fortescue Metals Group Limited ACN 002 594 872, giving their value, location and details (including any mortgages, charges or other encumbrances to which they are subject), the extent of your interest in the assets and to the extent you are not the legal owner of your assets the details (including name and address) of the legal owner;
- (b) within 5 working days after being served with this order, swear and serve on the applicant an affidavit setting out the above information.

9. (a) This paragraph (9) applies if you are not a corporation and you wish to object to complying with paragraph 8 on the grounds that some or all of the information required to be disclosed may tend to prove that you:

- (i). have committed an offence against or arising under an Australian law or a law of a foreign country; or
- (ii). are liable to a civil penalty.

(b) This paragraph (9) also applies if you are a corporation and all of the persons who are able to comply with paragraph 8 on your behalf and with whom you have been able to communicate, wish to object to your complying with paragraph 8 on the grounds that some or all of the information required to be disclosed may tend to prove that they respectively:

- (i). have committed an offence against or arising under an Australian law or a law of a foreign country; or
- (ii). are liable to a civil penalty.

(c) You must:

- (i). disclose so much of the information required to be disclosed to which no objection is taken; and
- (ii). prepare an affidavit containing so much of the information required to be disclosed to which objection is taken, and deliver it to the Court in a sealed envelope; and
- (iii). file and serve on each other party a separate affidavit setting out the basis of the objection.

EXCEPTIONS TO THIS ORDER

10. (a) This order will cease to have effect if you:
- (i). pay the sum of AUD\$857,639,955 into Court; or
 - (ii). pay that sum into a joint bank account in the name of your lawyer and the lawyer for the applicant as agreed in writing between them; or
 - (iii). provide security in that sum by a method agreed in writing with the applicant to be held subject to the order of the Court.
- (b) Any such payment and any such security will not provide the applicant with any priority over your other creditors in the event of your insolvency.
- (c) If this order ceases to have effect pursuant (a), you must as soon as practicable file with the Court and serve on the applicant notice of that fact.

COSTS

11. The costs of this application are reserved to the Court hearing the application on the Return Date.

PERSONS OTHER THAN THE APPLICANT AND RESPONDENTS

12. Set off by banks

This order does not prevent any bank from exercising any right of set off it has in respect of any facility which it gave you before it was notified of this order.

13. Bank withdrawals by the respondents

No bank need inquire as to the application or proposed application of any money withdrawn by you if the withdrawal appears to be permitted by this order.

14. Persons outside Australia

- (a) Except as provided in subparagraph (b) below, the terms of this order do not affect or concern anyone outside Australia.
- (b) The terms of this order will affect the following persons outside Australia:
 - (i). you and your directors, officers, employees and agents (except banks and financial institutions);
 - (ii). any person (including a bank or financial institution) who:
 - (A). is subject to the jurisdiction of this Court; and

- (B). has been given written notice of this order, or has actual knowledge of the substance of the order and of its requirements; and
 - (C). is able to prevent or impede acts or omissions outside Australia which constitute or assist in a disobedience of the terms of this order; and
- (iii). any other person (including a bank or financial institution), only to the extent that this order is declared enforceable by or is enforced by a court in a country or state that has jurisdiction over that person or over any of that person's assets.

SCHEDULE A

UNDERTAKINGS GIVEN TO THE COURT BY THE APPLICANT

- (1) The applicant undertakes to submit to such order (if any) as the Court may consider to be just for the payment of compensation (to be assessed by the Court or as it may direct) to any person (whether or not a party) affected by the operation of the order.
- (2) As soon as practicable, the applicant will file and serve upon the respondents copies of:
 - (a) this order;
 - (b) the application for this order for hearing on the return date;
 - (c) the following material in so far as it was relied on by the applicant at the hearing when the order was made:
 - (i) affidavits (excluding its exhibit);
 - (ii) any written submission; and
 - (iii) any other document that was provided to the Court.
 - (d) a transcript, or, if none is available, a note, of any exclusively oral allegation of fact that was made and of any exclusively oral submission that was put, to the Court;
 - (e) the originating process, or, if none was filed, any draft originating process produced to the Court.
- (3) As soon as practicable, the applicant will cause anyone notified of this order to be given a copy of it.
- (4) The applicant will pay the reasonable costs of anyone other than the respondents which have been incurred as a result of this order, including the costs of finding out whether that person holds any of the respondents' assets.
- (5) If this order ceases to have effect the applicant will promptly take all reasonable steps to inform in writing anyone to who has been notified of this order, or who he has reasonable grounds for supposing may act upon this order, that it has ceased to have effect.
- (6) The applicant will not, without leave of the Court, use any information obtained as a result of this order for the purpose of any civil or criminal proceedings, either in or outside Australia, other than this proceeding.
- (7) The applicant will not, without leave of the Court, seek to enforce this order in any country outside Australia or seek in any country outside Australia an order of a similar nature or an order conferring a charge or other security against the respondents or the respondents' assets.
- (8) The applicant will:
 - (a) on or before 5.00pm (GMT) on 25 November 2011 cause an irrevocable direction to a bank to pay the sum of AUD\$30,000,000 to its solicitors, Freehills, which funds are to be:

- (i) held on trust by Freehills, in respect of any order the court may make pursuant to undertaking (1) above; and
 - (ii) paid into Court by Freehills as soon as is reasonably practicable.
- (b) as soon as is reasonably practicable, cause an irrevocable undertaking to pay in the sum of AUD\$30,000,000 to be issued by a bank with a place of business within Australia, in respect of any order the court may make pursuant to undertaking (1) above.

Upon the issue of the irrevocable undertaking, the funds paid into Court in accordance with sub-paragraph (a) above are to be released by the Court and transferred to the Applicant.

- (c) immediately upon issue of the irrevocable undertaking, cause a copy of it to be served on the respondents.

SCHEDULE B

AFFIDAVITS RELIED ON

Name of deponent	Date affidavit made
Affidavit of Donald Bruce Robertson	24 November 2011
Affidavit of Donald Bruce Robertson	25 November 2011

NAME AND ADDRESS OF APPLICANT'S LAWYERS

The applicant's lawyers are:

Freehills
Level 32, MLC Centre
9 Martin Place
Sydney NSW 2000

Reference: 81984944: Donald Robertson

Fax: +61 2 9322 4000
Phone: +61 2 9225 5000
Phone (a/h): +61 414 275 523

Email: donald.robertson@freehills.com

Schedule

No: (P)NSD2110/2011

Federal Court of Australia

District Registry: New South Wales

Division: General

Second Respondent:

MMK - MINING ASSETS MANAGEMENT S.A.