



6 March 2012

FIRB Approval For MMK's Proposed A\$554M Cash Offer For Flinders Mines

Pilbara iron ore developer, Flinders Mines Limited (ASX code: "FMS"), advises that the proposed \$554 million cash acquisition of the Company by Magnitogorsk Iron and Steel Works OJSC ("MMK") has been approved by Australia's Foreign Investment Review Board ("FIRB").

As announced by Flinders Mines on 25 November 2011, FIRB approval was a condition of the proposed Scheme Implementation Agreement ("Scheme") with MMK for its A\$0.30 per share cash acquisition of Flinders.

MMK has advised Flinders Mines that it has received notice from FIRB that it has no objections to the proposed transaction.

The Scheme Booklet in relation to the Scheme, including a Notice of Meeting and sample Proxy Form, has been released to the market and was mailed to all Flinders Mines shareholders on 27 February 2012. An electronic copy of the Scheme Booklet and Notice of Meeting is available on the Company's website at www.flindersmines.com.

Flinders' Board of Directors continues to unanimously recommend that all Flinders shareholders vote in favour of the Scheme in the absence of a superior proposal.

In the absence of a superior proposal all Flinders Directors intend to vote in favour of the Scheme in respect of their own shareholdings.



GARY SUTHERLAND
MANAGING DIRECTOR

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