

**ASX ANNOUNCEMENT****28 April 2020**

## Close of Entitlement Offer and Notice of Shortfall

Further to the announcements on 31 March 2020, Flinders Mines Limited (ASX: FMS) (**Flinders** or the **Company**) advises that its non-renounceable entitlement offer (**Entitlement Offer** or **Offer**), as announced on 31 March 2020, closed on Thursday, 23 April 2020 at 5.00pm WST. The Entitlement Offer sought to raise up to approximately \$14.52 million through the offer of approximately 580,861,680 new fully paid ordinary shares at A\$0.025 (2.5 cents) on the basis of 1 New Share for every 6 existing shares held by eligible shareholders.

The Company has received valid applications for a total of 347,892,602 New Shares raising \$8,697,315.80 (before issue costs). As there is no shortfall facility as part of the Offer, there will be no allocation or placement of the remaining 232,970,667 New Shares not taken up by shareholders.

The issue of New Shares under the Entitlement Offer is expected to occur on Wednesday, 29 April 2020 and ASX trading of the New Shares is expected to commence on Friday, 1 May 2020. Following the issue of the New Shares, the capital structure of the Company will be 3,833,062,683 fully paid ordinary shares.

The \$8,697,315.80 in funds raised represents approximately 59.95% of the Offer. In accordance with the Offer documentation, these funds will be used to repay \$5,624,406.80 of the \$7 million unsecured loan from PIO Mines Pty Ltd (PIO), a subsidiary of its major shareholder, TIO (NZ) Limited, (plus interest), fees associated with the BBI Group Pty Ltd transaction recently approved by shareholders, and to provide working capital, including any costs of the Offer.

Flinders' independent non-executive Chairman, Mr Neil Warburton, said: "We note the support shown by some shareholders and as a result of the capital raise falling short of the requirements, the Company will assess the process and timing for a further capital raise to satisfy the required completion of the loan repayment to PIO by 30 June 2020".

**Authorised by:**  
**The Board of Flinders Mines Limited**

**Investors and Shareholders**

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