



9 June 2009

## SHARE PURCHASE PLAN

Dear Fellow Shareholder

On 25 May 2009, the Directors of Flinders Mines Limited ("Flinders") announced a Share Purchase Plan ("SPP"). The SPP is available to all eligible shareholders who are on the share register on the record date, 3 June 2009. Please find enclosed the SPP offer document and your personalised application form. Please read these documents carefully and seek advice from your investment or other professional adviser prior to any decision being made to apply for shares.

The SPP will raise a maximum of \$5 million (before costs) through the issue of a maximum of 94.3 million new fully paid ordinary shares in Flinders ("New Ordinary Shares") at 5.3 cents per share.

There is a maximum of \$5 million of shares available under the SPP. Accordingly, applications will be accepted on a first come, first accepted basis, or scaled back on a pro-rata basis, as the Company's directors decide. Each offer is made on the same terms and conditions.

The proceeds from the issue will be used to accelerate the resource delineation work on the Company's Hamersley iron ore project in the Pilbara region of Western Australia and for general working capital.

Each shareholder eligible to participate in the SPP will be entitled to subscribe for New Ordinary Shares to the value of either \$5,000 (94,339 shares) or \$2,000 (37,735 shares) in the capital of the Company at a cost of 5.3 cents which is at a 9% discount to the volume weighted average price of Shares over the five ASX trading days up to and including 22 May 2009 (being the last day of trading before the SPP was announced).

### Issue Timetable

Opening Date for receipt of Applications	9 June 2009
Closing Date for receipt of Applications	26 June 2009
Date of Issue of Shares	3 July 2009
Anticipated Date of Quotation of Shares	10 July 2009

Yours faithfully

R M KENNEDY  
Chairman

Flinders Mines Limited  
ABN 46 091 118 044

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Norwood  
South Australia  
5067

PO Box 3126  
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South Australia  
5067

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**FLINDERS MINES LIMITED**  
**ACN 091 118 044**

**SHARE PURCHASE PLAN – OFFER DOCUMENT**

<b>Share Purchase Plan (SPP)</b>	The SPP provides eligible holders of shares in Flinders Mines Limited ( <b>Company</b> ) with the opportunity to acquire up to 94,339 additional shares in the Company ( <b>Shares</b> ). There is a maximum of \$5 million of Shares available under the SPP. Accordingly, applications will be accepted on a first come, first accepted basis, or scaled back on a pro-rata basis, as the Company's directors decide. Each offer is made on the same terms and conditions.
<b>Eligibility</b>	Registered holders of fully paid Shares at 5:00 pm (Adelaide time) on 3 June 2009 and having a registered address in either Australia or New Zealand are eligible to participate in the SPP ( <b>Eligible Shareholders</b> ).
<b>Issue Price</b>	The price per Share issued under the SPP will be 5.3 cents each. This price is the same price at which Shares were issued under the share placement announced to ASX Limited ( <b>ASX</b> ) on 18 May 2009 ( <b>Placement</b> ) and is 9% lower than the daily volume weighted average price of Shares over the five ASX trading days up to and including 22 May 2009 (being the last day of trading before the SPP and Placement were announced).
<b>Amount to invest</b>	You may apply under one of the alternatives below: <ul style="list-style-type: none"> <li>• 94,339 Shares at a total application price of \$5,000; or</li> <li>• 37,735 Shares at a total application price of \$2,000.</li> </ul>
<b>Indicative timetable*</b>	Opening Date for receipt of Applications – 9 June 2009 Closing Date for receipt of Applications – 26 June 2009 Date of Issue of Shares – 3 July 2009 Anticipated Date of Quotation of Shares – 10 July 2009
<b>How to apply</b>	If you wish to participate in the SPP you must complete the enclosed Application Form in accordance with the instructions on that Form and return it together with a cheque made payable to "Flinders Mines Limited Share Purchase Plan" before the Closing Date. Alternatively, you can participate in the SPP using BPAY (refer to the reverse of the enclosed Application Form for further details).
<b>Rights attached to Shares</b>	New Shares will rank equally with existing Shares on issue at the date of allotment.
<b>Transferring rights</b>	The offer is non-renounceable, meaning rights to take up Shares cannot be transferred.
<b>What to do if you receive more than one Application Form</b>	If you receive more than one Application Form, or if you hold Shares in more than one capacity, for example if you are both a sole and joint holder of Shares, the maximum number of Shares you may apply for under the SPP is 94,339.
<b>Other terms, conditions and important notices</b>	Other terms, conditions and important notices relating to the SPP appear on the following page and should be read in full before applying for Shares.

**SHARE PURCHASE PLAN – OFFER DOCUMENT**

**OTHER IMPORTANT TERMS, CONDITIONS AND NOTICES**

1. You should be aware that the market price of Shares may rise or fall before the Shares are allotted to you under the SPP; therefore, the issue price of Shares under the SPP may exceed or be less than the market price of Shares at the time of allotment to shareholders.
2. Shareholders will be bound by the constitution of the Company and these terms and conditions by accepting the offer to acquire Shares under the SPP.
3. The Company has a broad discretion to accept or reject your application to purchase Shares under the SPP, including (without limitation) if: your Application Form is incorrectly completed or incomplete or otherwise determined by the Company to be invalid; the cheque or money order that you enclose with the Application Form is not made out for the exact amount of the parcel of Shares that you have selected on the Application Form, is dishonoured or has not been completed correctly; or the Company believes that you are not an Eligible Shareholder.
4. The Company may issue to any person fewer Shares than the person applied for under the SPP. No interest will be paid on any application money returned to you.
5. Where a trustee or nominee is noted on the Company's share register as holding Shares on behalf of another person (**Beneficiary**), the trustee or nominee may, in respect of each Beneficiary, apply for a maximum of \$5,000 in Shares. If registered trustee or nominee holdings do not include a named Beneficiary, the maximum number of Shares the trustee or nominee may apply for will be to a value of \$5,000.
6. If you apply to participate in the SPP by completing and returning the Application Form or by using BPay:
  - 6.1 your application, on these terms and conditions, will be irrevocable and unconditional (it cannot be withdrawn);
  - 6.2 you acknowledge that you are an Eligible Shareholder;
  - 6.3 you certify that you have not applied for Shares with an aggregate application price in excess of \$5,000 under the SPP and any similar arrangement in the 12 months prior to your application, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
  - 6.4 you acknowledge that you are lawfully permitted to accept the offer to acquire Shares under the SPP and participate in the SPP in accordance with the laws applicable in Australia and any other applicable laws in the jurisdiction in which you and/or the beneficial owner of your Shares are situated.
7. The Company may modify or terminate the SPP at any time. The Company will notify ASX of any modification or termination of the SPP. The omission to give notice of any modification to, or termination of the SPP or the failure of ASX to receive such notice will not invalidate the termination or modification.
8. The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

**Flinders Mines Limited**  
 ABN 46 091 118 044

**Please return completed form to:**  
 Computershare Investor Services Pty Limited  
 GPO Box 2987 Adelaide  
 South Australia 5001 Australia  
 Enquiries (within Australia) 1300 556 161  
 (outside Australia) 61 3 9415 4000  
 web.queries@computershare.com.au  
 www.computershare.com

For your security keep your SRN/HIN confidential.

Entitlement Number:  
 Record Date: 3 June 2009  
 Offer Closes: 5:00pm (Adelaide Time) 26 June 2009  
 Price per Security: A\$0.053

**SHARE PURCHASE PLAN APPLICATION FORM**

This personalised form can only be used in relation to the securityholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Pursuant to the terms and conditions of the Flinders Mines Limited Share Purchase Plan (SPP) contained in the letter to Flinders Mines Limited securityholders dated 9 June 2009, Flinders Mines Limited is offering eligible securityholders the opportunity to purchase Shares up to a maximum value of A\$5,000 per eligible securityholder, subject to a minimum application of A\$2,000.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of Flinders Mines Limited and agree that the submission of this payment constitutes an irrevocable offer to you by Flinders Mines Limited to subscribe for Flinders Mines Limited Shares on the terms of the SPP. In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:

- the Shares the subject of the slip below; and
- any other shares and interests in the class applied for by you under the Share Purchase Plan or any similar arrangement in the 12 months prior to the date of submission of the slip below, does not exceed \$5,000.

**METHOD OF ACCEPTANCE**

You can apply for shares and make your payment utilising one of the payment options detailed overleaf. Flinders Mines Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Flinders Mines Limited will be conclusive and binding on all eligible securityholders and other persons to whom the determination relates. Flinders Mines Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible securityholders even where Flinders Mines Limited does not notify you of that event.

**F M S**

**S P R B**



PLEASE DETACH HERE

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Please see overleaf for Payment Options



Billor Code: 123456  
 Ref No: 123412341234123412



Paperclip  
 cheque(s)  
 here.  
 Do not  
 staple.

**Flinders Mines Limited**  
 ABN 46 091 118 044

I/We wish to purchase:

37,735 shares or  94,339 shares or  
 A\$2,000 OF  A\$5,000

\* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

Payment Details – Please note that funds are unable to be directly debited from your bank account

Drawer	Cheque number	BSB number	Account number	Cheque amount
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

Make your cheque or bank draft payable to Flinders Mines Limited – Share Purchase Plan

Contact Details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person

Contact person's daytime telephone number

# How to accept the Share Purchase Plan

## Payment Details

You can apply for shares by utilising the payment options detailed below. There is no requirement to return the slip below if you are paying by electronic means. By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you:

agree to all of the terms and conditions of the Share Purchase Plan as enclosed with this Application Form;

Your cheque, bank draft or money order payable to Flinders Mines Limited – Share Purchase Plan in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided. Please note that funds are unable to be directly debited from your bank account. If paying by cheque, return the slip below and Cheque, Bank Draft or money order in the envelope provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.

## Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.

### Lodgement of Application

If you are applying for shares and your payment is being made by BPAY<sup>®</sup>, you do not need to return the slip below. Your payment must be received by no later than 5:00pm (Adelaide Time) on 26 June 2009. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, the slip below must be received by Computershare Investor Services Pty Limited (CIS) Adelaide by no later than 5:00pm (Adelaide Time) on 26 June 2009. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for securityholders in Australia. New Zealand holders will need to affix the appropriate postage. Return the slip below with cheque, bank draft or money order attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

### Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 556 161.

This form may not be used to notify your change of address. For information, please contact CIS on 1300 556 161 or visit [www.computershare.com](http://www.computershare.com) (certificated/issuer sponsored holders only).

CHES holders must contact their Controlling Participant to notify a change of address

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### Payment Options:



Billers Code: [123456](#)

Ref No: [123412341234123412](#)

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. For more info: [www.bpay.com.au](http://www.bpay.com.au)



By Mail

Flinders Mines Limited  
Computershare Investor  
Services Pty Limited  
GPO Box 2987  
Adelaide, South Australia, 5001  
AUSTRALIA