



30 October 2009

The Manager
Companies Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

CLEANSING NOTICE

SECTION 708AA(2)(F) OF THE CORPORATIONS ACT 2001 (CTH)

On 21 October 2009, Flinders Mines Limited (**Flinders** or **Company**) (ASX code: FMS) announced a non-renounceable rights issue to shareholders of approximately 227.4 million fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of 13 cents each, to raise approximately \$29.6 million before expenses of the rights issue (**Rights Issue**). These new shares will be offered on the basis of 1 New Share for every 7 existing shares held.

An Offer Document in relation to the Rights Issue together with an Entitlement and Acceptance Form will be despatched to all eligible shareholders on Friday, 13 November 2009.

Pursuant to section 708AA(2)(f) of the *Corporations Act (Cth) 2001* (**Corporations Act**), the Company hereby advises that:

1. the Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
2. the Company is giving this notice under section 708AA(2)(f) of the Corporations Act as modified by CO 08/35;
3. as at the date of this notice, the Company has complied with:
 - 3.1 the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - 3.2 section 674 of the Corporations Act;
4. as at the date of this notice, there is no information:
 - 4.1 that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - 4.2 that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - 4.2.1 the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - 4.2.2 the rights and liabilities attaching to the New Shares;

5. the potential effect of the Rights Issue and the consequences of that effect will depend on a range of factors, including investor demand. However, given that:
- 5.1 the Rights Issue is structured as a pro rata rights issue; and
 - 5.2 no Flinders shareholder has voting power exceeding 20% of the Company's issued shares.
- As at the date of this notice, no shareholder has disclosed a relevant interest in more than 5% of the Company's total voting power, the issue of the New Shares under the Rights Issue is not expected to have any material effect or consequences on the control of the Company.

Date: 30 October 2009

By order of the Board:

A handwritten signature in black ink, appearing to read 'D W Godfrey', written over a horizontal line.

D W GODFREY
Company Secretary