

**NOTICE OF INITIAL SUBSTANTIAL HOLDER**

To: Company Name/Scheme FMS - Flinders Mines Limited

ACN/ARSN 091 118 044

**1. Details of Substantial Holder(1)**

Name Acorn Capital Limited

ACN/ARSN (if applicable) 082 694 531

The holder became a substantial holder on 18-Dec-09

**2. Details of Voting Power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of Securities (4)	Number of Securities	Person's Votes (5)	Voting Power (6)
Ordinary	92,081,048	92,081,048	5.06%

**3. Details of Relevant Interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of Relevant Interest	Nature of Relevant Interest (7)	Class and Number of Securities
Acorn Capital Limited	Power to (or to control) exercise vote and/or dispose of the shares as discretionary investment managers or advisers to superannuation funds, pooled superannuation trusts, managed investment schemes and investment management	92,081,048

**4. Details of Present Registered Holders**

The persons registered as holders of the securities referred to in Paragraph 3 above are as follows:

Holder of Relevant Interest	Registered Holder of Securities	Person Entitled to be Registered as Holder (8)	Class and Number of Securities
Military Superannuation & Benefits Board	National Nominees		2,826,813
Queensland Local Government Superannuation	JP Morgan Chase Nominees		2,844,384
Catholic Superannuation Fund	National Nominees		3,749,864
Auscoal Superannuation Fund	JP Morgan Chase Nominees		3,750,078
Microcap Investment Trust 1	National Nominees		4,952,466
Qantas Superannuation	National Nominees		5,891,113
Health Super	JP Morgan Chase Nominees		7,178,292
Commonwealth Bank Officers' Superannuation Fund	Citicorp Nominees		7,187,228
Sunsuper Fund	National Nominees		9,197,894
Microcap Investment Trust 2	National Nominees		11,469,195
Acorn Capital Microcap Trust	National Nominees		16,414,826
UniSuper	National Nominees		16,618,895

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of Relevant Interest	Date of Acquisition	Consideration (9)		Class and Number of Securities
		Cash	Non-Cash	
Acorn Capital Limited	23-Sep-2009 to 18-Dec-2009	\$12,925,443.03		92,081,048

**6. Associates**

The reasons the persons named in Paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Name of Association

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
All Relevant Holders	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000

Print Name DOUGLAS LOH

Capacity Portfolio Manager

Sign Here

Date 21-Dec-09