



The Manager
Market Announcements Office
ASX Limited

31 March 2016

Dear Sir / Madam

**Takeover bid by TIO (NZ) Limited (New Zealand Company No.
3744171) for Flinders Mines Limited
Completion of dispatch of bidder's statements**

We attach, by way of service pursuant to item 8 of section 633(1) of the *Corporations Act 2001* (Cth), a notice stating that TIO (NZ) Limited has today completed sending its bidder's statements to offerees in relation to its off-market takeover bid for all the fully paid ordinary shares in Flinders Mines Limited.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'M Wolley'.

Michael Wolley
Director

TIO (NZ) Limited (New Zealand Company No. 3744171)

Company Notice – section 633(1) items 7, 8 and 9 Corporations Act 2001 (Cth) (Act)

Notice of completion of sending Bidder's Statement and Offers

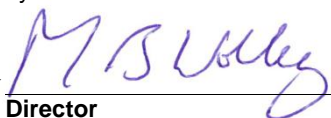
**To: Flinders Mines Limited
Australian Securities and Investments Commission
ASX Limited**

TIO (NZ) Limited (New Zealand Company No. 3744171) (**TIO**) gives notice that it has today completed sending its bidder's statement dated 17 March 2016 (**Bidder's Statement**) (which contains an offer dated 31 March 2016 (**Offer**)) to all persons registered as the holder of fully paid ordinary shares in Flinders Mines Limited (**Flinders**) in the register of Flinders shareholders, and also to all persons registered as the holder of performance rights or incentive rights in Flinders in the registers of Flinders performance rights and Flinders incentive rights (respectively), as at 9:00am (Sydney time) on 23 March 2016 (being the date set by TIO under section 633(2) of the Act) (**Relevant Offerees**).

A copy of the Bidder's Statement (which contains the Offer), together with all additional information sent to the Relevant Offerees as required by section 633(1C) of the Act (inserted into the Act by ASIC Class Order 13/521) and section 633(6) of the Act, is attached to this notice.

date 31 March 2016 _____

Signed for and on behalf of
TIO (NZ) Limited
by

sign here ►  _____
Director

print name Michael Wolley _____



This is an important document and requires your immediate attention. If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

Bidder's Statement

containing an unconditional Offer by

TIO (NZ) Limited

New Zealand Company No. 3744171

to purchase all or any of your fully paid ordinary shares in

Flinders Mines Limited

ACN 091 118 044

for

\$0.013 cash per Share

If you have any questions about this Bidder's Statement, please call the Offer Information Line on 1300 782 998 (toll-free within Australia) or + 61 3 9415 4197 (from outside Australia).

Australian legal adviser to TIO (NZ) Limited



HERBERT
SMITH
FREEHILLS

Nature of this information

This Bidder's Statement is issued by TIO (NZ) Limited (New Zealand Company No. 3744171) (**TIO**) under Part 6.5 of the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on, and is dated, 17 March 2016. Neither ASIC nor its officers take any responsibility for the content of this Bidder's Statement.

No account of your personal circumstances

In preparing this Bidder's Statement, TIO has not taken into account the individual objectives, financial situation or needs of individual Flinders Shareholders.

Accordingly, before making a decision whether or not to accept the Offer, you may wish to consult with your broker, financial adviser or legal adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements or based on forecast information. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Flinders, TIO and the members of the Todd Corporation Group operate (including the uncertainty and volatility associated with the iron ore market) as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement or statement based on forecast information. None of TIO, Todd Corporation, any other Todd Corporation Group Member, any director, officer, employee or adviser of TIO, Todd Corporation or any other Todd Corporation Group Member, any person named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement or statement based on forecast information, or any events or results expressed or implied in any such statements, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement or statement based on forecast information, and should note that such statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to Flinders information

The information on Flinders, Flinders' securities and the Flinders Group contained in this Bidder's Statement has been prepared by TIO using publicly available information. Information in this Bidder's Statement concerning Flinders' business has not been independently verified by TIO. Accordingly TIO does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. Further information relating to Flinders' business may be included in Flinders' target's statement which Flinders must provide to its Shareholders in response to this Bidder's Statement.

Foreign jurisdictions

The distribution of this Bidder's Statement in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

Responsibility statement

Except as outlined below, the information in this Bidder's Statement has been prepared by TIO and is the responsibility of TIO.

Todd Corporation has prepared and provided the Todd Corporation Information and is responsible for that information. None of TIO nor any director, officer, employee or adviser of TIO, assumes any responsibility for the Todd Corporation Information. None of Todd Corporation, any other Todd Corporation Group Member, or any director, officer, employee or adviser of Todd Corporation or any other Todd Corporation Group Member, assumes any responsibility for any information in this Bidder's Statement other than the Todd Corporation Information.

Deloitte Tax Services Pty Ltd has prepared and is responsible for the Australian tax considerations contained in section 8 of this Bidder's Statement. Deloitte Tax Services Pty Ltd does not assume any responsibility for any information in this Bidder's Statement other than that contained in section 8.

Privacy

TIO has collected your information from the Flinders register of shareholders for the purpose of making this Offer and, if accepted, administering your holding of Shares and your acceptance of the Offer. The type of information TIO has collected about you includes your name, contact details and information on your shareholding in Flinders. Without this information, TIO would be hindered in its ability to carry out the Offer. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to TIO's related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. The registered address of TIO is Level 15, The Todd Building, 95 Customhouse Quay, Wellington 6011 New Zealand.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 11 of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Financial amounts

All financial amounts in this Bidder's Statement are expressed in Australian currency unless otherwise stated.

Key dates

Announcement Date and date of this Bidder's Statement	17 March 2016
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Date of Offer and Offer opens	31 March 2016
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Flinders Shareholders able to sell Shares to TIO through their broker on the ASX	17 March 2016
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Date Offer closes (unless extended or withdrawn)	7.00pm (Sydney time) on 2 May 2016
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Key contacts

Share registrar for the Offer

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne VIC 3001 Australia

Offer Information Line*

1300 782 998 (toll-free within Australia)
+ 61 3 9415 4197 (from outside Australia).

* Calls to these numbers may be recorded.

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17 March 2016

Dear Flinders Shareholder

Offer to acquire your shares in Flinders Mines Limited

On behalf of TIO (NZ) Limited (**TIO**), a wholly-owned subsidiary of Todd Corporation, I am pleased to provide you with this unconditional all-cash off-market takeover bid to acquire your shares in Flinders Mines Limited (**Flinders**).

If you accept the Offer, you will receive \$0.013 cash (one and three tenths of a cent) per Share (the **Offer Price**) for each fully paid ordinary share in Flinders (**Share** or **Flinders Share**) that your acceptance relates to and your payment will be despatched within seven Business Days after the date your acceptance is received.

The Offer Price is more than two and a half times the price of \$0.005 per Share set by the Flinders Board for the private placement to OCJ Investment (Australia) Pty Ltd, announced on 2 March 2016. That price must have reflected the Flinders Board's assessment of the value of a Flinders Share at that date.

In addition to being more than two and a half times the 2 March 2016 private placement price of \$0.005 per Share, the Offer Price represents a significant premium of:

- 63% to the closing price on the ASX on 16 March 2016 of \$0.008 per Share;
- 71% to the 30 day VWAP¹ of \$0.0076 per Share; and
- 66% to the 60 day VWAP of \$0.0078 per Share.

The Offer will remain open until 7.00pm (Sydney time) on Monday, 2 May 2016, unless extended or withdrawn.

TIO has also instructed its broker, Patersons Securities Limited, to purchase on its behalf all Flinders Shares offered for sale to it on the ASX during the period from the Announcement Date until the end of the Offer Period at up to the Offer Price of \$0.013 per Flinders Share. If you sell your Flinders Shares on-market to TIO you will be paid two ASX trading days (T+2) after the date on which the relevant trade takes place.

By making this Offer, TIO is seeking to increase its shareholding in Flinders to at least a level where it can better influence the future direction of Flinders and the evaluation of the future development options for its main asset, the Pilbara Iron Ore Project (**PIOP**).

TIO is of the view that its all-cash Offer, which represents a significant premium to trading prices before the Announcement Date, provides you with an attractive opportunity to realise certain value for your Flinders Shares.

¹ VWAPs in this Bidder's Statement are calculated on the basis of ASX trading data sourced from S&P Capital IQ and are calculated over the specified number of calendar days.

It is TIO's view that the recent uncertain and volatile iron ore market conditions and lack of an existing transportation infrastructure solution make development of PIOP by Flinders very challenging. Notwithstanding the recent private placement by Flinders, TIO is of the view that Flinders is likely to need to source additional funding in the near-to-medium term to fund its corporate overheads and maintain its projects in good standing even if no progress is made on the development of PIOP.

Further, even if Flinders can overcome the challenges of the uncertain and volatile iron ore market conditions and its current lack of access to transportation infrastructure, TIO expects that Flinders will require additional funding:

- to recommence and complete the existing bankable feasibility study (BFS) for the development of PIOP (which TIO understands is currently suspended) and/or examine other development options; and
- if a final investment decision was ever made, to take PIOP into production, in which case this funding requirement is likely to be very significant. For example, the independent expert's report for the PIOP Option transaction released by Flinders to the ASX on 21 August 2015 assumed an initial capital expenditure of \$800 million for construction of a 25mtpa stand-alone mine project.

By accepting the Offer in respect of all your Flinders Shares, you will avoid:

- the requirement to participate in any future equity raisings by Flinders to fund its ongoing activities or risk having your shareholding diluted if you do not participate;
- the uncertainty of timing, project development and operational risks associated with Flinders' projects, in particular PIOP; and
- the inherent risks and uncertainties associated with holding shares in a listed entity such as Flinders.

The market for your Flinders Shares after the end of the Offer may be less liquid or less active than at present. This could also make it more difficult for you to sell your Flinders Shares on-market at an attractive price in the future.

Moreover, in the absence of the Offer, it is expected that Flinders Shares will trade below the Offer Price at levels closer to the trading price immediately prior to the Announcement Date.

Under the ASX Operating Rules, a marketable parcel of listed shares is a parcel valued at not less than \$500. At the Offer Price, a marketable parcel of Flinders Shares comprises at least 38,462 Shares and at the closing price immediately prior to the Announcement Date it is at least 62,500 Shares. While parcels smaller than the marketable parcel size may be traded on ASX, the brokerage costs associated with a sale of such parcels (in proportion to the proceeds of such a sale) may make transacting unattractive or uneconomical. If your shareholding in Flinders is not a marketable parcel, the Offer provides you with an opportunity to sell your Flinders Shares efficiently by potentially avoiding brokerage costs.

Details of the Offer, including its terms, are set out in this Bidder's Statement. I encourage you to read this Bidder's Statement in its entirety, and then to accept the Offer as soon as possible. In order to be valid, your acceptance must be received before 7.00pm (Sydney time) on Monday, 2 May 2016, which is the closing date of the Offer (unless it is extended or withdrawn).

To accept the Offer, please follow the instructions on the accompanying Acceptance Form (see section 10.3 of this Bidder's Statement). Alternatively, you may instruct your broker to sell your Flinders Shares on-market on the ASX to TIO through its broker, Patersons Securities Limited.

If you require additional assistance, please call the Offer Information Line on 1300 782 998 (toll-free within Australia) or + 61 3 9415 4197 (from outside Australia).

I appreciate your consideration of this Offer.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'M Wolley', with a stylized flourish at the end.

Michael Wolley
Director, TIO (NZ) Limited

1 Why you should accept the Offer

TIO's board of directors highlight the following reasons for Flinders Shareholders to accept the unconditional Offer:

1. It is more than two and a half times the 2 March 2016 private placement price
2. It represents a significant premium to trading prices before the Announcement Date
3. It provides certain value to Flinders Shareholders
4. It avoids the need for you to participate in any future capital raisings, or risk having your shareholding diluted
5. It avoids you being exposed to future risks associated with Flinders and its projects
6. The trading price of Flinders Shares may fall after the Offer closes
7. It may provide small Shareholders with an opportunity to sell their Flinders Shares efficiently

These reasons are discussed in further detail below.

1.1 It is more than two and a half times the 2 March 2016 private placement price

The Offer Price is more than two and a half times the price of \$0.005 per Share set by the Flinders Board for the private placement to OCJ Investment (Australia) Pty Ltd announced on 2 March 2016. That price must have reflected the Flinders Board's assessment of the value of a Flinders Share at that date.

1.2 It represents a significant premium to trading prices before the Announcement Date

Based on the price that Flinders Shares traded on the ASX up to and including 16 March 2016, being the last trading day prior to the Announcement Date, the Offer Price represents a significant premium of:

- 63% to the closing price on 16 March 2016 of \$0.008 per Share;
- 71% to the 30 day VWAP of \$0.0076 per Share; and
- 66% to the 60 day VWAP of \$0.0078 per Share.

1.3 It provides certain value to Flinders Shareholders

TIO is offering all cash consideration for your Flinders Shares and the Offer is unconditional.

TIO understands that some of the reasons that the previously proposed PIOP Option arrangement was considered unattractive by some Flinders Shareholders were because it did not:

- provide sufficient certainty of outcome; or
- immediately result in the full distribution of the proceeds of the PIOP Option payments to Flinders Shareholders or guarantee that Flinders Shareholders would receive any or all of the proceeds from the sale of PIOP.

The Offer addresses both of these concerns.

If you accept the Offer:

- you will be paid \$0.013 cash for each of your Flinders Shares and your payment will be despatched within seven Business Days after the date your acceptance is received;
- if TIO increases the Offer Price during the Offer Period, you will be entitled to receive the incremental consideration;²
- you will not incur any brokerage fees if your Flinders Shares are registered in an Issuer Sponsored Holding in your name and you complete and return an Acceptance Form to Computershare.

If your Flinders Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Flinders Shares are registered in the name of a broker, bank, custodian, or other nominee, you should ask your Controlling Participant (usually your broker) or that broker, bank, custodian or nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.

² In accordance with the Corporations Act, if TIO increases the Offer Price under the Offer, all Flinders Shareholders, whether or not they have accepted the Offer before that increase in the Offer Price, would be entitled to the benefit of that increased Offer Price. However, if you sell your Flinders Shares on-market on the ASX to TIO before any increase in the Offer Price, you will not receive any additional consideration arising from such an increase in the Offer Price.

You may also instruct your broker to sell your Flinders Shares on-market on the ASX to TIO through its broker, Patersons Securities Limited. If you sell your Flinders Shares on-market on the ASX to TIO you should be paid two ASX trading days (T+2) after the relevant trade takes place. However, if the Offer Price is increased and you sell your Flinders Shares on-market on the ASX to TIO before the Offer Price is increased, you will not be entitled to receive the benefit of that increased Offer Price.

The Offer provides you with an opportunity to dispose of all your Flinders Shares and to realise certain value for your entire shareholding in Flinders.

1.4 It avoids the need for you to participate in any future capital raisings or risk having your shareholding diluted

It is TIO's view that the recent uncertain and volatile iron ore market and lack of an existing transportation infrastructure solution make the development of PIOP by Flinders very challenging. Notwithstanding the recent private placement by Flinders, TIO is of the view that Flinders is likely to need to source additional funding in the near-to-medium term to fund its corporate overheads and maintain its projects in good standing even if no progress is made on the development of PIOP.

Further, even if Flinders can overcome the challenges presented by the uncertain and volatile iron ore market conditions and its current lack of access to transportation infrastructure, TIO expects that Flinders will require additional funding:

- to recommence and complete the existing BFS for the development of PIOP (which TIO understands is currently suspended) and/or examine other development options; and
- if a final investment decision was ever made, to take PIOP into production, in which case this funding requirement is likely to be very significant. For example, the independent expert's report for the PIOP Option transaction assumed an initial capital expenditure of \$800 million for construction of a 25mtpa stand-alone mine project.

To the extent that some or all of this additional funding is sought in the form of equity, Flinders Shareholders would need to contribute commensurately with their existing shareholding to avoid having their proportionate interest in Flinders diluted.

Alternatively, subject to the restrictions in the Listing Rules and section 606 of the Corporations Act, Flinders may choose to raise equity capital by way of one or more private placements (as it recently did), rather than providing all existing Shareholders with the opportunity to participate in the raising. This will inevitably result in dilution for all Shareholders other than those (if any) invited to participate in the placement.

1.5 It avoids you being exposed to future risks associated with Flinders and its projects

If you accept the Offer in respect of all your Flinders Shares, in addition to the funding risks described in section 1.4, you will no longer be exposed to Flinders' future timing, project development and operational risks, including the risk that Flinders will be unable to:

- progress the development of its projects, in particular its main asset, PIOP;
- develop its own infrastructure solution to transport the output from PIOP to market or to gain access to existing transport infrastructure and port capacity, via the Balla Balla Infrastructure Project or otherwise, on commercially acceptable terms; or

- secure suitable offtake arrangements with iron ore customers for PIOP to be viable.

In addition to the risks specific to Flinders' projects, there are inherent risks in holding shares in a listed entity such as Flinders. These risks include, but are not limited to:

- industry specific risks;
- commodity price risk;
- foreign exchange risk;
- regulatory risk;
- debt and equity market risk; and
- general economic conditions.

1.6 The trading price of Flinders Shares may fall after the Offer closes

The Offer is at a significant premium to the recent trading prices of Flinders Shares prior to the Announcement Date.

If the Offer does not result in TIO acquiring all of the Shares and there is no other offer made for your Flinders Shares, the trading price of Flinders Shares may fall below the Offer Price and trade at levels closer to, or even below, the trading price immediately prior to the Announcement Date.

The market for your Flinders Shares after the end of the Offer may be less liquid or less active than at present. This could also make it more difficult for you to sell your Flinders Shares on-market at an attractive price in the future.

1.7 It may provide small Shareholders with an opportunity to sell their Flinders Shares efficiently

Under the ASX Operating Rules, a marketable parcel of listed shares is a parcel valued at not less than \$500. At the Offer Price, a marketable parcel of Flinders Shares comprises at least 38,462 Shares and at the closing price immediately prior to the Announcement Date it is at least 62,500 Shares. While parcels smaller than the marketable parcel size may be traded on the ASX, the brokerage costs associated with a sale of such parcels (in proportion to the proceeds of such a sale) may make transacting unattractive or uneconomical.

If your shareholding in Flinders is not a marketable parcel, the Offer provides you with an opportunity to sell your Flinders Shares efficiently by potentially avoiding brokerage costs. This is because if your Flinders Shares are registered in an Issuer Sponsored Holding in your name and you complete and return an Acceptance Form to Computershare, you will not incur any brokerage fees in connection with your acceptance of the Offer.

If your Flinders Shares are registered in a CHESS Holding, you should ask your Controlling Participant (usually your broker) whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.

2 Summary of the Offer

Important notice	<p>The information in this section is a summary only of the Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.</p> <p>You should read the entire Bidder's Statement and the target's statement that Flinders will shortly be sending to you, before deciding whether to accept the Offer.</p> <p>If you are in any doubt as to how to deal with this Bidder's Statement, please consult your financial, legal, taxation or other professional adviser.</p>
What is TIO offering to buy?	<p>TIO is offering to buy all of the Flinders Shares, including Shares that are issued during the Offer Period due to vesting of Flinders Rights, on the terms set out in this Bidder's Statement.</p> <p>You may accept the Offer for all or any number of Your Shares.</p>
What will you receive if you accept the Offer?	<p>If you accept the Offer you will receive \$0.013 (one and three tenths of a cent) cash for each of Your Shares that you accept into the Offer.</p> <p>The aggregate cash payable to you will be rounded down to the nearest whole cent.</p>
Can the Offer Price be increased?	<p>Yes, the Offer Price can be increased.</p> <p>In accordance with the Corporations Act, if TIO increases the Offer Price, all Flinders Shareholders who accept the Offer, whether or not they have accepted the Offer before that increase in the Offer Price, will be entitled to the benefit of that increased Offer Price.</p> <p>Rather than accepting the Offer, if you sell your Flinders Shares on-market on the ASX to TIO and the Offer Price is subsequently increased, you will not be entitled to receive the benefit of any increase in the Offer Price.</p>
When will you be paid?	<p>As the Offer is unconditional, your payment will be despatched within seven Business Days after the date your acceptance is received.</p> <p>The usual rules for settlement of transactions which occur on-market on ASX will apply in respect of Shares purchased by TIO on-market. This means that if you sell your Shares to TIO's broker, Patersons Securities Limited, you should be paid two ASX trading days (T+2) after the date on which the relevant trade takes place.</p>
When does the Offer Close?	<p>The Offer closes at 7.00pm (Sydney time) on 2 May 2016, unless it is extended or withdrawn in accordance with the Corporations Act.</p>
Are there any conditions to the Offer?	<p>No, the Offer is an unconditional cash offer for Your Shares.</p>

Why should you accept the offer?

- It is more than two and a half times the 2 March 2016 private placement price.
- It represents a significant premium to trading prices before the Announcement Date.
- It provides certain value to Shareholders.
- It avoids the need for you to participate in any future capital raisings or risk having your shareholding diluted.
- It avoids you being exposed to future risks associated with Flinders and its projects.
- The trading price of Flinders Shares may fall after the Offer closes.
- It may provide small Shareholders with an opportunity to sell their Flinders Shares efficiently.

What happens if you do not accept the Offer in respect of all Your Shares?

You will remain a Flinders Shareholder and will not receive the cash consideration offered by TIO under the Offer.

However, if TIO becomes entitled to compulsorily acquire your Flinders Shares, it intends to do so. If your Flinders Shares are compulsorily acquired by TIO, it will be on the same terms (including the same consideration for each Flinders Share acquired) as the Offer. However, you will receive the money later than the Flinders Shareholders who choose to accept the Offer.

How do you accept the Offer?

Depending upon the nature of your holding, you may accept the Offer for all or any number of your Flinders Shares in the following ways.

Issuer sponsored shareholders

If Your Shares are registered in an Issuer Sponsored Holding (such holdings will be evidenced by an 'I' appearing next to your holder number on the enclosed Acceptance Form), to accept this Offer, you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address indicated on the form so that it is received before the Offer closes.

CHESS shareholders

If Your Shares are registered in a CHESS Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either:

- completing and signing the Acceptance Form enclosed with this Bidder's Statement and returning it to the address indicated on the form so that it is received before the Offer closes; or
- instructing your Controlling Participant (normally your broker) to accept the Offer on your behalf before the Offer closes.

Participants

If you are a Participant, acceptance of this Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.

Full details on how to accept the Offer are set out in section 10.3 of this Bidder's Statement.

Can I revoke my acceptance and withdraw my Flinders Shares from the Offer once I have accepted?

No, once you accept the Offer, you will be unable to revoke your acceptance.

Can you accept the Offer for part of your holdings?

Yes, you can accept the Offer for all or any part of your holding of Flinders Shares.

Will you need to pay brokerage or stamp duty on acceptances?

If your Flinders Shares are registered in an Issuer Sponsored Holding in your name and you complete and return an Acceptance Form to Computershare, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.

If your Flinders Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Flinders Shares are registered in the name of a broker, bank, custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that broker, bank, custodian or nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.

What if you are a foreign shareholder?

Foreign shareholders will be paid the same cash consideration as stipulated under the Offer. However, the tax implications under the Offer for those foreign shareholders may be different from those relating to Australian resident shareholders. You will be paid in Australian dollars by cheque drawn on an Australian bank branch.

How will the Flinders Options and Flinders Rights be treated?

As at the date of this Bidder's Statement, there are no Flinders Options on issue.

TIO is not making separate takeover offers for any Flinders Rights. However, the Offer extends to all Flinders Shares that are issued between the Register Date and the end of the Offer Period as a result of the vesting of Flinders Rights. This means that Flinders Rightholders whose Flinders Rights vest prior to the end of the Offer Period will be able to accept the Offer in respect of the Flinders Shares issued during the Offer Period as a result of that vesting.

Where do you go for further information?

This Bidder's Statement contains detailed information about the Offer, including the terms of the Offer contained in section 10 of this Bidder's Statement. For queries on how to accept the Offer, you should also refer to the enclosed Acceptance Form.

For all other queries in relation to the Offer, please contact the Offer Information Line on 1300 782 998 (toll-free within Australia) or + 61 3 9415 4197 (from outside Australia), Monday to Friday

between 8:30am to 5:30pm (Sydney time). Please be aware that any calls to these numbers may be recorded. Queries in relation to the Offer will not be received on any other telephone numbers of TIO or its advisers.

3 Information on TIO, the Todd Corporation Group and the BBI Group

3.1 Overview of TIO

The bidder under the Offer is TIO.

TIO is an investment holding company with a focus on the metals and mining sector. TIO is incorporated in New Zealand and is an indirectly wholly-owned subsidiary of Todd Corporation.

3.2 History, structure and ownership of the Todd Corporation Group

Todd Corporation has been in business in New Zealand since 1884 and is one of New Zealand's largest companies. It is privately owned and is the ultimate parent company of the Todd Corporation Group, including TIO.

Todd Corporation has approximately 800 employees and interests in New Zealand, Australia, USA, UK and Canada.

3.3 Principal activities of TIO and the Todd Corporation Group

(a) TIO

TIO is a subsidiary of Todd Minerals Limited and a member of the Minerals division of the Todd Corporation Group, additional details of which are set out below.

As at the date of this Bidder's Statement, TIO owned approximately 82% of the BBI Group, following the acquisition of BBI (formerly, Rutila Resources Limited), in August 2015. Further details about the BBI Group are set out in section 3.3(c) of this Bidder's Statement.

(b) The Todd Corporation Group

The Todd Corporation Group has interests in oil and gas exploration and production, minerals, electricity generation, energy retailing, property development, healthcare, technology and wine. These interests include both operated businesses and investment holdings. The primary divisions of the Todd Corporation Group are New Zealand Upstream Energy, International Energy, Minerals, Downstream Energy, Property and Growth Businesses as set out below.

(1) New Zealand Upstream Energy

The New Zealand Upstream Energy division is one of New Zealand's largest oil and gas explorers and producers, and has interests in the following producing oil and gas fields in New Zealand: Maui, Kapuni, Pohokura, McKee, Mangahewa and Maari.

(2) International Energy

The International Energy division was established to develop energy projects outside New Zealand. The division's major projects are currently located in North America and include South Louisiana Methanol in the USA and the Birch gas project in Canada.

(3) **Minerals**

The Minerals division was established to develop minerals projects. In addition to its ownership of the BBI Group, Minerals division investments include:

- a 32.2% shareholding in Wolf Minerals Limited (which may shortly reduce to approximately 24%), an ASX listed company operating the Hemerdon tungsten-tin mine in Devon, England; and
- a combined 29% direct and indirect interest in the Sisson tungsten-molybdenum project in New Brunswick, Canada, which is being developed by TSX listed Northcliff Resources Ltd.

(4) **Downstream Energy**

The Downstream Energy division includes Nova Energy, a New Zealand energy retailer offering natural gas, electricity and LPG.

Nova Energy is one of New Zealand's fastest growing energy companies and services over 100,000 business and residential customers across New Zealand.

(5) **Property**

The Property division is a New Zealand property developer engaged in designing and delivering some of New Zealand's largest land development projects.

(6) **Growth Businesses**

The investments of the Growth Businesses division consist of:

- Integria Healthcare, which operates in the vitamins, minerals and supplements healthcare market;
- PartsTrader, a leading online marketplace for automotive parts trade buyers and sellers in the USA; and
- Todd Winegrowers Limited.

(c) **The BBI Group**

BBI Group Pty Limited (formerly Rutila Resources Limited) is a Sydney based resources company and the Australian holding company of the BBI Group.

BBI is currently approximately 82% owned by the Todd Corporation Group (through TIO) and approximately 18% owned by entities associated with Mr Nicholas Curtis. Through various contractual arrangements, it is proposed that TIO will ultimately increase its interest in BBI to at least 88%.

The BBI Group's primary focus is the development of the Balla Balla Infrastructure Project, comprising the Balla Balla Port and the Balla Balla Rail Project. Further information on the Balla Balla Infrastructure Project and its relationship with Flinders and PIOP can be found in section 5.

The BBI Group also operates (and part-owns) the Balla Balla Mine Project, a potential vanadium-titanium-magnetite development, located 8km south of the proposed Balla Balla Port. It also holds interests in the Eucla West Mineral Sands Project.

3.4 Directors

(a) Directors of TIO

Brief profiles of the directors of TIO as at the date of this Bidder's Statement are as follows:

Mr Jonathon Young

Mr Jonathon Young holds a Bachelor of Engineering (Chemical) and a Bachelor of Science (Mathematics) from the University of Sydney.

After University, Mr Young spent seventeen years with Mobil Oil in a wide range of international management roles. Mr Young's last role with Mobil was as Chief Executive Officer of Indo Mobil Ltd, based in New Delhi, India.

In 2000, Mr Young joined Santos Ltd, and as Executive Vice President Operations was responsible for the company's onshore Australian assets.

Mr Young joined Todd Corporation in January 2011 as Group Chief Executive Officer.

Mr Michael Wolley

Mr Michael Wolley holds a first class honours degree in Chemical and Materials Engineering (University of Auckland) and a Masters of Management (Macquarie Graduate School of Management).

In 2013, Mr Wolley was appointed to the role of Vice President Minerals and Coal based in Sydney. Mr Wolley is a Director of Wolf Minerals Limited, an ASX and AIM listed resources business. He is also a Director of BBI.

Mr Wolley is a member of the Australian Institute of Company Directors and the New Zealand Institute of Company Directors.

Mr Nicholas Olson

Mr Nicholas Olson holds a Bachelor of Engineering from the University of Auckland and is a Chartered Accountant.

During the last 13 years Mr Olson has served in senior roles at Telecom New Zealand, where he was Group CFO between 2010 and 2013, and at Fletcher Building, where he was Group CFO until late 2014. Mr Olson focused on transforming the finance capabilities of these organisations through group-wide finance change and centralisation programmes. In September 2015, Mr Olson joined Todd Corporation Limited as Group CFO.

Mr Christopher Hall

Mr Christopher Hall has a Bachelor of Laws Degree (Hons) from the University of Otago, a Master of Laws from the University of British Columbia, Vancouver and completed the Strategic Management Programme at Macquarie Graduate School of Management, Sydney.

Mr Hall is Group General Counsel and Vice President Growth Businesses, Todd Corporation. In relation to the latter Mr Hall has responsibility for the Todd Corporation's wholly owned subsidiaries, Todd Winegrowers Limited and Integria Healthcare Limited and its investment in PartsTrader Markets Limited. Prior to his current role Mr Hall was General Counsel for Todd NZ Upstream and Downstream Energy, from 2002-2010 and before that he spent 11 years in private legal practice.

From 2005 to 2011, Mr Hall was a member of the Executive Committee of the Petroleum Exploration and Production Association of New Zealand, including two years as Chair. Mr Hall is a Director of a number of Todd Corporation

companies and of Shell Todd Oil Services Ltd, New Zealand's largest oil and gas field operator. Mr Hall is a member of the New Zealand Law Society, Energy Law Association and Association of International Petroleum Negotiators.

(b) **Directors of Todd Corporation**

The directors of Todd Corporation as at the date of this Bidder's Statement are as follows:

- Mr Geoff Ricketts
- Mr Malcolm Whyte
- Mr Mike Todd
- Mr Henry Tait
- Mr Andrew Reid
- Mr Paul Baines
- Mr Tom Campbell
- Ms Emma Stein
- Mr Bruce Wood

3.5 Publicly available information about TIO and Todd Corporation

Further information about the Todd Corporation Group is available in electronic form from: www.toddcorporation.com

3.6 Announcement by TIO in relation to the Offer

On 17 March 2016, TIO made a public announcement to ASX in relation to the Offer. A copy of that announcement is available for inspection on ASX's website at www.asx.com.au

4 Information on Flinders and Flinders Group

4.1 Important information

The following information about Flinders is based on public information and has not been independently verified. Accordingly, TIO and Todd Corporation do not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

Flinders Shareholders should refer to the target's statement to be issued by Flinders for further information about Flinders and the Flinders Group.

4.2 Overview of Flinders

Flinders is an Australian ASX-listed company and is the holding company of the Flinders Group. It is an Adelaide-based resources company incorporated in South Australia, with a primary focus on the development of PIOP in the Pilbara region of Western Australia.

4.3 Directors

As at the date of this Bidder's Statement, the directors of Flinders are as follows:

- Robert Kennedy, Non-Executive Chairman
- Ian Gordon, Managing Director
- Ewan Vickery, Non-Executive Director
- Kevin Malaxos, Non-Executive Director

4.4 Principal activities of Flinders and the Flinders Group

Flinders' main focus is the development of PIOP. Flinders has a 100% interest in PIOP, a hematite iron ore deposit, which is located in the Pilbara region in Western Australia, approximately 60 km north-west of the town of Tom Price. Flinders has reported that the total mineral resource estimate for PIOP is 1,042Mt @ 55.6% Fe.

4.5 Flinders' issued securities

According to Flinders' Appendix 3B released to the ASX on 2 March 2016, as at the date of this Bidder's Statement, Flinders' issued securities consisted of:

- 2,934,648,754 Shares;
- 10,000,000 Performance Rights; and
- 5,863,000 Incentive Rights.

4.6 Flinders share and options plans

According to documents provided by Flinders to the ASX, as at the date of this Bidder's Statement, Flinders currently has the following share and option plans in operation:

(a) Employee Share Option Plan

The Flinders Employee Share Option Plan enables the Flinders Board, at its discretion, to issue Flinders Options to employees of Flinders or its associated companies. Each Flinders Option will have a life of five years and is exercisable at a price determined by the Flinders Board.

As at the date of this Bidder's Statement, there are no Flinders Options on issue.

(b) **Flinders Incentive Rights Plan**

The Flinders Incentive Rights Plan enables the Flinders Board, at its discretion and in accordance with the terms and conditions of the Flinders Incentive Rights Plan, to offer eligible Flinders' employees Incentive Rights and Performance Rights to acquire fully paid ordinary shares in Flinders.

Incentive Rights vest on the completion of a determined length of service by the eligible Flinders employee and Performance Rights vest on the successful achievement of specified performance objectives.

In summary, when the Flinders Rights vest, the eligible Flinders employee will be issued Shares or the Shares will be held for the eligible employee's benefit on trust within the Employee Share Trust. When Shares are to be acquired by the Employee Share Trust, Flinders will contribute the then market value of the Shares to be acquired to the trustee of the Employee Share Trust and the trustee shall apply those funds to acquire Shares by on-market purchase or subscription to a new issue as directed by the Flinders Board. The eligible employee will pay nothing for the Shares.

Shares issued pursuant to the Flinders Incentive Rights Plan may not be sold or otherwise disposed of until first advised by Flinders, which Flinders shall do at the first opportunity when Shares may be sold without breaching the insider trading provisions of the Corporations Act and Flinders' share trading policy.

All of the Performance Rights on issue as at the date of this Bidder's Statement have been issued to Flinders' Managing Director, Mr Ian Gordon, and will vest on the occurrence of one of the following events:

- (1) the Flinders Board making a final investment decision, on the basis of a bankable feasibility study, to develop PIOP; or
- (2) a takeover of Flinders, where a 'takeover' of Flinders occurs if a person or a corporation who did not previously do so:
 - (A) acquires or holds directly or indirectly a Relevant Interest in securities conferring 50% or more of the voting or economic interest in Flinders;
 - (B) acquires or holds directly or indirectly the power to control the appointment or dismissal of the majority of the Flinders Board; or
 - (C) has the capacity to control the financial operating policies or management of Flinders.

If the Performance Rights vest, Mr Gordon will be issued with one Share for each Performance Right that vests.

If the Performance Rights have not vested on or before 30 June 2016 (or such later date as agreed in writing by Flinders and Mr Gordon) the Performance Rights will automatically lapse on that date.

Flinders Rightholders may accept the Offer in respect of the Shares issued before the end of the Offer Period as a result of the vesting of Flinders Rights.

TIO is not offering to acquire the Flinders Rights under the Offer and will not make any separate offers to acquire the Flinders Rights.

4.7 Substantial holders in Flinders Shares

As at 16 March 2016, and (otherwise than in the case of Todd Corporation) so far as is known to TIO based on publicly available information lodged with ASX, the following persons have a Substantial Holding of 5%, or more, of Flinders Shares:

Substantial holder	Relevant Interest
Todd Corporation (and each of its Subsidiaries)	18.41%
OCJ Investment (Australia) Pty Ltd	19.93% ³

4.8 Other material information about the Flinders Group

Flinders will have the opportunity to disclose in its target's statement any information about the Flinders Group it considers Flinders Shareholders would reasonably require to make an informed assessment as to whether to accept the Offer.

4.9 Publicly available information about Flinders Group

Flinders is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Flinders is subject to the listing rules of ASX which require continuous disclosure of any information Flinders has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Flinders' file is available for inspection at ASX during normal business hours.

In addition, Flinders is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Flinders may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Flinders (including copies of its financial statements) is available in electronic form from www.flindersmines.com.au

³ See Form 604 Notice of change of interests of substantial holder released to the ASX on 4 March 2016.

5 Information on PIOP and the Balla Balla Infrastructure Project

5.1 Background

On 26 February 2014, the Alliance Agreement was executed. The Alliance Agreement contemplated that PIOP and the Balla Balla Infrastructure Project would be developed by their respective owners (being Flinders in the case of PIOP and subsidiaries of TIO and BBI in the case of the Balla Balla Infrastructure Project) each on a stand-alone basis, with PIOP being the foundation customer for the Balla Balla Infrastructure Project on agreed commercial terms.

The Alliance Agreement expired on 31 December 2015.

On 8 May 2015, PIO Mines Pty Ltd, a subsidiary of TIO entered into the conditional PIOP Option with Flinders. At that time, Flinders acknowledged that PIOP was uneconomic and unlikely to be financed and developed in the context of the commercial arrangements under the Alliance Agreement and given the iron ore price outlook.

The PIOP Option was conditional on the approval of Flinders' Shareholders, but this approval was not obtained.

5.2 Current status of PIOP

(a) General

According to its December 2015 quarterly activities report, Flinders is pursuing all alternative opportunities for PIOP, moving forward with the intent of securing development partners, offtake customers and transport solutions for the resource. Flinders has stated that it believes its ability to mine high grade hematite within its global resource base places Flinders in a relatively strong position to advance these discussions. However, as at the Announcement Date, Flinders has not disclosed any further information regarding the development of PIOP nor these discussions to the ASX.

In its financial report for the half-year ended 31 December 2015, Flinders announced that it had only three employees remaining and that the recent private placement announced on 2 March 2016 would be used to provide working capital to pay the holding costs for PIOP and its pursuit of securing development partners, offtake customers and transport solutions for PIOP. It is unclear whether Flinders has a sufficient number of employees, sufficient funds or any plans to further develop PIOP other than engaging with external parties.

(b) Engineering

According to its presentation to the Flinders 2015 Annual General Meeting on 27 November 2015, Flinders has suspended activities on its BFS for PIOP and has formed the view that the development of a large 25mtpa project is not feasible for the foreseeable future because:

- the cost structures under the proposed arrangements in the Alliance Agreement would have resulted in a cash operating cost above the then current iron ore price;
- capital contributions required by Flinders are not available in the current market; and
- the iron ore market needs new demand outside of China to stimulate price growth.

(c) **Access and Approvals**

According to its December 2015 quarterly activities report, Flinders received approval from the Minister for Aboriginal Affairs (WA) in respect to heritage aspects of PIOP. Final approval from the Commonwealth Minister was also said to be progressing well and final documents had been provided to the Department of Environment.

(d) **Marketing**

According to its December 2015 quarterly activities report, during December 2015, Flinders' Managing Director visited eight steel mills in China with whom Flinders has a memorandum of understanding, as well as a number of other groups involved in infrastructure development. All eight mills confirmed their continued desire to complete offtake agreements with Flinders once a PIOP transport solution is agreed.

(e) **Funding**

As at 31 December 2015, Flinders had cash and cash equivalents of \$1.9 million (of which \$0.2 million related to bank guarantees), with estimated expenditure of \$0.6 million in the quarter ended 31 March 2016.

Pursuant to the private placement announced on 2 March 2016, Flinders has secured a further \$825,000 in equity funding.

It is TIO's view that the recent uncertain and volatile iron ore market conditions and lack of an existing transportation infrastructure solution make the development of PIOP by Flinders very challenging. Notwithstanding the recent private placement by Flinders, TIO is of the view that Flinders is likely to need to source additional funding in the near-to-medium term to fund its corporate overheads and maintain its projects in good standing even if no progress is made on the development of PIOP.

Further, even if Flinders can overcome the challenges of the uncertain and volatile iron ore market conditions and its current lack of access to transportation infrastructure, TIO expects that Flinders will require additional funding:

- to recommence and complete the existing BFS for the development of PIOP (which TIO understands is currently suspended) and/or examine other development options; and
- if a final investment decision was ever made, to take PIOP into production, in which case this funding requirement is likely to be very significant. For example, the independent expert's report for the PIOP Option transaction assumed an initial capital expenditure of \$800 million for construction of a 25mtpa stand-alone mine project.

(f) **Carrying value**

In Flinders' financial report for the half-year ended 31 December 2015, it was noted that the carrying value of PIOP had been reviewed using a market value approach and an impairment of \$23,484,221 had been recognised. As at 31 December 2015, the total carrying value of all of Flinders' exploration and evaluation assets (including PIOP) was only \$22.7 million.

5.3 Current Status of the Balla Balla Infrastructure Project

(a) Engineering

The BBI Group has completed the Front End Engineering Design (or FEED) phase for the Balla Balla Infrastructure Project. The detailed engineering for the rail and port facilities have now been completed to a level satisfactory for inclusion into a BFS and drafting of the BFS is now underway.

(b) Access and Approvals

Access agreements for the infrastructure facilities with native title holders, pastoralists whose land will be impacted by the proposed rail alignment and mining tenement holders are well advanced.

Negotiations with the Western Australian Government regarding approvals for the State Agreement terms to allow the rail corridor to be approved are also well advanced.

Negotiations with the Pilbara Port Authority on the terms for the lease and licensing of land for the Balla Balla Port facilities are underway.

(c) Marketing

In mid-2015, TIO entered into conditional arrangements with Shandong Iron and Steel Group Co. Ltd (**SISG**), a Chinese steel company, for the sale and purchase of iron ore from the Central Pilbara. As of the date of this Bidder's Statement:

- there are conditions to these arrangements that remain unfulfilled, including conditions relating to the obtaining of the parties' respective internal approvals;
- it is not clear to TIO when (or if) these approval conditions will be fulfilled; and
- even if the remaining approval conditions are fulfilled, PIOP iron ore would only be supplied under these arrangements if PIOP is a customer of the Balla Balla Infrastructure Project.

TIO and BBI continue to carry out marketing activities in relation to the Balla Balla Infrastructure Project with interested steel manufacturers (including SISG) and other parties. These marketing activities are carried out with a view to positioning the Balla Balla Infrastructure Project as an attractive transportation infrastructure provider and the Central Pilbara region as an attractive source of iron ore supply, if and when the conditions in the iron ore market recover and stabilise to the point that the Balla Balla Infrastructure Project is feasible.

Even though the Alliance Agreement has now expired, TIO and BBI continue to position PIOP as one of the potential customers for the Balla Balla Infrastructure Project.

(d) Funding

The BBI Group is currently funded by the Todd Corporation Group pursuant to an existing facility that enables the BBI Group to operate its business, including the development of the Balla Balla Infrastructure Project in accordance with an agreed budget and programme of work.

5.4 Potential future use of the Balla Balla Infrastructure Project by PIOP

(a) PIOP lacks access to transport infrastructure

There are a number of factors that may determine whether PIOP could be developed if the conditions in the iron ore market recover and stabilise. Ultimately, in TIO's view, a key factor in whether PIOP can be developed successfully is likely to be the cost to transport the iron ore from PIOP to market.

Under both the Alliance Agreement and the PIOP Option, it was contemplated that the Balla Balla Infrastructure Project would provide the transportation infrastructure solution for PIOP.

The Balla Balla Infrastructure Project will be an expensive project to develop. TIO's current estimate is that the capital cost will be approximately \$2.8 billion. To fund the Balla Balla Infrastructure Project's development will likely require it to:

- integrate with one or more mining projects in a manner that ensures the integrated project has a cost structure comparable to the major Pilbara iron ore miners; and/or
- enter into robust "take-or-pay" haulage and transshipment contracts with creditworthy customer mines on commercial terms that generate an acceptable commercial return to ensure that sufficient equity and debt funding is obtained to support a final investment decision.

Now that the Alliance Agreement has expired, PIOP has no existing transport solution to deliver its ore to market. Flinders will, therefore, either have to develop its own transportation infrastructure or it will require access to transportation infrastructure owned by a third party.

(b) Project viability

After the PIOP Option was executed, BBI Group (on behalf of TIO and its subsidiaries) developed an internal assessment model for PIOP based on resource evaluation and metallurgical test work provided by Flinders to assess the viability of PIOP as a potential customer for the Balla Balla Infrastructure Project. The model assumed a base case of 25 mtpa for 14 years, mining direct shipping ore only.

The model suggested that, at this scale and at this point in time, PIOP was unlikely to demonstrate sufficient returns to justify a final investment decision by the BBI Group and TIO for an integrated PIOP and Balla Balla Infrastructure Project. Further, the model confirmed the parties' view that the level of tariff that would need to be paid to BBI Group to justify a final investment decision for the Balla Balla Infrastructure Project with PIOP as its foundation customer would make it unviable for Flinders to develop PIOP as a stand-alone project.

At the same time, BBI Group began working on a range of initiatives to achieve rates of utilisation closer to the potential installed capacity of the Balla Balla Infrastructure Project (being approximately 55 mtpa). These initiatives included sourcing additional customer mines for the Balla Balla Infrastructure Project and also the potential optimisation of PIOP.

As part of this optimisation work on PIOP, BBI Group commissioned a study to see whether it would be viable to process some of the lower grade detrital material that forms part of the PIOP resource through a beneficiation plant and increase the scale of mining of PIOP. The study concluded that it may be technically possible to lift the rate of mining of PIOP up to 45mtpa based on the limited information available although this would result in a significant increase

in the capital cost of PIOP, primarily due to the additional processing plant required. In TIO's view though, it would be necessary to undertake further drilling, geotechnical, metallurgical, hydrology and engineering work to confirm the viability to a sufficient level of certainty. This additional work would materially increase the cost to develop PIOP to the point at which a final investment decision can be made.

In any event, the rate of mining is only one of the factors that determine whether an iron ore mining project is viable. Others include:

- the size, quality and grade of the resource;
- the conditions in the iron ore market at any particular point in time;
- the expected long-term view (including that of both debt and equity providers) of the future iron ore price;
- the cost of building and operating the mine;
- the availability of debt and equity funding; and
- the cost of building or accessing transportation infrastructure.

It is TIO's view that, the recent uncertain and volatile conditions in the iron ore market mean that, even if PIOP could be optimised to 45mtpa:

- developing it on a stand-alone basis as the foundation customer for the Balla Balla Infrastructure Project may still not be viable given the level of tariff and credit support requirements that would be needed under the "take-or-pay" haulage arrangements with the BBI Group to obtain debt and equity financing on terms suitable to justify a final investment decision by the BBI Group for a stand-alone Balla Balla Infrastructure Project; and
- at this point in time, it is still unlikely to demonstrate sufficient returns to justify a final investment decision by the BBI Group and TIO for an integrated PIOP and the Balla Balla Infrastructure Project.

(c) **Compatibility of proposed alternative PIOP development option**

Flinders now appears to be assessing the viability of PIOP as a higher grade, lower tonnage project. In TIO's view, a change in approach to a higher grade, lower tonnage project is likely to make PIOP less viable as a potential foundation customer for the Balla Balla Infrastructure Project.

6 Sources of consideration

6.1 Total cash consideration

The consideration for the acquisition of your Flinders Shares under the Offer will be satisfied wholly in cash.

The maximum amount of cash that TIO would be required to pay under the Offer if acceptances are received in respect of Flinders Shares on issue as at the date of this Bidder's Statement would be \$31.1 million.

In addition, if the Performance Rights and Incentive Rights on issue as at the date of this Bidder's Statement vest and the relevant Flinders Rightholder accepts the Offer in respect of the resulting Shares, an additional \$0.2 million will be payable by TIO under the Offer.

6.2 Sources of cash consideration

Todd Corporation has irrevocably and unconditionally undertaken to provide TIO, on demand, with amounts equal to the Offer Amount that TIO is required to pay for any Shares acquired by it or to pay any fees, expenses and duties directly incurred by TIO in relation to the Offer.

Such funds will be made available from Todd Corporation's existing cash reserves (namely cash or cash equivalents) and contributed to TIO directly or indirectly through other Todd Corporation Group Members by equity subscription and/or debt. Todd Corporation has confirmed that funds equal to the Offer Amount and associated transaction costs are immediately available and not subject to security interests or rights of set off and are not required for other arrangements.

Todd Corporation is not aware of any reason why there will not be cash available at least equal to the Offer Amount which will be available for provision to TIO as and when TIO is required to pay for any Shares acquired by it or to pay any fees, expenses and duties directly incurred in relation to the Offer.

As such, TIO has access to sufficient cash resources available to fund the Offer Amount and other costs directly associated with the Offer.

7 Intentions in relation to Flinders

7.1 Introduction

The intentions of TIO are set out in this section 7. As set out in this section 7, these intentions are subject to a general review and reflect current intentions based on current information.

By making the Offer, TIO is seeking to increase its shareholding in Flinders to at least a level where it can better influence the future direction of Flinders and the evaluation of the future development options for PIOP. The intentions below reflect this objective.

7.2 Intentions if TIO acquires 90% or more of the Flinders Shares

(a) Introduction

This section 7.2 describes the intentions of TIO if it acquires a Relevant Interest in at least 90% of the Flinders Shares and becomes entitled to proceed to compulsory acquisition of outstanding Flinders Shares in accordance with Part 6A.1 of the Corporations Act.

If TIO becomes entitled to do so, it intends to:

- proceed with compulsory acquisition of the outstanding Flinders Shares in accordance with the provisions of Part 6A.1 of the Corporations Act, including any Flinders Shares which are issued after the close of the Offer as a result of the vesting of Performance Rights or Incentive Rights;
- following completion of the compulsory acquisition of the outstanding Flinders Shares, apply for termination of official quotation of Flinders Shares on ASX and arrange for Flinders to be removed from the official list of ASX; and
- if TIO also becomes entitled to compulsorily acquire any outstanding Performance Rights or Incentive Rights in accordance with Part 6A.2 of the Corporations Act, TIO intends to proceed with compulsory acquisition of those securities, although it reserves the right not to do so.

If TIO becomes entitled to acquire all the equity securities in Flinders, its intentions are set out below.

(b) General review

TIO intends generally to continue Flinders' core business, namely, mineral resource exploration and development, within the context of the intentions and plans set out in this section 7. However, after the end of the Offer Period when TIO has access to further information about Flinders, it intends to conduct a general review of Flinders' business to further:

- evaluate Flinders' performance, profitability, costs, capabilities and prospects;
- assess possible operational and strategic opportunities; and
- identify opportunities for operating synergies.

The specific intentions set out in this section 7.2 are subject to, among other things, the results of this review.

(c) **Corporate matters**

If Flinders becomes wholly owned by TIO, it intends that the Flinders Board will be comprised of solely of its nominees (whose identities are yet to be determined).

(d) **PIOP**

If Flinders becomes wholly owned by TIO, it intends to undertake a strategic review of PIOP to assess:

- the various possible future development options for PIOP;
- the likely economic viability and timing of such development options;
- the sources and availability of funding for such development options; and
- the possibility that future iron ore market conditions may be favourable to such development options.

Depending on the outcome of this detailed review, TIO may be in a position to determine:

- what the most appropriate development option for PIOP is (including whether or not it should be integrated with the Balla Balla Infrastructure Project);
- what work should be undertaken in pursuit of the most appropriate development plan for PIOP in the near term in light of the expected ongoing uncertainty and volatility in the iron ore market (including any necessary restructuring activities of Flinders and the PIOP assets); or
- whether PIOP should be placed into care and maintenance until iron ore market conditions improve and stabilise.

(e) **Other projects**

If Flinders becomes wholly owned by TIO, it intends to undertake a review of Flinders Canegrass and South Australian projects to assess whether or not they are projects that TIO would be interested in Flinders pursuing further.

(f) **Impact on employees**

Subject to the general review described in section 7.2(b) and the specific reviews of PIOP described in section 7.2(d) and of Flinders' other projects described in section 7.2(e), TIO does not currently intend to make any material reductions to Flinders' permanent staffing levels in the event that Flinders becomes wholly owned by TIO.

7.3 Intentions for Flinders as a part owned controlled entity of TIO

(a) **Introduction**

This section 7.3 describes the intentions of TIO if it acquires control of Flinders, but TIO does not become entitled to compulsorily acquire the outstanding Flinders Shares under Part 6A.1 of the Corporations Act.

In that circumstance, and subject to the matters in section 7.3(b), TIO's intentions are set out below.

(b) **Limitations in giving effect to intentions**

The ability to implement the intentions set out in this section 7.3, will be subject to, among other things:

- the legal obligations of the Flinders Directors to have regard to the interests of Flinders and all Flinders Shareholders;
- the requirements of the Corporations Act relating to transactions between related parties;
- potentially, the Listing Rules relating to transactions between related parties;
- existing contractual obligations of Flinders; and
- the results of the general review referred to below at section 7.3(d).

TIO would only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

(c) **Corporate matters**

After the end of the Offer Period, it is intended:

- (1) to appoint two nominee directors (whose identities are yet to be determined) to the Flinders Board and to request that the Flinders Board undertakes the proposed reviews referred to in sections 7.3(d), 7.3(e) and 7.3(f);
- (2) if the Flinders Board undertakes the proposed reviews referred to in sections 7.3(d), 7.3(e) and 7.3(f) to the satisfaction of TIO, any decision by TIO whether to seek to further change the composition of the Flinders Board would be made once such reviews have taken place and would be made with a view to ensuring that the Flinders Board had the requisite skills and experience to implement the outcomes of the reviews. To the extent required by the Listing Rules, independent directors will be retained or appointed;
- (3) if the Flinders Board does not undertake the proposed reviews referred to in sections 7.3(d), 7.3(e) and 7.3(f) to the satisfaction of TIO, TIO would seek to replace at least a majority of the Flinders Board with new directors (whose identities have yet to be determined) with a view to ensuring that the Flinders Board had the requisite skills and experience to implement the reviews and outcomes. To the extent required by the Listing Rules, independent directors will be retained or appointed; and
- (4) TIO may, where the Listing Rules permit, seek to remove Flinders' listing on the ASX. If delisting is sought, TIO expects that a final decision as to Flinders' removal will be made by ASX in accordance with its published guidance. This states that it is generally acceptable for an entity to be delisted if, as a result of a takeover, the entity only has a small number of remaining security holders so that its continued listing can no longer be justified. ASX does not prescribe a minimum shareholding that the bidder must have, or a maximum number of remaining shareholders, before it will sanction a delisting, but its published guidance states that it will likely require shareholder approval be obtained unless (among other things) the bidder and its related bodies corporate own or control at least 75% of the entity's ordinary securities, and there are less than 150 minority holders of ordinary securities with holdings with a value of at least \$500.

It is possible that, even if TIO is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act; for example, as a result of acquisitions of Flinders Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act. If so, it intends to exercise those rights; however it reserves the right not to do so.

(d) **General review**

After the end of the Offer Period, TIO intends to propose to the Flinders Board that a general review of Flinders' business be conducted along similar lines to that described in section 7.2(b), in particular, to:

- evaluate Flinders' performance, profitability, costs, capabilities and prospects;
- assess possible operational and strategic opportunities; and
- identify opportunities for operating synergies.

(e) **PIOP**

After the end of the Offer Period, TIO intends to propose to the Flinders Board that a detailed review of PIOP be undertaken along similar lines to that described in section 7.2(d), in particular, to assess:

- the various possible future development options for PIOP;
- the likely economic viability and timing of such development options;
- the sources and availability of funding for such development options; and
- the possibility that future iron ore market conditions may be favourable to such development options.

Regardless of whether the Flinders Board undertakes that review of PIOP, or the outcome of that review, TIO intends to pursue alternative opportunities within the Pilbara to secure sources of iron ore for the Balla Balla Infrastructure Project, either as haulage and transshipment customers or as part of an integrated mine-rail-port project. If alternative opportunities crystallise, they may mean that the Balla Balla Infrastructure Project is no longer potentially available as an infrastructure solution for PIOP.

(f) **Other projects**

After the end of the Offer Period, TIO intends to propose to the Flinders Board that a detailed review of Flinders' Canegrass and South Australian projects be undertaken to assess or not they are projects that are in the best interests of Flinders Shareholders to pursue further.

(g) **Future funding**

TIO has not yet formed an intention as to its position on the future funding of Flinders as this will be dependent on, among other things:

- whether the Flinders Board undertakes the reviews referred to in sections 7.3(d), 7.3(e), and 7.3(f) above;
- the quality of the reviews and their outcomes, if undertaken;
- any determinations made by the Flinders Board based on the reviews; and
- whether such determinations are consistent with TIO's view on the same subjects after having considered the reviews.

Subject to these factors, along with commercial considerations including the amount, form and terms of the funding, TIO will determine at the relevant time whether or not to participate in any future fundraising. In making this determination, TIO would also be cognisant of the fact that, if Flinders seeks further equity funding in the future, any Flinders Shareholder that does not participate in any future equity fundraising will be diluted commensurately.

7.4 Intentions for Flinders as a part owned entity of TIO that it does not control

(a) Introduction

This section 7.4 describes the intentions of TIO if it does not acquire control of Flinders at the end of the Offer Period. In that circumstance, the other intentions of TIO are set out below.

(b) Corporate matters

After the end of the Offer Period, TIO will:

- review whether to exercise the Director Appointment Right to appoint a nominee director (whose identity is yet to be determined) to the Flinders Board; and
- request the Flinders Board to undertake the proposed reviews referred to in sections 7.3(d), 7.3(e) and 7.3(f). TIO will make a decision whether to seek further representation on the Flinders Board proportional to its shareholding at that time depending on whether the Flinders Board undertakes the proposed reviews in sections 7.3(d), 7.3(e) and 7.3(f) to the satisfaction of TIO and the other matters referred to in sections 7.3(c)(2) and 7.3(c)(3) (as appropriate).

(c) Future funding

TIO has not yet formed an intention as to its position on the future funding of Flinders as this will be dependent on, among other things, the matters referred to in section 7.3(g) and whether the Flinders Board's view of the best way to manage its operations and the development options for PIOP and the other Flinders projects is consistent with TIO's view on the same subjects. Subject to this, along with commercial considerations including the amount, form and terms of the funding, TIO will determine at the relevant time whether or not to participate in any future fundraising. In making this determination, TIO would also be cognisant of the fact that, if Flinders seeks further equity funding in the future, any Flinders Shareholder that does not participate in any future equity fundraising will be diluted commensurately.

(d) Balla Balla Infrastructure Project

If TIO does not acquire control of Flinders, following the end of the Offer Period TIO intends to pursue alternative opportunities within the Pilbara to secure sources of iron ore for the Balla Balla Infrastructure Project, either as haulage and transshipment customers or as part of an integrated mine-rail-port project. If alternative opportunities crystallise, they may mean that the Balla Balla Infrastructure Project is no longer potentially available as an infrastructure solution for PIOP.

7.5 Other intentions

Subject to the matters described above in this section 7 and elsewhere in this Bidder's Statement and, in particular, the completion of the general review of Flinders' operations described in section 7.2(b) and subject also to the level of TIO's ownership of Flinders at the end of the Offer Period, it is the intention of TIO and (in the circumstance described in section 7.2(a)) on the basis of the facts and information concerning Flinders that are known to it and the existing circumstances affecting the assets and operations of Flinders at the date of this Bidder's Statement that the business of Flinders will generally be conducted in the same manner as at the date of this Bidder's Statement and that there will be no redeployment of the fixed assets of Flinders.

7.6 Current intentions based on current information

Those intentions have been formed on the basis of facts and information concerning Flinders, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by TIO in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section 7 are statements of current intention only and may vary as new information becomes available or circumstances change.



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Board of Directors TIO (NZ) Pty Ltd
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Dear Sirs,

1 Australian taxation considerations – disposal of Flinders Mine Limited shares

1.1 Introduction

The following is a general description of the principal Australian tax consequences for registered holders of Shares upon the disposal of their shareholdings to TIO NZ.

The following description is intended as a general guide to the Australian tax considerations and is based upon the law in effect at the date of this Bidder's Statement. It is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every registered holder of Shares, and it is not intended to be advice and should not be relied on as such.

In particular, the registered holders of Shares should be aware that the levels and bases of taxation can change and, where reference is made to tax concessions, this is to tax concessions as currently applying. It is recommended that registered holders seek independent professional advice in relation to their own particular circumstances.

Any persons who may be subject to tax in any jurisdiction outside Australia should obtain independent professional advice on their particular circumstances.

The Australian tax implications outlined below are relevant to registered holders who hold their Shares as capital assets for the purposes of investment and who do not hold their Shares as trading stock, as part of a profit-making undertaking or scheme, under an arrangement which qualifies as an employee share or rights plan for Australian tax purposes, or otherwise on revenue account.

This section in particular does not address in detail the tax considerations applicable to persons holding options, or registered holders that may be subject to special rules, such as banks, insurance companies, tax exempt organisations, trusts, superannuation funds, dealers in securities or registered holders how change their tax residence while holding Shares.

It also does not consider the Australian tax considerations for registered shareholders who are non-residents for Australian tax purposes and who hold their Shares as an asset of a permanent establishment in Australia.

It should also be noted that the comments below apply to all or part of the shareholding of any shareholder. References to Your Shares should be taken to include references to part of an overall shareholding in cases where only part of that shareholding is disposed of under the current offer.

1.2 Capital gains tax (CGT) implications

(a) CGT event

For CGT purposes, a 'CGT event' will occur when you dispose of Your Shares to TIO NZ. Generally, your disposal should take place on the later of the date you accept the Offer and the date that the Offer becomes unconditional. However, if you do not accept the Offer and Your Shares are compulsorily acquired, your disposal should take place on the date TIO NZ becomes the owner of Your Shares.

(b) Determining your capital gain or loss

Any capital gain or loss from the CGT event will be determined by comparing the total consideration that you receive for Your Shares with the CGT cost base or reduced cost base of Your Shares. In cases of part disposals of shareholdings, the cost base of the Shares should be determined on a reasonable basis in accordance with relevant sources of guidance.

The cost base or reduced cost base of Your Shares should broadly equal the money you paid or were required to pay to acquire Your Shares plus any non-deductible incidental costs incurred in acquiring and disposing of the Shares.

You will make a capital gain from the disposal of Your Shares to TIO NZ if the consideration that you received exceeds the cost base of Your Shares.

Conversely, you will make a capital loss if the reduced cost base of Your Shares exceeds the consideration that you received.

The tax treatment of your capital gain or capital loss arising from the disposal of Your Shares depends on whether or not you are an Australian resident for taxation purposes and whether you hold Your Shares as an individual, trustee of a trust, complying superannuation fund or company.

1. Australian residents

You may be entitled to the CGT discount if:

- you are an Australian resident individual, trust or complying superannuation fund;
- you have held Your Shares for at least 12 months; and
- you make a capital gain from the disposal of Your Shares.

The CGT discount will result in:

- your capital gain being reduced by 50%, if you are an individual or a trust; or
- your capital gain being reduced by 33 1/3%, if you are a complying superannuation fund.

No CGT discount is available for companies.

If you make a capital gain from the disposal of Your Shares, that capital gain will be combined with any other capital gains you have made for the income year, then the total will be applied against any capital losses you have made in the current year or are entitled to offset from prior years (before taking into account the CGT discount, if applicable). Any resulting net capital gain will be included in your assessable income for the income year. Any resulting net capital loss will be carried forward and may be applied against any future assessable capital gains (before taking into account the CGT discount, if applicable) if loss carry forward requirements are met.

If you make a capital loss from the disposal of Your Shares, that capital loss may only be offset against your assessable capital gains (before taking into account the CGT discount, if applicable) for the current income year. Any excess capital loss will be carried forward and may be applied against your future assessable capital gains (before taking into account the CGT discount, if applicable) if loss carry forward requirements are met.

2. Non-Australian residents

The disposal of Your Shares can be subject to Australian CGT.

If you are a non-Australian tax resident, it is recommended that you obtain your own independent professional advice as to the Australian tax consequences arising from the disposal of Your Shares.

1.3 Australian stamp duty and the goods and services tax (GST)

No Australian stamp duty or GST is payable by you on the sale of Your Shares to TIO NZ pursuant to the Offer.

You may be charged GST on incidental costs (for example, brokerage or advisory fees) incurred in acquiring and disposing of Your Shares. You may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent professional advice in relation to your own particular circumstances.

Yours sincerely,



James Pettigrew
Partner
Deloitte Tax Services

9 Other material information

9.1 FIRB approval

Todd Corporation has received confirmation from that the Treasurer, on behalf of the Commonwealth of Australia, that he has no objection to Todd Corporation (and/or any of its related entities) acquiring 100% of the Flinders Shares.

9.2 Date for determining holders of Flinders Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of subsection 633(1) is the Register Date.

9.3 Interests in Flinders securities

As at the date of this Bidder's Statement:

- TIO's voting power in Flinders was 18.41%;
- TIO had a Relevant Interest in 540,356,842 Flinders Shares; and
- TIO did not have a Relevant Interest in any Flinders Rights.

As at the date of the Offer:

- TIO's voting power in Flinders was 18.79%;
- TIO had a Relevant Interest in 551,457,496 Flinders Shares; and
- TIO did not have a Relevant Interest in any Flinders Rights.

9.4 Dealing in Shares and Options

(a) Previous 4 months

Neither TIO nor any Associate of TIO has provided, or agreed to provide, consideration for Shares under any purchase or agreement during the 4 months before the date of this Bidder's Statement.

(b) Period before Offer

Neither TIO nor any Associate of TIO has provided, or agreed to provide, consideration for Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer, except as described below.

Holder of relevant interest	Date of dealing	Description of dealing
Various unidentified holders	Dates between the date of this Bidder's Statement and the date of the Offer	On-market purchases of 11,100,654 Flinders Shares by TIO for a price of \$0.013 per Share

9.5 No pre-Offer benefits

During the period of 4 months before the date of this Bidder's Statement, neither TIO nor any Associate of TIO gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- accept the Offer; or
- dispose of Flinders Shares,

and which is not offered to all holders of Flinders Shares under the Offer.

During the period from the date of this Bidder's Statement to the date before the date of the Offer, neither TIO nor any Associate of TIO gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- accept the Offer; or
- dispose of Flinders Shares,

and which is not offered to all holders of Flinders Shares under the Offer.

9.6 No escalation agreements

Neither TIO nor any Associate of TIO has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

9.7 Statement of intended acceptance

As at the date of this Bidder's Statement, Mr Nicholas Curtis, who has an indirect interest in approximately 18% of BBI, held 472,230 Flinders Shares (representing approximately 0.016% of the Shares). Mr Curtis has indicated to TIO that he intends to accept the Offer in respect of all of those Shares as soon as practicable after the Offer opens for acceptance.

9.8 Consents to be named

Todd Corporation has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and to the inclusion of each statement it has made and each statement which is said to be based on a statement it has made, in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Bidder's Statement.

BBI has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and to the inclusion of each statement it has made and each statement which is said to be based on a statement it has made, in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Bidder's Statement.

Mr Nicholas Curtis has given written consent to be named in this Bidder's Statement in the form and context in which he is so named and to the inclusion of each statement he has made and each statement which is said to be based on a statement he has made, in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Bidder's Statement.

Herbert Smith Freehills has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and has not withdrawn that consent as at the date of this Bidder's Statement.

Computershare has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and has not withdrawn that consent as at the date of this Bidder's Statement.

Deloitte Tax Services Pty Ltd has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and to the inclusion of each statement it has made and each statement which is said to be based on a statement it has made, in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Bidder's Statement.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, free of charge, during the bid period, please contact the Offer Information Line on 1300 782 998 (toll-free within Australia) or + 61 3 9415 4197 (from outside Australia). Calls to these numbers may be recorded.

In addition, as permitted by ASIC Class Order 13/523, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

As permitted by ASIC Class Order 07/429, this Bidder's Statement also contains share price trading data sourced from S&P Capital IQ without its consent.

9.9 Social security and superannuation implications of Offer

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

9.10 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- material to the making of a decision by a Flinders Shareholder whether or not to accept the Offer; and
- known to TIO, which has not previously been disclosed to Flinders Shareholders.

10 The terms of the Offer

10.1 Offer

- (a) TIO offers to acquire any or all of Your Shares on and subject to the terms set out in this section 10 of this Bidder's Statement. If you accept this Offer for some of Your Shares by specifying that number on your Acceptance Form (the **Relevant Shares**), you may still accept the Offer for the balance of Your Shares at any time during the Offer Period.
- (b) The consideration under the Offer is \$0.013 (one and three tenths of a cent) cash per Share.
- (c) By accepting this Offer, you undertake to transfer to TIO not only the Shares to which the Offer relates, but also all Rights attached to those Shares (see section 10.5(b)(6) and clause 10.6(c) of this Bidder's Statement).
- (d) This Offer is being made to each person registered as the holder of Shares in the register of Flinders Shareholders at open of business (Sydney time) on the Register Date. It also extends to:
 - (1) holders of securities that come to be Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities and which are on issue as at the Register Date; and
 - (2) any person who becomes registered, or entitled to be registered, as the holder of Your Shares during the Offer Period.
- (e) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of the Shares to which this Offer relates:
 - (1) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Shares; and
 - (2) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Shares you hold to which the Offer relates; and
 - (3) this Offer will be deemed to have been withdrawn immediately at that time.
- (f) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct Offer on the same terms and conditions as this Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Offer Information Line on 1300 782 998 (toll-free within Australia) or + 61 3 9415 4197 (from outside Australia) to request those additional copies.
- (g) If the Relevant Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact them for assistance in accepting the Offer.
- (h) The Offer is dated 31 March 2016.

10.2 Offer Period

- (a) Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00pm (Sydney time) on the later of:
 - (1) 2 May 2016; or
 - (2) any date to which the Offer Period is extended.
- (b) TIO reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occur:
 - (1) the Offer is varied to improve the consideration offered; or
 - (2) TIO's voting power in Flinders increases to more than 50%,then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

10.3 How to accept this Offer

- (a) **General**
 - (1) Subject to section 10.1(e) and section 10.1(f) of this Bidder's Statement, you may accept this Offer for all of Your Shares or for any number of Your Shares.
 - (2) You may accept this Offer at any time during the Offer Period.
- (b) **Shares held in your name on Flinders' issuer sponsored subregister**

To accept this Offer for Shares held in your name on Flinders' issuer sponsored subregister (in which case your Security holder Reference Number will commence with 'I'), you must:

 - (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
 - (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.
- (c) **Shares held in your name in a CHESS Holding**
 - (1) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Flinders Shareholders who are not institutions, this is normally the stockbroker through whom you bought Your Shares or ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
 - (2) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number shown on the accompanying Acceptance Form will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

- (3) Alternatively, to accept this Offer for Shares held in your name in a CHESS Holding (in which case your Holder Identification Number shown on the accompanying Acceptance Form will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.
- (4) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number shown on the accompanying Acceptance Form will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.
- (d) **Shares of which you are entitled to be registered as holder**
To accept this Offer for Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:
 - (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
 - (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.
- (e) **Acceptance Form and other documents**
 - (1) The Acceptance Form forms part of the Offer.
 - (2) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted in sufficient time for them to be received by TIO at the address shown on the Acceptance Form before the end of the Offer Period.
 - (3) When using the Acceptance Form to accept this Offer in respect of Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by TIO in time for TIO to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
 - (4) The postage and transmission of the Acceptance Form and other documents is at your own risk.

10.4 Validity of acceptances

- (a) Subject to this section 10.4 of this Bidder's Statement, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 10.3 of this Bidder's Statement.
- (b) TIO will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. TIO is not required to communicate with you prior to making this determination. The determination of TIO will be final and binding on all parties.
- (c) Notwithstanding section 10.3(b), section 10.3(c), section 10.3(d) and section 10.3(e) of this Bidder's Statement, TIO may, in its sole discretion, at any time

and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of the Relevant Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by TIO.

- (d) Where you have satisfied the requirements for acceptance in respect of only some of Your Shares, TIO may, in its sole discretion, regard the Offer to be accepted in respect of those of Your Shares but not the remainder.
- (e) TIO will provide the consideration to you in accordance with section 10.6 of this Bidder's Statement, in respect of any part of an acceptance determined by TIO to be valid.

10.5 The effect of acceptance

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw the Relevant Shares from the Offer or otherwise dispose of the Relevant Shares.
- (b) By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant to section 10.3 of this Bidder's Statement, you will be deemed to have:
 - (1) accepted this Offer (and any variation of it) in respect of the Relevant Shares, subject to section 10.1(e) and section 10.1(f) of this Bidder's Statement;
 - (2) represented and warranted to TIO, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of the Relevant Shares (including any rights) to TIO is registered, that all the Relevant Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in the Relevant Shares (including any Rights) to TIO, and that you have paid to Flinders all amounts which at the time of acceptance have fallen due for payment to Flinders in respect of the Relevant Shares;
 - (3) irrevocably authorised TIO (and any director, secretary or nominee of TIO) to alter the Acceptance Form on your behalf by inserting correct details of the Relevant Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by TIO to make it an effective acceptance of this Offer or to enable registration of the Relevant Shares in the name of TIO;
 - (4) if you signed the Acceptance Form in respect of Shares which are held in a CHESS Holding, irrevocably authorised TIO (or any director, secretary or agent of TIO) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of the Relevant Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
 - (5) if you signed the Acceptance Form in respect of Shares which are held in a CHESS Holding, irrevocably authorised TIO (or any director, secretary or agent of TIO) to give any other instructions in relation to the Relevant Shares to your Controlling Participant, as determined by

TIO acting in its own interests as a beneficial owner and intended registered holder of those Shares;

- (6) irrevocably authorised and directed Flinders to pay to TIO, or to account to TIO for, all Rights in respect of the Relevant Shares, subject, if this Offer is withdrawn, to TIO accounting to you for any such Rights received by TIO;
- (7) irrevocably authorised TIO to notify Flinders on your behalf that your place of address for the purpose of serving notices upon you in respect of the Relevant Shares is the address specified by TIO in the notification;
- (8) to have irrevocably appointed TIO (and any director, secretary or nominee of TIO) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to the Relevant Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings of Flinders and to request Flinders to register, in the name of TIO or its nominee, the Relevant Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
- (9) to have agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting of Flinders or to exercise or purport to exercise any of the powers and rights conferred on TIO (and its directors, secretaries and nominees) in section 10.5(b)(8) of this Bidder's Statement;
- (10) agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 10.5(b)(8) of this Bidder's Statement, the attorney will be entitled to act in the interests of TIO as the beneficial owner and intended registered holder of the Relevant Shares;
- (11) agreed to do all such acts, matters and things that TIO may require to give effect to the matters the subject of this section 10.5(b) (including the execution of a written form of proxy to the same effect as this section 10.5(b) which complies in all respects with the requirements of the constitution of Flinders) if requested by TIO;
- (12) agreed to indemnify TIO in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of the Relevant Shares to TIO being registered by Flinders without production of your Holder Identification Number or your Securityholder Reference Number for the Relevant Shares;
- (13) represented and warranted to TIO that, unless you have notified it in accordance with section 10.1(f) of this Bidder's Statement, the Relevant Shares do not consist of separate parcels of Shares;
- (14) irrevocably authorised TIO (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer the Relevant Shares to TIO's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer; and
- (15) agreed to execute all such documents, transfers and assurances, and do all such acts, matters and things that TIO may consider necessary

or desirable to convey the Relevant Shares registered in your name and Rights to TIO.

- (c) The undertakings and authorities referred to in section 10.5(b) of this Bidder's Statement will remain in force after you receive the consideration for the Relevant Shares and after TIO becomes registered as the holder of the Relevant Shares.

10.6 Payment of consideration

- (a) Subject to this clause 10.6 and the Corporations Act, TIO will despatch the consideration due to you for the Relevant Shares within seven Business Days after the date your acceptance is received.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
 - (1) if that document is given with your Acceptance Form, TIO will provide the consideration in accordance with section 10.6(a) of this Bidder's Statement; or
 - (2) if that document is given after your Acceptance Form TIO will provide the consideration due to you on or before the date which is seven Business Days after that document is given.
- (c) If you accept this Offer, TIO is entitled to all Rights in respect of the Relevant Shares. TIO may require you to provide all documents necessary to vest title to those Rights in TIO, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to TIO, or if you have (or any previous owner of the Relevant Shares has) received the benefit of those Rights TIO will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by TIO) of those Rights. However, no amount will be deducted in respect of the franking credits (if any) attached to the Rights.
- (d) The consideration payable by TIO to you under the Offer will be paid to you by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address as shown either, at the discretion of TIO, on your Acceptance Form or the register copy supplied by Flinders from time to time.
- (e) If at the time you accept the Offer, any authority, clearance or approval is required for you to receive any consideration for the Relevant Shares, including (but not limited to) any authority, clearance or approval of:
 - (1) the Reserve Bank of Australia (whether under the *Banking (Foreign) Exchange Regulations 1959* (Cth) or otherwise);
 - (2) the Minister for Foreign Affairs (whether under the *Charter of the United Nations Act 1945* (Cth), the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth) or any other regulations made thereunder, or otherwise);
 - (3) the ATO; or
 - (4) any other person as required by any other law of Australia that would make it unlawful for TIO to provide any consideration for the Relevant Shares,

then you will not be entitled to receive any consideration for the Relevant Shares until all requisite authorities, clearances or approvals have been received by TIO.

10.7 Withdrawal of this Offer

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, TIO will give notice of the withdrawal to ASX and to Flinders and will comply with any other conditions imposed by ASIC.
- (b) If the Offer is withdrawn, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) A withdrawal pursuant to clause 10.7 will be deemed to take effect:
 - (1) if the withdrawal is not subject to conditions imposed by ASIC, after the date on which that consent in writing is given by ASIC; or
 - (2) if the withdrawal is subject to conditions imposed by ASIC, after the date on which those conditions are satisfied.

10.8 Variation of this Offer

TIO may vary this Offer in accordance with the Corporations Act.

10.9 No stamp duty payable by you

TIO will pay any stamp duty on the transfer of the Relevant Shares to it.

10.10 Fractional entitlements

Where the calculation of the consideration to be paid to a particular Flinders Shareholder would result in the Flinders Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest whole cent.

10.11 Governing laws

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales, Australia.

11 Definitions and interpretation

11.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
Acceptance Form	the acceptance form enclosed with this Bidder's Statement.
Alliance Agreement	the agreement entered into on 26 February 2014 by Flinders, Balla Two (Mining) Limited (a subsidiary of TIO) and Forge Resources Swan Pty Ltd (a subsidiary of BBI), in relation to the development of PIOP and the Balla Balla Infrastructure Project.
Announcement Date	the date of the announcement of the Offer by TIO, being 17 March 2016.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning given in section 12(2) of the Corporations Act as though Flinders was the "designated body".
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	the operating rules of ASX Settlement which govern the administration of the Clearing House Electronic Subregister System.
ASX	as the context requires, ASX Limited (ABN 98 008 624 691) or the securities market conducted by it.
ATO	Australian Taxation Office.
Balla Balla Mine Project	the vanadium-titanium-magnetite development project near to the Balla Balla Port which contains high grades of iron, titanium and vanadium, owned by subsidiaries of BBI and TIO.
Balla Balla Infrastructure Project	the combined Balla Balla Port and the Balla Balla Rail Project.

Term	Meaning
Balla Balla Port	the proposed export facilities and associated infrastructure in the Balla Balla Harbour in the Pilbara, Western Australia designed to use transshipment vessels to load iron ore on to ocean going vessels.
Balla Balla Rail Project	the proposed 200km rail line and conveyor system and associated infrastructure designed to transport iron ore from the Central Pilbara region to the Balla Balla Port.
BBI	BBI Group Pty Limited (ACN 139 886 187), formerly Rutila Resources Limited, a subsidiary of TIO.
BBI Group	BBI and its subsidiaries.
BFS	bankable feasibility study.
Bidder's Statement	this document, being the statement of TIO under Part 6.5 Division 2 of the Corporations Act relating to the Offer.
Business Day	a day on which banks are open for business in Sydney, Australia and Wellington, New Zealand, excluding a Saturday, Sunday or public holiday.
CGT	Australian capital gains tax.
CHESS Holding	a number of Shares which are registered on Flinders' share register being a register administered by the ASX Settlement and which records uncertificated holdings of Shares.
Computershare	Computershare Investor Services Pty Limited (ABN 48 078 279 277).
Controlling Participant	in relation to Your Shares, has the same meaning as in the ASX Settlement Operating Rules.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director Appointment Right	the right granted to TIO by Flinders to appoint a director to the Flinders' Board pursuant to a placement and share purchase

Term	Meaning
	agreement entered into on 19 November 2014.
Incentive Right	a right to acquire a Flinders Share under the Flinders Incentive Rights Plan, which vests on the completion of a determined length of service with Flinders.
FIRB	the Australian Foreign Investment Review Board.
Flinders	Flinders Mines Limited (ACN 091 118 044).
Flinders Board	the board of directors of Flinders.
Flinders Director	a director of Flinders.
Flinders Group	Flinders, its subsidiaries and its interests in any unincorporated entities.
Flinders Incentive Rights Plan	the Flinders Mines Limited Employee Incentive Rights Plan.
Flinders Option	an option, issued by Flinders, to acquire a Flinders Share.
Flinders Right	an Incentive Right and a Performance Right.
Flinders Rightholder	a holder of Flinders Rights.
Flinders Share or Share	a fully paid ordinary share in the capital of Flinders.
Flinders Shareholder or Shareholder	a registered holder of Flinders Shares.
Holder Identification Number	has the same meaning as in the ASX Settlement Operating Rules.
Issuer Sponsored Holdings	a holding of Shares on Flinders' issuer sponsored subregister.

Term	Meaning
Listing Rules	the Official Listing Rules of ASX, as amended and waived by ASX from time to time.
mtpa	million tonnes per annum.
Offer	the offer for Shares under the terms and conditions contained in section 10 of this Bidder's Statement.
Offer Amount	\$31.3 million, being the maximum amount that TIO could be required to pay under the Offer, as further detailed in section 6.1.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 10 of this Bidder's Statement.
Offer Price	\$0.013 (one and three tenths of a cent) cash per Share.
Participant	an entity admitted to participate in the Clearing House Electronic Sub-register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
Performance Right	a right to acquire a Flinders Share under the Flinders Incentive Rights Plan, which vests on the successful achievement of specified performance objectives.
PIOP	the Pilbara Iron Ore Project owned by Flinders.
PIOP Option	the Option and Sale Agreement relating to PIOP entered into on 8 May 2015 by PIO Mines Pty Ltd (a subsidiary of TIO) and Flinders.
Register Date	the date set by TIO under section 633(2) of the Corporations Act, notice of which will be given to the ASX in accordance with section 633(4)(a) of the Corporations Act.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Relevant Share	has the meaning given to that term in section 10.1 of this Bidder's Statement.

Term	Meaning
Rights	all accreditations, rights or benefits of whatever kind attaching or arising from Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Flinders or any of its subsidiaries).
Securityholder Reference Number	has the same meaning as in the ASX Settlement Operating Rules.
Substantial Holding	has the meaning given in section 9 of the Corporations Act.
Takeover Bid	the off-market takeover bid constituted by the despatch of the Offers in accordance with the Corporations Act.
Takeover Transferee Holding	has the same meaning as in the ASX Settlement Operating Rules.
TIO	TIO (NZ) Limited (New Zealand Company No. 3744171) of Level 15, The Todd Building, 95 Customhouse Quay, Wellington 6011 New Zealand.
Todd Corporation	The Todd Corporation Limited (New Zealand Company No. 3491) of Level 15, The Todd Building, 95 Customhouse Quay, Wellington 6011 New Zealand.
Todd Corporation Board	the board of directors of Todd Corporation.
Todd Corporation Group	Todd Corporation and its related bodies corporate, and a reference to Todd Corporation Group Member is a reference to Todd Corporation or any of its related bodies corporate (which, for the avoidance of doubt, includes the BBI Group).
Todd Corporation Information	all information and statements contained in this Bidder's Statement relating to or attributed to any Todd Corporation Group Member (other than TIO).
Treasurer	the Treasurer of the Commonwealth of Australia.

Term	Meaning
VWAP	volume weighted average price, calculated by taking the total value of Shares traded over the period divided by the total volume of Shares traded over the period.
Your Shares	<p>subject to section 10.1(e) and section 10.1(f), the Shares:</p> <ol style="list-style-type: none"> 1 in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Flinders at the open of business (Sydney time) on the Register Date; or 2 to which you are able to give good title at the time you accept this Offer during the Offer Period.

11.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise appears:


- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Bidder's Statement as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Sydney, Australia;
- (i) a reference to writing includes facsimile transmissions;
- (j) a reference to dollars, \$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia; and
- (k) terms defined in the Corporations Act (but not otherwise defined in this Bidder's Statement) shall have the same meaning in this Bidder's Statement.

12 Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution passed by the directors of TIO (NZ) Limited.

date 17 March 2016

Signed for and on behalf of
TIO (NZ) Limited
by

sign here ► 
Director

print name Michael Wolley

Corporate directory

Australian legal adviser

Herbert Smith Freehills
Level 34, ANZ Tower
161 Castlereagh Street
Sydney NSW 2000 Australia

Tax advisor

Deloitte Tax Services Pty Ltd
Grosvenor Place
225 George Street
Sydney NSW 2000 Australia

Share registrar for the Offer

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne VIC 3001 Australia

Offer information line

Callers within Australia: 1300 782 998
Callers outside Australia: +61 3 9415 4197



By Mail:

Computershare Investor Services Pty Limited
GPO Box 2115 Melbourne
Victoria 3001 Australia

For all enquiries:

Phone:



(within Australia) 1300 782 998
(outside Australia) +61 3 9415 4197

FMS

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Takeover Acceptance Form

ISSUER



Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer (**Offer**) by TIO (NZ) Limited (**TIO NZ**) to acquire any or all of your shares in Flinders Mines Limited (ACN 091 118 044) (**Flinders**) the terms of which are set out in the Bidder's Statement from TIO NZ dated on or about 17 March 2016 as replaced or supplemented (the **Bidder's Statement**). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Flinders register, as provided to TIO NZ. The current address recorded by TIO NZ is printed above and overleaf. If you have recently bought or sold Flinders Shares your holding may differ from that shown. If you have already sold all your Flinders Shares, do not complete or return this form.

Step 2: Accept the Offer

Please complete Step 2, marking the appropriate box to indicate whether you are accepting the Offer in respect of all or some of your Flinders Shares.

Only sign and return this form if you wish to accept the Offer for ALL or PART of your Flinders Shares.

You will be deemed to have accepted the Offer in respect of ALL of your Flinders Shares if you do not complete, or make an invalid election in, Step 2 on the reverse of this form. Invalid elections include if you mark the "PART" box and you either do not write the number of Flinders Shares that you are accepting into the Offer or you do write a number but that number is greater than the number of Flinders Shares that you hold.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (**POA**), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

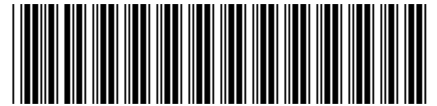
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →



Takeover Acceptance Form

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STEP 1 Registration Name & Offer Details

For your security keep your SRN/HIN confidential.

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Securityholding as at Register Date:

2000

By accepting the Offer for ALL of your Flinders Shares, you are accepting the Offer for ALL the Flinders Shares as recorded by TIO NZ as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

You will be deemed to have accepted that Offer in respect of ALL of your Flinders Shares if you do not complete, or make an invalid election below.

1. ☐ ACCEPT the Offer for ALL of my/our Flinders Shares

2. ☐ ACCEPT the Offer for PART of my/our Flinders Shares

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The number of Flinders Shares in respect of which the Offer is being accepted.

STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by TIO NZ for Flinders Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL or PART of my/our Flinders Shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS) for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by TIO (NZ) Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to TIO (NZ) Limited or to third parties upon direction by TIO (NZ) Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.



Return your Form:



To Your Controlling Participant:

Return this form directly to your stockbroker



By Mail:

Computershare Investor Services Pty Limited
GPO Box 2115 Melbourne
Victoria 3001 Australia

For all enquiries:

Phone:



(within Australia) 1300 782 998

(outside Australia) +61 3 9415 4197

FMS

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Takeover Acceptance Form

CHESS



Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer (**Offer**) by TIO (NZ) Limited (**TIO NZ**) to acquire all or any of your shares in Flinders Mines Limited (ACN 091 118 044) (**Flinders**) the terms of which are set out in the Bidder's Statement from TIO NZ dated on or about 17 March 2016 as replaced or supplemented (the **Bidder's Statement**). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Flinders register, as provided to TIO NZ. The current address recorded by TIO NZ is printed above and overleaf. If you have recently bought or sold Flinders Shares your holding may differ from that shown. If you have already sold all your Flinders Shares, do not complete or return this form.

Step 2: Accept the Offer

Please complete Step 2, marking the appropriate box to indicate whether you are accepting the Offer in respect of all or some of your Flinders Shares.

Only sign and return this form if you wish to accept the Offer for ALL or PART of your Flinders Shares.

You will be deemed to have accepted the offer in respect of ALL of your Flinders Shares if you do not complete, or make an invalid election in, Step 2 on the reverse of this form. Invalid elections include if you mark the "PART" box and you either do not write the number of Flinders Shares that you are accepting into the Offer or you do write a number but that number is greater than the number of Flinders Shares that you hold.

As your Flinders Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf.

If you want TIO NZ to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise TIO NZ and Computershare Investor Services Pty Limited (**CIS**) to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

You should allow sufficient time for your Controlling Participant or TIO NZ to initiate the acceptance of TIO NZ's Offer on your behalf. Neither TIO NZ or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (**POA**), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔



Takeover Acceptance Form

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STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

For your security keep your SRN/HIN confidential.

Controlling Participant Identifier:

Offer Details: Securityholding as at Register Date:

2000

By accepting the Offer for ALL of your Flinders Shares, you are accepting the Offer for ALL the Flinders Shares as recorded by TIO NZ as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

You will be deemed to have accepted that Offer in respect of ALL of your Flinders Shares if you do not complete, or make an invalid election below.

- ☐ ACCEPT the Offer for ALL of my/our Flinders Shares
- ☐ ACCEPT the Offer for PART of my/our Flinders Shares

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The number of Flinders Shares in respect of which the Offer is being accepted.

STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by TIO NZ for Flinders Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL or PART of my/our Flinders Shares as per the above instruction.

Individual or Securityholder 1

--

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

--

Director

Securityholder 3

--

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

Privacy Notice

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