

Form 603

Corporations Law
Section 671B

Notice of initial substantial holder

To: Company Name/Scheme **FLINDERS MINES LIMITED**

ACN/ARSN **091 118 044**

1. Details of substantial holder (1)

Name: **UBS AG and its related bodies corporate**

ACN/ARSN (if applicable)

The holder became a substantial holder on: **25 January 2012**

2. Details of voting power

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

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Ordinary	93,789,092	93,789,092	5.15%

3. Details of relevant interests

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

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
UBS AG, Australia Branch	Prime Broker that has exercised its borrowing right in respect of shares pursuant to a Prime Broking Agreement (see Appendix A)	11,925,000 Ordinary
UBS AG, London Branch	Prime Broker that has exercised its borrowing right in respect of shares pursuant to a Prime Broking Agreement (see Appendix A)	1,531,300 Ordinary
UBS Securities Australia Ltd	Beneficial owner	70,839,023 Ordinary
UBS AG	Power to control disposal over shares pursuant to stock borrowing and lending activities (see Appendix B)	9,493,769 Ordinary

4. Details of present registered holders

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

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities	
UBS AG, Australia Branch	UBS Nominees Pty Ltd	UBS AG, Australia Branch	11,925,000	Ordinary
UBS AG, London Branch	Citicorp Nominees Pty Ltd	UBS AG, London Branch	1,531,300	Ordinary
UBS Securities Australia Ltd	Brispot Nominees Pty Ltd	UBS Securities Australia Ltd	70,839,023	Ordinary
UBS AG	Various custodians	UBS AG	9,493,769	Ordinary

5. Consideration

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

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Please see Appendix C.				

6. Associates

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

Name and ACN/ ARSN (if applicable)	Nature of association
UBS Nominees Pty Ltd	Related body corporate
UBS Securities Australia Ltd	Related body corporate
Brispot Nominees Pty Ltd	Related body corporate

7. Addresses

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

Name	Addresses
Details of all UBS offices can be found through the following link: http://apps.ubs.com/locationfinder	

SIGNATURE

Print Name: Susanne Steyn Capacity: Authorised signatory

Sign Here:  Date: 27 January 2012

Print Name: Tiffany Leung Capacity: Authorised signatory

Sign Here:  Date: 27 January 2012

Contact details for this notice:

Tiffany Leung
Legal & Compliance
(T) +852 2971 8042
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Holder of relevant interest	UBS AG, Australia Branch	UBS AG, London Branch
Type of agreement	Prime Brokerage Agreement	Prime Brokerage Agreement
Parties to agreement	(i) UBS AG, Australia Branch ("UBS AG") (ii) Client (Please refer to Appendix A-1.)	(i) UBS AG, London Branch ("UBS AG") (ii) Client (Please refer to Appendix A-1.)
Transfer date	Please refer to Appendix A-1.	Please refer to Appendix A-1.
Holder of voting rights	UBS AG	UBS AG
Are there any restrictions on voting rights?	Please refer to the details below.	No.
If yes, detail	Since all right and title in the securities passes to the transferee (i.e. UBS AG), the transferee has the right to vote. However, in certain circumstances, the transferee may seek to arrange for instructions to be exercised in accordance with the instructions of the transferor (i.e. Client).	N/A
Scheduled return date (if any)	None, subject to the terms of the relevant loan.	None.
Does the borrower have the right to return early?	Yes.	Yes.
If yes, detail	The borrower (i.e. UBS AG) has the right to return at its discretion.	The borrower (i.e. UBS AG) has the right to return at its discretion.
Does the lender have the right to recall early?	Yes.	Yes.
If yes, detail	The lender (i.e. Client) can recall at its request subject to compliance with margin requirements and the terms of the relevant loan.	The lender (i.e. Client) can recall at its request subject to compliance with margin requirements and the terms of the relevant loan.
Will the securities be returned on settlement?	Yes.	Yes.
If yes, detail any exceptions	None.	None.

Prime Brokerage Agreement - UBS AG, Australia Branch

Parties to agreement	Transfer date
Monterrey Investment Management Limited as a trustee of the Merlin Investment Fund	(i) 5 December 2011
TIGA Trading Pty Limited	(i) 5 December 2011

Prime Brokerage Agreement - UBS AG, London Branch

Parties to agreement	Transfer date
Gama Capital Opportunities Master Ltd	(i) 5 January 2012

Holder of relevant interest	UBS AG #
Type of agreement	Securities Lending Agreement
Parties to agreement	(i) UBS AG (ii) Information not available
Transfer date	Information not available
Holder of voting rights	UBS AG
Are there any restrictions on voting rights?	Please refer to the details below.
If yes, detail	None, subject to deviating agreements between the parties.
Scheduled return date (if any)	None (subject to the terms of the relevant loan)
Does the borrower have the right to return early?	Yes.
If yes, detail	The borrower has the right to return at any time (subject to the terms of the relevant loan).
Does the lender have the right to recall early?	Yes.
If yes, detail	The lender can recall at any time (subject to the terms of the relevant loan).
Will the securities be returned on settlement?	Yes.
If yes, detail any exceptions	Restitution will take place within a period which is customary at the primary exchange.

The information in this appendix is based on a standard UBS securities lending agreement

FMS - Appendix C

Date of change	Person whose relevant interest changed	Nature of Change	Consideration given in relation to change	Number of securities	Class
07-Dec-11	UBS AG, Australia Branch	Stock received	N/A	149,567	Ordinary
07-Dec-11	UBS AG, Australia Branch	Stock returned	N/A	(150,000)	Ordinary
14-Oct-11	UBS AG, Australia Branch	Stock returned	N/A	(94,046)	Ordinary
19-Oct-11	UBS AG, Australia Branch	Stock received	N/A	177,383	Ordinary
19-Oct-11	UBS AG, Australia Branch	Stock returned	N/A	(331,474)	Ordinary
19-Oct-11	UBS AG, Australia Branch	Stock received	N/A	(154,091)	Ordinary
19-Oct-11	UBS AG, Australia Branch	Stock returned	N/A	(260,000)	Ordinary
19-Oct-11	UBS AG, Australia Branch	Stock returned	N/A	(116,283)	Ordinary
19-Oct-11	UBS AG, Australia Branch	Stock returned	N/A	(975,298)	Ordinary
20-Dec-11	UBS AG, London Branch	Stock returned	N/A	(1,054,153)	Ordinary
20-Dec-11	UBS AG, London Branch	Stock returned	N/A	(841,885)	Ordinary
28-Oct-11	UBS AG, Australia Branch	Stock returned	(171,260)	N/A	Ordinary
28-Oct-11	UBS AG, Australia Branch	Stock received	(54,341)	N/A	Ordinary
03-Nov-11	UBS AG, Australia Branch	Stock received	N/A	54,341	Ordinary
03-Nov-11	UBS AG, London Branch	Stock returned	N/A	(36,609)	Ordinary
11-Nov-11	UBS AG, Australia Branch	Stock returned	N/A	(525,383)	Ordinary
11-Nov-11	UBS AG, Australia Branch	Stock returned	N/A	(81,474)	Ordinary
11-Nov-11	UBS AG, Australia Branch	Stock returned	N/A	(172,971)	Ordinary
11-Nov-11	UBS AG, London Branch	Stock returned	N/A	(568,359)	Ordinary
11-Nov-11	UBS AG, London Branch	Stock returned	N/A	(618,506)	Ordinary
11-Nov-11	UBS AG, London Branch	Stock returned	N/A	(618,600)	Ordinary
16-Nov-11	UBS AG, London Branch	Stock returned	N/A	(520,581)	Ordinary
17-Nov-11	UBS Securities Australia Ltd	Buy	21,106	192,495	Ordinary
17-Nov-11	UBS Securities Australia Ltd	Buy	65,543	420,416	Ordinary
21-Nov-11	UBS Securities Australia Ltd	Buy	36,151	228,084	Ordinary
22-Nov-11	UBS Securities Australia Ltd	Buy	245,865	1,448,821	Ordinary
25-Nov-11	UBS Securities Australia Ltd	Buy	61,884	364,880	Ordinary
25-Nov-11	UBS Securities Australia Ltd	Buy	2,433,669	8,602,578	Ordinary
25-Nov-11	UBS Securities Australia Ltd	Buy	2,853,000	10,000,000	Ordinary
28-Nov-11	UBS Securities Australia Ltd	Buy	78,542	273,283	Ordinary
28-Nov-11	UBS Securities Australia Ltd	Buy	840,900	3,000,000	Ordinary
29-Nov-11	UBS Securities Australia Ltd	Sell	23,811	(88,125)	Ordinary
29-Nov-11	UBS Securities Australia Ltd	Sell	(837,879)	(1,087,879)	Ordinary
30-Nov-11	UBS Securities Australia Ltd	Buy	24,627	88,238	Ordinary
30-Nov-11	UBS Securities Australia Ltd	Sell	728,915	(2,594,956)	Ordinary
30-Nov-11	UBS Securities Australia Ltd	Sell	145,303	(518,939)	Ordinary
30-Nov-11	UBS Securities Australia Ltd	Sell	145,303	(518,940)	Ordinary
30-Nov-11	UBS Securities Australia Ltd	Sell	284,275	(1,097,878)	Ordinary
01-Dec-11	UBS Securities Australia Ltd	Sell	650,000	(2,500,000)	Ordinary
01-Dec-11	UBS Securities Australia Ltd	Sell	230,996	877,645	Ordinary
01-Dec-11	UBS Securities Australia Ltd	Sell	661,750	(2,500,000)	Ordinary
02-Dec-11	UBS Securities Australia Ltd	Sell	20,189	(73,736)	Ordinary
02-Dec-11	UBS Securities Australia Ltd	Sell	674,250	(2,500,000)	Ordinary
05-Dec-11	UBS AG, Australia Branch	Stock received	N/A	13,000,000	Ordinary
05-Dec-11	UBS AG, Australia Branch	Stock received	30,220	109,136	Ordinary
06-Dec-11	UBS AG, London Branch	Buy	298,914	1,045,000	Ordinary
07-Dec-11	UBS AG, London Branch	Stock returned	N/A	(612,000)	Ordinary
07-Dec-11	UBS Securities Australia Ltd	Buy	25,236	90,000	Ordinary
07-Dec-11	UBS Securities Australia Ltd	Buy	52,546	187,465	Ordinary
08-Dec-11	UBS AG, London Branch	Stock received	N/A	179,300	Ordinary
08-Dec-11	UBS Securities Australia Ltd	Buy	646	508,929	Ordinary
08-Dec-11	UBS Securities Australia Ltd	Buy	11,244	39,424	Ordinary
08-Dec-11	UBS AG, London Branch	Collateral received	560,600	2,000,000	Ordinary
09-Dec-11	UBS AG, London Branch	Stock returned	N/A	(508,828)	Ordinary
09-Dec-11	UBS Securities Australia Ltd	Buy	25,227	90,000	Ordinary
09-Dec-11	UBS Securities Australia Ltd	Buy	465,959	1,652,500	Ordinary
09-Dec-11	UBS Securities Australia Ltd	Buy	76,621	268,557	Ordinary
09-Dec-11	UBS Securities Australia Ltd	Buy	1,401,500	5,000,000	Ordinary
13-Dec-11	UBS Securities Australia Ltd	Buy	25,236	90,000	Ordinary
13-Dec-11	UBS Securities Australia Ltd	Buy	25,227	90,000	Ordinary
13-Dec-11	UBS Securities Australia Ltd	Buy	80,038	281,300	Ordinary
13-Dec-11	UBS Securities Australia Ltd	Sell	612,050	(2,182,776)	Ordinary
13-Dec-11	UBS Securities Australia Ltd	Sell	25,227	(90,000)	Ordinary
14-Dec-11	UBS Securities Australia Ltd	Buy	699	2,494	Ordinary
14-Dec-11	UBS Securities Australia Ltd	Buy	611,832	2,182,776	Ordinary
14-Dec-11	UBS Securities Australia Ltd	Sell	612,050	(2,182,776)	Ordinary
15-Dec-11	UBS Securities Australia Ltd	Buy	785,586	2,785,802	Ordinary
15-Dec-11	UBS AG, London Branch	Stock received	N/A	707,826	Ordinary
15-Dec-11	UBS Securities Australia Ltd	Buy	28,919	102,548	Ordinary
15-Dec-11	UBS Securities Australia Ltd	Buy	2,985,597	10,557,275	Ordinary
16-Dec-11	UBS Securities Australia Ltd	Buy	37,395	132,700	Ordinary
16-Dec-11	UBS Securities Australia Ltd	Buy	554,146	1,944,371	Ordinary
16-Dec-11	UBS Securities Australia Ltd	Sell	1,801	(6,320)	Ordinary
16-Dec-11	UBS Securities Australia Ltd	Buy	263,947	933,333	Ordinary
19-Dec-11	UBS AG, London Branch	Stock received	N/A	635,724	Ordinary
19-Dec-11	UBS Securities Australia Ltd	Buy	10,222	36,468	Ordinary
19-Dec-11	UBS Securities Australia Ltd	Buy	219,170	779,000	Ordinary

Date	UBS AG, London Branch	Stock returned	N/A	(707,826)	Ordinary
20-Dec-11	UBS AG, London Branch	Stock returned	N/A	(635,774)	Ordinary
20-Dec-11	UBS Securities Australia Ltd	Buy	13,830	49,217	Ordinary
20-Dec-11	UBS Securities Australia Ltd	Buy	209,555	740,999	Ordinary
21-Dec-11	UBS Securities Australia Ltd	Buy	20,777	74,070	Ordinary
21-Dec-11	UBS Securities Australia Ltd	Buy	2,250,408	7,957,594	Ordinary
22-Dec-11	UBS AG	Collateral returned	N/A	(11,000,000)	Ordinary
22-Dec-11	UBS Securities Australia Ltd	Buy	40,594	144,000	Ordinary
23-Dec-11	UBS AG, London Branch	Stock received	N/A	1,342,537	Ordinary
23-Dec-11	UBS Securities Australia Ltd	Buy	5,053	18,022	Ordinary
23-Dec-11	UBS Securities Australia Ltd	Buy	40,638	143,700	Ordinary
28-Dec-11	UBS AG, London Branch	Stock returned	N/A	(192,742)	Ordinary
28-Dec-11	UBS Securities Australia Ltd	Buy	3,668	13,082	Ordinary
28-Dec-11	UBS Securities Australia Ltd	Sell	609	2,172	Ordinary
28-Dec-11	UBS Securities Australia Ltd	Sell	11,561	(41,290)	Ordinary
28-Dec-11	UBS Securities Australia Ltd	Buy	1,992	7,043	Ordinary
28-Dec-11	UBS Securities Australia Ltd	Buy	N/A	83,978	Ordinary
29-Dec-11	UBS Securities Australia Ltd	Buy	5,198	18,539	Ordinary
29-Dec-11	UBS Securities Australia Ltd	Buy	19,950	70,000	Ordinary
30-Dec-11	UBS AG, Australia Branch	Stock returned	N/A	(478,732)	Ordinary
30-Dec-11	UBS AG, London Branch	Stock returned	N/A	(657,532)	Ordinary
30-Dec-11	UBS Securities Australia Ltd	Buy	4,287	15,288	Ordinary
3-Jan-12	UBS AG, London Branch	Stock returned	N/A	(487,628)	Ordinary
3-Jan-12	UBS AG, London Branch	Stock returned	N/A	(83,978)	Ordinary
03-Jan-12	UBS Securities Australia Ltd	Sell	4,287	(15,290)	Ordinary
03-Jan-12	UBS Securities Australia Ltd	Sell	14,000	(50,000)	Ordinary
03-Jan-12	UBS Securities Australia Ltd	Buy	3,898	13,900	Ordinary
03-Jan-12	UBS AG, London Branch	Stock received	N/A	1,531,300	Ordinary
05-Jan-12	UBS Securities Australia Ltd	Buy	460,760	1,615,000	Ordinary
05-Jan-12	UBS Securities Australia Ltd	Buy	8,050	28,709	Ordinary
05-Jan-12	UBS Securities Australia Ltd	Buy	10,869	37,454	Ordinary
05-Jan-12	UBS Securities Australia Ltd	Sell	2,850	(10,000)	Ordinary
05-Jan-12	UBS Securities Australia Ltd	Buy	107,105	369,328	Ordinary
05-Jan-12	UBS Securities Australia Ltd	Buy	9,070	31,256	Ordinary
06-Jan-12	UBS Securities Australia Ltd	Buy	14,608	50,336	Ordinary
09-Jan-12	UBS AG, London Branch	Stock received	N/A	1,000,000	Ordinary
09-Jan-12	UBS Securities Australia Ltd	Buy	14,500	50,000	Ordinary
10-Jan-12	UBS Securities Australia Ltd	Buy	4,437	15,559	Ordinary
11-Jan-12	UBS AG, London Branch	Stock returned	N/A	(595,268)	Ordinary
11-Jan-12	UBS Securities Australia Ltd	Sell	14,500	(50,000)	Ordinary
11-Jan-12	UBS Securities Australia Ltd	Buy	83,962	284,617	Ordinary
12-Jan-12	UBS Securities Australia Ltd	Buy	27,837	94,618	Ordinary
13-Jan-12	UBS Securities Australia Ltd	Sell	11,247	(38,782)	Ordinary
13-Jan-12	UBS Securities Australia Ltd	Sell	440,664	(1,505,000)	Ordinary
13-Jan-12	UBS Securities Australia Ltd	Sell	179,614	(619,785)	Ordinary
16-Jan-12	UBS Securities Australia Ltd	Sell	29,867	(103,059)	Ordinary
16-Jan-12	UBS Securities Australia Ltd	Sell	116,088	(400,578)	Ordinary
16-Jan-12	UBS Securities Australia Ltd	Buy	1,244,400	4,250,000	Ordinary
17-Jan-12	UBS Securities Australia Ltd	Buy	585,600	2,000,000	Ordinary
17-Jan-12	UBS Securities Australia Ltd	Sell	44,178	(152,530)	Ordinary
17-Jan-12	UBS Securities Australia Ltd	Sell	22,882	(78,904)	Ordinary
17-Jan-12	UBS Securities Australia Ltd	Sell	10,066	(34,733)	Ordinary
17-Jan-12	UBS Securities Australia Ltd	Sell	94,627	(326,524)	Ordinary
18-Jan-12	UBS Securities Australia Ltd	Buy	32,909	(113,555)	Ordinary
18-Jan-12	UBS Securities Australia Ltd	Buy	292,800	1,000,000	Ordinary
18-Jan-12	UBS Securities Australia Ltd	Buy	91,406	312,300	Ordinary
18-Jan-12	UBS Securities Australia Ltd	Sell	13,105	(45,188)	Ordinary
19-Jan-12	UBS Securities Australia Ltd	Sell	7,250	(25,000)	Ordinary
19-Jan-12	UBS Securities Australia Ltd	Buy	181,462	620,807	Ordinary
19-Jan-12	UBS Securities Australia Ltd	Buy	15,845	54,561	Ordinary
19-Jan-12	UBS Securities Australia Ltd	Sell	22,660	(78,132)	Ordinary
20-Jan-12	UBS Securities Australia Ltd	Sell	8,995	(30,809)	Ordinary
20-Jan-12	UBS Securities Australia Ltd	Buy	146,400	500,000	Ordinary
23-Jan-12	UBS Securities Australia Ltd	Buy	291,260	998,833	Ordinary
24-Jan-12	UBS Securities Australia Ltd	Buy	625,828	2,151,350	Ordinary
25-Jan-12	UBS Securities Australia Ltd	Buy	740,579	2,542,325	Ordinary
25-Jan-12	UBS Securities Australia Ltd	Buy	842,400	2,880,000	Ordinary
25-Jan-12	UBS AG	Collateral received	N/A	51,407	Ordinary
25-Jan-12	UBS AG	Collateral received	N/A	9,442,362	Ordinary