



ASX ANNOUNCEMENT

15 March 2019

Flinders announces amendments to the Loan Facility Agreement and Commitment Agreement

In accordance with the undertakings provided to the Takeovers Panel ("**Panel**") by Flinders Mines Limited ("**Company**" or "**Flinders**") and TIO (NZ) Limited ("**TIO NZ**") and announced by Flinders on 20 February 2019, the Company advises that Flinders and TIO NZ and its wholly owned subsidiary (PIO Mines Pty Limited ("**PIO**")) have agreed the necessary amendments to the previously announced Loan Facility Agreement and Commitment Agreement.

The material amendments are summarised below.

Loan Facility Agreement

- All references to the formerly proposed rights issue which has been abandoned and will not proceed (as noted in Flinders' announcement to ASX on 20 February 2019) have been removed.
- The loan period has been extended to 30 June 2022.
- An annual capitalised 3 month floating interest rate based on the 6 month bank bill swap mid-rate plus 2% has been incorporated.
- Flinders may not incur any unsecured financial indebtedness exceeding A\$5 million without the prior written approval of PIO.
- Flinders may not create any interest or encumbrance over any of the Company's assets without the prior written consent of PIO.
- The loan will be for a maximum amount of up to A\$32.9 million being up to:
 - A\$25.3 million to fund the proposed off-market buy-back of up to approximately 10% of Flinders' shares at a price of \$0.075 per share subject to the de-listing being approved by shareholders;
 - A\$3.0 million for working capital irrespective of whether de-listing proceeds or not; and
 - A\$4.6 million for potential franking deficit tax associated with the proposed off-market buy-back.

Commitment Agreement

- All references to the formerly proposed rights issue have been removed.
- TIO NZ's commitment is now limited to only acquiring any Flinders' shares that Flinders has not sold to third parties at \$0.075 per share under Flinders' unmarketable parcels sales facility (which was announced by Flinders to ASX on 17 December 2018).

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