

Todd announces unconditional cash offer for Flinders Mines

Offer price is more than two and a half times the recent share placement

17 March 2014

TIO (NZ) Limited (**TIO**), a wholly-owned subsidiary of The Todd Corporation Limited, today announced an unconditional all cash off market takeover bid to acquire all of the ordinary shares in Flinders Mines Limited (**Flinders**).

The offer price of \$0.013 cash (one and three tenths of a cent) per Flinders share is more than two and a half times the price of \$0.005 per share at which Flinders issued shares under the share placement announced on 2 March 2016. This represents a significant premium of:

- 63% to the closing price on the ASX on 16 March 2016 (being the last trading day prior to announcement of the bid) 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.

TIO Director, Michael Wolley, said:

“The all cash offer provides shareholders with a compelling opportunity to sell for cash and to avoid the future risks and costs of the Pilbara Iron Ore Project (**PIOP**). PIOP does not currently have a transportation solution to get its ore to port and on to market.

The offer delivers cash to Flinders shareholders at a significant premium to market and is more than two and a half times the price of the recent share placement.

Despite the recent share placement, TIO is of the view that Flinders is likely to need to source additional funding in the near to medium term even if no progress is made on the development of PIOP.

Further, significant funding will be needed to determine if there is an economical pathway to develop PIOP. Following this, if the project were to proceed, substantial funding would be needed to construct the mine. An independent expert's report prepared for Flinders in July 2015 assumed that a 25 million tonnes per annum mine would cost \$800 million, which is more than 30 times Flinders' market capitalisation at market close yesterday.

If Flinders chooses to raise equity to provide further funding, existing Flinders shareholders will need to participate or be diluted.

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.”

TIO has also instructed its broker, Patersons Securities Limited, to purchase on its behalf all Flinders shares offered for sale on the ASX from the announcement date until the end of the offer period, at up to the offer price of \$0.013 per Flinders share.

A bidder's statement in relation to the offer is available on the ASX announcement platform and will be posted to Flinders shareholders. The offer will open in approximately two weeks' time. An offer information line has been established on 1300 782 998 (toll-free within Australia) or + 61 3 9415 4197 (from outside Australia).

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