

29 April 2016

# Quarterly Report

## For the period ending 31 March 2016

### **Corporate**

On the 17<sup>th</sup> of March 2016, TIO (NZ) Limited (TIO), a wholly owned subsidiary Todd Corporation, announced a takeover bid for all of the shares it does not hold in Flinders Mines Limited for \$0.013 cents per share.

A Bidder's Statement was dispatched to Flinders' shareholders on 31 March, 2016 and Flinders dispatched its Target's Statement to shareholders on 15 April 2016. The Directors of Flinders have recommended that shareholders reject the TIO bid.

### **Funding**

Flinders completed a placement of 165m shares at \$0.005 cents per share to OCJ Investments Australia Pty Ltd during the quarter. These funds will be used for PIOP project costs and working capital. At the end of the quarter, Flinders held cash of \$1.75m.

Significant payments for the quarter included \$233,000 for redundancies, \$184,000 for PIOP rents and \$92,000 for PIOP shire rates.

### **Project Update**

Flinders continues to hold discussions with third parties in respect to developing the Pilbara Iron Ore Project. These discussions remain confidential and any material outcomes will be reported to the ASX if an agreement is reached. As part of this process Flinders completed a number of new mine optimisations and mining schedules for PIOP, which have been provided to the relevant parties for review and discussion. These mine optimisations and mining schedules are focused on developing a low tonnage high grade Fe project at PIOP, with low impurities and low capital intensity.

Further progress has been made on Commonwealth environmental approvals, with project proposals reaching the mandatory advertising period.

Ends

### **For further information contact:**

Ian Gordon  
Managing Director  
Mob: 0427 306 947

## Tenement Schedule

For the quarter ending 31 March 2016

Tenement No.	Status	Tenement Name	Grant/ Application Date	Expiry Date	Area (Sq Km)	Registered Holder /Applicant	Interest	Related Agreement
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### WESTERN AUSTRALIA

#### Canegrass Project

E58/232	Granted	Boulder Well	29/07/2002	28/07/2016	16.1	Flinders Canegrass Pty Ltd	100%	
E58/236	Granted	Challa	22/03/2002	21/03/2016	16.1	Flinders Canegrass Pty Ltd	100%	
E58/282	Granted	Honey Pot	3/05/2007	2/05/2016	27.2	Flinders Canegrass Pty Ltd	100%	

#### Pilbara Iron Ore Project

E47/1560	Granted	Anvil	6/09/2007	5/09/2016	44.5	Flinders Mines Ltd	100%	Prenti Agreement
L47/728	Granted	PIOP Airstrip	29/05/2015	28/05/2036	3.0	Flinders Mines Ltd	100%	
L47/730	Granted	PIOP Village	29/05/2015	28/05/2036	0.1	Flinders Mines Ltd	100%	
L47/731	Application	Northern Road	1/09/2014		4.9	Flinders Mines Ltd	100%	
L47/734	Granted	Southern Road	29/05/2015	28/05/2036	4.2	Flinders Mines Ltd	100%	
M47/1451	Granted	Blacksmith ML	26/03/2012	25/03/2033	111.6	Flinders Mines Ltd	100%	Prenti Agreement

### SOUTH AUSTRALIA

#### Curnamona Project

EL 5739	Granted	Wompine	12/02/2016	11/02/2017	96.00	Flinders Mines Ltd	100%	
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#### Gawler Ranges Project

EL 5761	Granted	Tin Hut	21/03/2016	20/03/2018	716.0	Flinders Mines Ltd	100%	
EL 5762	Granted	Siam	21/03/2016	20/03/2018	379.0	Flinders Mines Ltd	100%	

#### Jamestown Project

EL 5763	Granted	Caltowie	04/02/2016	9/11/2016	201.4	Flinders Mines Ltd	Diamonds and non-metals	Copper Range and Tarcowie Phosphate Agreements
EL 5557	Granted	Washpool	10/11/2009	9/11/2016	135.0	Phoenix Copper Ltd	Diamonds, barium, talc and phosphate	Phoenix Copper Agreement

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Flinders Mines Limited

ABN

46 091 118 044

Quarter ended ("current quarter")

31 March 2016

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	3	25
1.2 Payments for:		
(a) exploration & evaluation	(329)	(1,238)
(b) development		
(c) production		
(d) administration	(720)	(1,686)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	31
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (R&D rebates)		
<b>Net operating cash flows</b>	<b>(1,040)</b>	<b>(2,868)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,040)</b>	<b>(2,868)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	<b>(1,040)</b>	<b>(2,868)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	825	825
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	<b>825</b>	<b>825</b>
	<b>Net increase (decrease) in cash held</b>	<b>(215)</b>	<b>(2,043)</b>
1.20	Cash at beginning of quarter/year to date	<b>1,942</b>	<b>3,770</b>
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>1,727</b>	<b>1,727</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	78
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	268
4.2 Development	-
4.3 Production	-
4.4 Administration	278
<b>Total</b>	<b>546</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	977	1,192
5.2 Deposits at call	750	750
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,727</b>	<b>1,942</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EL 5739	Granted	Nil	100%
	EL 5761	Granted	Nil	100%
	EL 5762	Granted	Nil	100%
	EL 5763	Granted	Nil	100%
	EL 5557	Granted	Nil	100%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

6.2 Interests in mining tenements and petroleum tenements acquired or increased

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	2,934,648,754	2,934,648,754		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	165,000,000	165,000,000	\$0.005	Fully paid
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

			<i>Exercise price</i>	<i>Expiry date</i>
7.10	Expired during quarter			
7.11	<b>Debentures</b> <i>(totals only)</i>			
7.12	<b>Unsecured notes</b> <i>(totals only)</i>			

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29 April 2016

(Company secretary)

Print name:

Justin Nelson

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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