

# **Flinders Mines Limited**

ABN 46 091 118 044

## **Financial report for the half-year ended 31 December 2014**

(To be read in conjunction with the 30 June 2014 Annual Report)

# **Flinders Mines Limited** ABN 46 091 118 044

## **Financial report - 31 December 2014**

### **Contents**

	Page
Directors' report	2
Auditor's Independence Declaration	3
Interim financial statements	
Consolidated statement of profit or loss and other comprehensive income	4
Consolidated statement of financial position	5
Consolidated statement of changes in equity	6
Consolidated statement of cash flows	7
Notes to the consolidated financial statements	8
Directors' declaration	15
Independent auditor's review report to the members	16

These interim financial statements are the consolidated interim financial statements of the consolidated entity consisting of Flinders Mines Limited and its subsidiaries. The interim financial statements are presented in the Australian currency.

Flinders Mines Limited is a company limited by shares, listed on the Australian Securities Exchange (ASX) under the code "FMS" and incorporated and domiciled in Australia. Its registered office and principal place of business is:

Flinders Mines Limited  
Level 1, 135 Fullarton Road  
Rose Park  
Adelaide South Australia 5067

The registered postal address is:

Flinders Mines Limited  
PO Box 4031  
Norwood South  
Adelaide South Australia 5067

The interim financial statements were authorised for issue by the Directors on 17 February 2015. The Directors have the power to amend and reissue the interim financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: [www.flindersmines.com](http://www.flindersmines.com).

## Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Flinders Mines Limited (referred to hereafter as the Parent Entity or the Company) and the entities it controlled at the end of, and during, the half-year ended 31 December 2014.

### Directors

The following persons held office as Directors of Flinders Mines Limited during the financial period:

Robert Michael Kennedy (*Non-executive Chairman*)  
Kevin John Malaxos (*Non-executive Director*)  
Ewan John Vickery (*Non-executive Director*)  
Nicholas John Smart (*Alternate Director for RM Kennedy*)  
Ian James Gordon (*Managing Director*)

### Review of operations

In the first half of FY 2014 - 15, Financial Year Flinders Mines Limited "the Company" focused its efforts on completing the technical work required for the Bankable Feasibility Study "BFS" for the Pilbara Iron Ore Project "PIOP".

During the period the Company completed a significant amount of Reverse Circulation "RC" and Diamond Drilling "DD" which was required to upgrade a large portion of the project resource base from inferred to indicated status. In addition to this, the DD holes have provided the ore samples required to complete the metallurgical test work.

As at the end of December 2014 the vast majority of the PIOP resource base had been successfully upgraded to measured or indicated status, which will allow a reserve to be estimated as part of the BFS. The metallurgical test work was also completed and demonstrated that the ore can be simply upgraded by a de-slime processing plant.

Another major milestone was achieved by the Company in alliance with the Balla Balla Joint Venture which was invited by the State Government of Western Australia to negotiate a State Rail Agreement for the construction of a rail line between the PIOP and the Balla Balla port facility.

The Company has also completed a round of scout drilling at PIOP to test for additional high grade mineralisation outside the current resource areas. This program has been successful in identifying a number of areas that host high grade detrital and bedded iron ore.

During the half year ended 31 December 2014 the Company successfully completed a capital raising of \$5.4m, with available cash funds of \$7.4m at 31 December 2014 (30 June 2014 : \$9.9m).

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

This report is signed and dated in Adelaide on 18 February 2015 and made in accordance with a resolution of Directors.



Robert Michael Kennedy  
Director



Level 1,  
67 Greenhill Rd  
Wayville SA 5034

Correspondence to:  
GPO Box 1270  
Adelaide SA 5001

T 61 8 8372 6666  
F 61 8 8372 6677  
E [info.sa@au.gt.com](mailto:info.sa@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF FLINDERS MINES LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Flinders Mines Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

*Grant Thornton*  
**GRANT THORNTON AUDIT PTY LTD**  
Chartered Accountants

A handwritten signature in blue ink, appearing to read "S K Edwards".

**S K Edwards**  
Partner – Audit & Assurance

Adelaide, 18 February 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Grant Thornton refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

**Flinders Mines Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2014**

	<b>Half-year</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from continuing operations</b>	<b>116,682</b>	77,849
Loss on disposal of assets	(76,027)	(35,821)
Marketing expenses	(297,635)	(296,526)
Administrative expenses	(1,217,510)	(1,707,964)
Finance costs	(1,926)	(5,901)
Exploration expenditure written off	(67,853)	(219,112)
<b>Loss before income tax</b>	<b>(1,544,269)</b>	<b>(2,187,475)</b>
<b>Loss for the half year</b>	<b>(1,544,269)</b>	<b>(2,187,475)</b>
<b>Other comprehensive income</b>		
<b>Other comprehensive income for the half year (net of tax)</b>	-	-
<b>Total comprehensive income for the half-year</b>	<b>(1,544,269)</b>	<b>(2,187,475)</b>
Loss is attributable to:		
Owners of Flinders Mines Limited	(1,544,269)	(2,187,475)
Total comprehensive income for the half-year is attributable to:		
Owners of Flinders Mines Limited	(1,544,269)	(2,187,475)
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for (loss) attributable to the ordinary equity holders of the Company:</b>		
Basic and diluted earnings per share	(0.064)	(0.120)

**Flinders Mines Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2014**

	Notes	31 December 2014 \$	30 June 2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		7,428,584	9,868,548
Trade and other receivables		118,021	337,146
Other current assets		383,911	262,276
Total current assets		7,930,516	10,467,970
<b>Non-current assets</b>			
Available-for-sale financial assets		36,611	36,611
Plant and equipment		534,170	727,328
Exploration and evaluation	5	69,767,609	64,038,405
Other non-current assets		27,000	27,000
Total non-current assets		70,365,390	64,829,344
<b>Total assets</b>		<b>78,295,906</b>	<b>75,297,314</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		445,171	1,282,922
Provisions		178,369	207,149
Total current liabilities		623,540	1,490,071
<b>Non-current liabilities</b>			
Provisions		42,725	53,685
Total non-current liabilities		42,725	53,685
<b>Total liabilities</b>		<b>666,265</b>	<b>1,543,756</b>
<b>Net assets</b>		<b>77,629,641</b>	<b>73,753,558</b>
<b>EQUITY</b>			
Contributed equity	6	124,361,828	119,106,233
Reserves	7(a)	183,337	18,580
Retained losses	7(b)	(46,915,524)	(45,371,255)
<b>Total equity</b>		<b>77,629,641</b>	<b>73,753,558</b>

**Flinders Mines Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2014**

	Contributed equity \$	Reserves \$	Retained losses \$	Total equity \$
<b>Balance at 1 July 2013</b>	105,277,581	1,257,521	(41,956,549)	64,578,553
<b>Total comprehensive income for the half-year:</b>				
Loss for the year	-	-	(2,187,475)	(2,187,475)
<b>Total comprehensive income for the period</b>	-	-	<b>(2,187,475)</b>	<b>(2,187,475)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Rights expired during the year	-	(1,234,041)	1,217,208	(16,833)
<b>Balance at 31 December 2013</b>	<b>105,277,581</b>	<b>23,480</b>	<b>(42,926,816)</b>	<b>62,374,245</b>
<b>Balance at 1 July 2014</b>	119,106,233	18,580	(45,371,255)	73,753,558
<b>Total comprehensive income for the half-year:</b>				
Loss for the year	-	-	(1,544,269)	(1,544,269)
<b>Total comprehensive income for the period</b>	-	-	<b>(1,544,269)</b>	<b>(1,544,269)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	6 5,255,595	-	-	5,255,595
Rights expensed during the year	7(a) -	164,757	-	164,757
	5,255,595	164,757	-	5,420,352
<b>Balance at 31 December 2014</b>	<b>124,361,828</b>	<b>183,337</b>	<b>(46,915,524)</b>	<b>77,629,641</b>

**Flinders Mines Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2014**

	Half-year	
	2014	2013
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of GST)	(2,074,570)	(2,297,368)
Interest received	135,205	119,150
<b>Net cash (outflow) from operating activities</b>	<u>(1,939,365)</u>	<u>(2,178,218)</u>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	(18,836)	(18,836)
Proceeds from sale of plant and equipment	-	48,650
Payments for exploration activities	(5,737,358)	(2,124,976)
<b>Net cash (outflow) from investing activities</b>	<u>(5,756,194)</u>	<u>(2,095,162)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares and other equity securities	5,255,595	-
<b>Net (decrease) in cash and cash equivalents</b>	<u>(2,439,964)</u>	<u>(4,273,380)</u>
Cash and cash equivalents at the beginning of the financial year	9,868,548	5,996,247
<b>Cash and cash equivalents at end of period</b>	<u>7,428,584</u>	<u>1,722,867</u>



## **1 Basis of preparation of half-year report**

This consolidated financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The half-year report is for the consolidated entity consisting of Flinders Mines Limited and its subsidiaries.

This consolidated half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 30 June 2014 and any public announcements made by Flinders Mines Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The annual financial report of the Group for the year ended 30 June 2014 is available on request from the Company's registered office at Level 1, 135 Fullarton Road, Rose Park, South Australia 5067, or the Company's website: [www.flindersmines.com](http://www.flindersmines.com).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### **New and revised accounting standards applicable for the first time to the current half-year reporting period**

The half-year financial statements have been prepared in accordance with the accounting policies adopted in the Group's last financial statements for the year ended 30 June 2014, except the application of the following standards as of 1 July 2014:

- *AASB 1031: Materiality*
- *AASB 1055: Budgetary Reporting*
- *AASB 2013-1, Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements*
- *AASB 2013-4, Novation of Derivatives and Continuation of Hedge Accounting*
- *AASB 2013-5, Investment Entities*
- *AASB 2013-9, Conceptual Framework, Materiality and Financial Instruments*
- *AASB 2014-2, Amendments to AASB 1053 - Transition to and between Tiers, and related Tier 2 Disclosure Requirements*

#### *AASB 2014-1, Amendments to Australian Accounting Standards Part A,B and C*

These standards make changes to a number of existing Australian Accounting Standards and are not expected to result in a material change to the manner in which the Group's financial result is determined or upon the extent of disclosures included in future financial reports.

Management has reviewed the new requirements of the above standards and has concluded that there is no effect on the classification or presentation of balances.

## 2 Segment information

### (a) Description of segments

#### Identification of reportable segments

Management has determined the operating segments based on the reports reviewed and used by the Board of Directors (the chief operating decision maker) that are used to make strategic decisions. The Group is managed primarily on the basis of geographical area of interest, since the diversification of Group operations inherently has notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- external regulatory requirements
- geographical and geological styles

#### Operations

The Group has exploration operations in base metals and iron mineralisation at the Canegrass Project, and a different style of iron mineralisation at the Pilbara Iron Ore Project. The costs associated with these operations are reported on in these segments.

#### Accounting policies developed

Unless stated otherwise, all amounts reported to the Board of Directors as chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

### (b) Primary reporting format - business segments

Half-year 2014	Pilbara Iron Ore \$	Canegrass Magnetite \$	Other Minerals \$	Total \$
<b>Adjusted EBITDA</b>	-	(6,915)	(60,938)	(67,853)
Capital expenditure written off / impaired for the year 2014	-	(6,915)	(60,938)	(67,853)
<b>Total segment assets</b>	69,767,609	-	-	69,767,609
<b>Segment asset movements for the half-year ended 31 December 2014:</b>				
Capital expenditure	5,729,204	6,915	60,938	5,797,057
Impairment of assets	-	(6,915)	(60,938)	(67,853)
<b>Total movement for the half-year</b>	<b>5,729,204</b>	<b>-</b>	<b>-</b>	<b>5,729,204</b>
Segment assets				69,767,609
Unallocated assets				8,528,297
<b>Total assets</b>				<b>78,295,906</b>

## 2 Segment information (continued)

### (b) Primary reporting format - business segments (continued)

Half-year 2013	Pilbara Ore \$	Iron Magnetite \$	Canegrass Minerals \$	Other Minerals \$	Total \$
<b>Adjusted EBITDA</b>	-	(117,706)	(101,406)	(219,112)	
Capital expenditure written off / impaired for the year 2013	-	(117,706)	(101,406)	(219,112)	
<b>Total segment assets</b>	60,341,664	-	-	-	60,341,664
<b>Segment movements for the year ended 30 June 2014:</b>					
Capital expenditure	5,662,757	201,946	186,127	6,050,830	
Impairment of assets	-	(201,946)	(186,127)	(388,073)	
<b>Total movement for the year</b>	5,662,757	-	-	-	5,662,757
Segment assets					64,038,405
Unallocated assets					11,258,909
<b>Total Assets</b>					<b>75,297,314</b>

## 2 Segment information (continued)

### (c) Other segment information

#### (i) Adjusted EBITDA

A reconciliation of adjusted EBITDA to operating loss before income tax is provided as follows:

	Half-year	
	2014	2013
	\$	\$
<b>Allocated:</b>		
<b>Adjusted EBITDA</b>	<b>(67,853)</b>	(219,112)
<b>Unallocated:</b>		
Interest revenue	<b>116,682</b>	77,849
Loss on disposal of assets	<b>(76,027)</b>	(35,821)
Marketing expenses	<b>(297,635)</b>	(296,526)
Administrative expenses	<b>(1,217,510)</b>	(1,707,964)
Finance costs	<b>(1,926)</b>	(5,901)
<b>(Loss) before income tax from continuing operations</b>	<b>(1,544,269)</b>	(2,187,475)

## 3 Contingencies

### Contingent liabilities

The Group had no known contingent liabilities at 31 December 2014 (30 June 2014: nil).

## 4 Commitments

### Bank guarantees

The State Government departments responsible for mineral resources require performance bonds for the purposes of rehabilitation of areas disturbed by exploration activities. Financial institutions similarly require guarantees for credit card automatic payment facilities. At 31 December 2014, the Group had \$178,978 of bank guarantees in place for these purposes (30 June 2014: \$345,656).

## 5 Non-current assets - Exploration and evaluation

	31 December 2014 \$	30 June 2014 \$
<b>Exploration and evaluation assets</b>		
<b>Movement:</b>		
Opening balance	64,038,405	58,375,649
Expenditure incurred	5,797,057	6,050,829
Less: expenditure written off / impaired	(67,853)	(388,073)
Closing balance	<u>69,767,609</u>	<u>64,038,405</u>
<b>Closing balance comprises</b>		
Exploration and evaluation - 100% owned	63,526,511	57,797,307
Exploration and evaluation phases - Joint Venture Operations	<u>6,241,098</u>	<u>6,241,098</u>
	<u>69,767,609</u>	<u>64,038,405</u>

## 6 Contributed equity

### (a) Share capital

	31 December 2014 Shares	30 June 2014 Shares	31 December 2014 \$	30 June 2014 \$
Ordinary shares				
Ordinary shares - fully paid	2,762,995,689	2,400,995,602	124,361,828	119,106,233

### (b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	\$
1 July 2014	Opening balance	2,400,995,602		119,106,233
15 December 2014	Share issue - Proceeds received (net of costs)	362,000,087	\$0.015	5,255,595
<b>31 December 2014</b>	Balance	<u>2,762,995,689</u>		<u>124,361,828</u>

### (c) Employee incentive rights plan

The Flinders Mines Limited Employee Incentive Rights Plan enables the Board, at its discretion, to issue rights to employees of the Company or its associated companies. The vesting periods of the rights are set at the Board's discretion and all rights have conditions that must be met before they vest. All rights are un-listed and non-transferable. The rights granted under the plan carry no voting or dividend rights.

On 1 July 2014, 12,796,000 incentive rights, expiring 30 June 2016 were issued to nine Company employees. On 12 November 2014, 10,000,000 incentive rights, expiring 30 June 2016 were issued to one Company employee.

## 7 Other reserves and retained losses

### (a) Reserves

	<b>31 December 2014</b>	<b>30 June 2014</b>
	<b>\$</b>	<b>\$</b>
Available-for-sale investments revaluation reserve	<b>(293,048)</b>	<b>(293,047)</b>
Share-based payments	<b>476,385</b>	<b>311,627</b>
	<b>183,337</b>	<b>18,580</b>

### Movements:

#### *Available-for-sale investments revaluation reserve*

Opening balance	<b>(293,048)</b>	<b>(288,149)</b>
Revaluation	<b>-</b>	<b>(4,900)</b>
Balance at period end	<b>(293,048)</b>	<b>(293,049)</b>

#### *Share-based payments*

Opening balance	<b>311,628</b>	<b>1,545,670</b>
Rights expensed during the period	<b>164,757</b>	<b>-</b>
Rights expired during the period	<b>-</b>	<b>(1,234,041)</b>
Balance at period end	<b>476,385</b>	<b>311,629</b>

### (b) Retained losses

Movements in retained losses were as follows:

	<b>31 December 2014</b>	<b>30 June 2014</b>
	<b>\$</b>	<b>\$</b>
Opening balance	<b>(45,371,255)</b>	<b>(40,722,508)</b>
Net loss for the period	<b>(1,544,269)</b>	<b>(4,648,747)</b>
Closing balance	<b>(46,915,524)</b>	<b>(45,371,255)</b>

## **8 Events occurring after the reporting period**

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group.

## **9 Fair value measurement of assets and liabilities**

AASB 13 requires disclosure of fair value measurements by level of the following value hierarchy:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

All financial instruments were valued using the level 1 valuation techniques. There were no changes in valuation techniques for financial instruments in the period.

Available-for-sale financial assets are measured at fair value using the closing price on the reporting dates as listed on the Australian Securities Exchange Limited (ASX). The carrying value of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 4 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.



Robert Michael Kennedy  
Director

Adelaide  
18 February 2015





Level 1,  
87 Greenhill Rd  
Weyville SA 5034

Correspondence to:  
GPO Box 1270  
Adelaide SA 5001

T 61 8 8372 6666  
F 61 8 8372 6677  
E [info.sa@au.gt.com](mailto:info.sa@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

#### **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FLINDERS MINES LIMITED**

We have reviewed the accompanying half-year financial report of Flinders Mines Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### **Directors' responsibility for the half-year financial report**

The directors of Flinders Mines Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Flinders Mines Limited consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Flinders Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

"Grant Thornton" refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL), and the member firms are not a worldwide partnership. GTIL, and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL, and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term "Grant Thornton" may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Flinders Mines Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in blue ink, appearing to read "S K Edwards".

S K Edwards  
Partner – Audit & Assurance

Adelaide, 18 February 2015