



# **Tasmania Mines Limited**

ACN 009 491 990

Financial Report for the Half-Year Ended

30 June 2015

# Tasmania Mines Limited

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## Corporate Profile

Tasmania Mines Ltd is an Australian resources company whose principal activity is the open cut extracting and milling of ore at its Kara Mine in Tasmania. The main product sold is dense medium magnetite which is ultimately used for coal washery purposes. Secondary products sold are higher grade scheelite and iron ore fines for steelmaking.

## Corporate Information

### Directors

Shamsher H M Kanji  
Joseph O Carroll  
Kenneth J Broadfoot

### Secretaries

Kenneth J Broadfoot  
Warren A Wilton

### Registered Office

Level 33, Aurora Place  
88 Phillip Street  
Sydney NSW 2000  
Phone: +61 2 9251 4244  
Email: [kb@kanji.com.au](mailto:kb@kanji.com.au)

### Principal Administrative Office

C/- The Engineering Company Pty Ltd  
15265 Bass Highway  
PO Box 215  
Somerset TAS 7322  
Phone: +61 3 6435 1556

### Principal Place of Business

Kara Mine  
683 Kara Road  
Hampshire TAS 7321

### Securities Exchange

Listed on the Australian Securities Exchange  
Code TMM

### Share Registry

Link Market Services Ltd  
Level 1 - 333 Colin Street  
Melbourne VIC 3000  
Phone: 1300 554 474  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
Postal Address  
Locked Bag A14  
Sydney South NSW 1235

# Tasmania Mines Limited

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## Financial Report For the half-year ended 30 June 2015

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# Tasmania Mines Limited

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## Directors' report

The directors of Tasmania Mines Limited present their financial report for the half-year ended 30 June 2015. The directors of the company during or since the end of the half-year are:

<b>Name</b>	<b>Particulars, qualifications and experience</b>
Mr Shamsher H. M. Kanji	Chairman, Member of the Audit, Corporate Governance and Nominations, Remuneration and Risk Management Committees of the Board, Non-Executive Graduated with Honours in Law from University of London in 1957 Admitted as a Barrister by the Middle Temple, London Solicitor, New South Wales Lawyer, Singapore Appointed to the Board 23 August 1984 Other public company directorships - none
Mr Joseph O. Carroll	Director, Chairman of the Audit, Corporate Governance and Nominations, Remuneration and Risk Management Committees of the Board, Non-Executive Bachelor of Engineering (Civil) from University of Sydney Management Consultant. Past experience as project manager for major civil engineering projects. Appointed to the Board 5 May 1986 Other public company directorships - none
Mr Ken J. Broadfoot	Director Member of the Audit, Corporate Governance and Nominations, Remuneration and Risk Management Committees of the Board, Non-Executive Chartered Accountant Appointed to the Board 30 April 2008 Other public company directorships – none

## Company secretaries

Mr Ken J. Broadfoot was appointed company secretary in 1992 and Mr Warren A. Wilton was appointed as an additional secretary of the company on 16 May 2013.

## Principal activities

The consolidated entity's principal activities in the half-year ended 30 June 2015 continued to be the mining and production of magnetite and scheelite including the operating of the crushing and concentrating mill at the Kara Mine, south of Burnie, Tasmania, the sale of the consolidated entity's products and the ongoing exploration and development of mining tenements.

# Tasmania Mines Limited

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## Directors' report

### Review of Operations

#### Mining

During the half-year a total of 195,704 tonnes of ore was mined at 37% Fe. In addition, 392,852 tonnes of overburden was removed. All material was taken from the Kara No. 1 Open Pit.

#### Milling

The Kara concentrator mill treated 201,705 tonnes of materials during the half-year. Production totalled 12 tonnes of high grade scheelite and 107,453 tonnes of dense medium magnetite.

#### Sales

During the half-year a total of 86,606 tonnes of dense medium magnetite was sold compared with 111,880 tonnes sold in the previous half-year. No high grade scheelite sold this half-year and in the previous half-year.

### Auditor's Independence Declaration

The auditor's independence declaration is included on page 3 of the half-year financial report.

### Rounding off of amounts

The Company is of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998 and in accordance with that Class Order amounts in the Directors' Report and the half-year financial report are rounded off to the nearest thousand dollars unless otherwise indicated.

*Signed in accordance with a resolution of directors made pursuant to s. 306(3) of the Corporations Act 2001.*

On behalf of the Directors



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Director  
Sydney, 11 August 2015

The Board of Directors  
Tasmania Mines Limited  
Bass Highway  
SOMERSET TAS 7322

11 August 2015

Dear Board Members

**Tasmania Mines Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Tasmania Mines Limited.

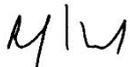
As lead audit partner for the review of the financial statements of Tasmania Mines Limited for the half-year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



**Rod Whitehead**  
Partner  
Chartered Accountants

## **Independent Auditor's Review Report to the members of Tasmania Mines Limited**

We have reviewed the accompanying half-year financial report of Tasmania Mines Limited, which comprises the condensed statement of financial position as at 30 June 2015, and the condensed income statement, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 13.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with 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 consolidated entity's financial position as at 30 June 2015 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 Tasmania Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

*Auditor's Independence Declaration*

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

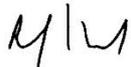
*Conclusion*

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 Tasmania 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 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Rod Whitehead

Partner

Chartered Accountants

Launceston, 11 August 2015

# Tasmania Mines Limited

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## Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements and notes thereto for the half year ended 30 June 2015 are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

*Signed in accordance with a resolution of the directors made pursuant to s. 303(5) of the Corporations Act 2001.*

On behalf of the Directors



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Director

Sydney, 11 August 2015

# Tasmania Mines Limited

## Condensed consolidated statement of profit or loss and other comprehensive income For the half-year ended 30 June 2015

	<b>CONSOLIDATED</b>	
	<b>Half-Year Ended 30 June 2015 \$'000</b>	<b>Half-Year Ended 30 June 2014 \$'000</b>
Revenue	19,812	25,975
Cost of sales	(7,326)	(9,963)
<b>Gross profit</b>	12,486	16,012
Other income	109	402
Distribution expenses	(8,263)	(11,366)
Administration expenses	(361)	(424)
Finance costs	(21)	(22)
<b>Profit before tax</b>	3,950	4,602
Income tax expense	(1,178)	(1,382)
<b>Profit for the period</b>	2,772	3,220
Other comprehensive income for the period, net of income tax	-	-
<b>Total comprehensive income for the period</b>	2,772	3,220
Total comprehensive income attributable to owners of the parent	2,772	3,220
<b>Earnings per share:</b>		
Basic and diluted (cents per share)	15.2	17.6

Notes to the condensed consolidated financial statements are included on page 11 to 13.

# Tasmania Mines Limited

## Condensed consolidated statement of financial position As at 30 June 2015

	CONSOLIDATED	
	30 June 2015 \$'000	31 December 2014 \$'000
<b>Current assets</b>		
Cash and cash equivalents	1,157	3,742
Trade and other receivables	5,249	6,293
Other financial assets	-	26
Inventories	10,681	9,302
Other	180	319
	17,267	19,682
<b>Non-current assets</b>		
Exploration and evaluation assets	1,127	1,127
Mine properties	334	334
Property, plant and equipment	41,603	40,012
	43,064	41,473
<b>Total assets</b>	60,331	61,155
<b>Current liabilities</b>		
Trade and other payables	5,051	7,676
Provisions	377	527
Current tax liability	541	977
	5,969	9,180
<b>Non-current liabilities</b>		
Provisions	1,273	1,238
Deferred tax	1,123	995
	2,396	2,233
<b>Total liabilities</b>	8,365	11,413
<b>Net assets</b>	51,966	49,742
<b>Equity</b>		
Issued capital	9,534	9,534
Retained earnings	42,432	40,208
Equity attributable to owners of the parent	51,966	49,742
Non-controlling interest	-	-
<b>Total equity</b>	51,966	49,742

Notes to the condensed consolidated financial statements are included on page 11 to 13.

# Tasmania Mines Limited

## Condensed consolidated statement of changes in equity For the half-year ended 30 June 2015

	CONSOLIDATED		
Consolidated	Issued Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2014	9,586	33,882	43,468
Profit for the period	-	3,220	3,220
Other comprehensive income for the period, net of income tax	-	-	-
Total comprehensive income for the period	-	3,220	3,220
Share buy-back	(52)	-	(52)
Dividends paid	-	(548)	(548)
Balance at 30 June 2014	9,534	36,554	46,088
Balance at 1 January 2015	9,534	40,208	49,742
Profit for the period	-	2,772	2,772
Other comprehensive income for the period, net of income tax	-	-	-
Total comprehensive income for the period	-	2,772	2,772
Dividends paid	-	(548)	(548)
Balance at 30 June 2015	9,534	42,432	51,966

Notes to the condensed consolidated financial statements are included on page 11 to 13.

# Tasmania Mines Limited

## Notes to the condensed consolidated financial statements For the half-year ended 30 June 2015

	<b>CONSOLIDATED</b>	
	<b>Half-Year Ended 30 June 2015 \$'000</b>	<b>Half-Year Ended 30 June 2014 \$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	23,055	28,849
Payments to suppliers and employees	(20,781)	(21,757)
Income tax paid	(1,486)	(1,982)
	788	5,110
<b>Cash flows from investing activities</b>		
Interest bearing deposit with related party	26	(15)
Interest received	6	112
Payments for plant and equipment	(2,857)	(6,707)
Investment in exploration and evaluation assets	-	(338)
	(2,825)	(6,948)
<b>Cash flows from financing activities</b>		
Share buy-back	-	(52)
Dividends paid	(548)	(548)
	(548)	(600)
<b>Net increase/(decrease) in cash and cash equivalents</b>	(2,585)	(2,438)
<b>Cash and cash equivalents at the beginning of the period</b>	3,742	4,173
	1,157	1,735
<b>Cash and cash equivalents at the end of the period</b>	1,157	1,735

Notes to the condensed consolidated financial statements are included on page 11 to 13.

# Tasmania Mines Limited

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## Notes to the condensed consolidated financial statements For the half-year ended 30 June 2015

### 1. Significant accounting policies

#### Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

#### Basis of preparation

The condensed consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The consolidated entity is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998 and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2014 annual financial report for the financial year ended 31 December 2014 except for the impact of the interpretation described below. These accounting policies are consistent with Australian equivalents to International Financial Reporting Standards (A-IFRS).

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

### 2. Segment information

The consolidated entity operates in the mining industry with operations comprising the sole business of exploration, production and sale of magnetite and high grade scheelite primarily within Australia.

### 3. Subsequent events

No matters have arisen since 30 June 2015 that may significantly affect the operations or the state of affairs of the consolidated entity in subsequent reporting periods.

### 4. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets disclosed in the 31 December 2014 annual financial report. As such there are no updates for purposes of this period end report.

There were no contingent liabilities or assets identified during the period that would require disclosure in this period end report.

# Tasmania Mines Limited

## Notes to the condensed consolidated financial statements For the half-year ended 30 June 2015

### 5. Exploration and evaluation assets

Exploration and evaluation expenditures including costs associated with drilling and other work to establishing the technical and commercial viability of extracting a mineral resource identified through exploration are capitalised. Capitalised exploration and evaluation expenditure is not charged to profit/(loss) account until the commencement of commercial production. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the period the new information becomes available.

### 6. Property, plant and equipment

	30 June 2015 Net Book Value \$'000	31 December 2014 Net Book Value \$'000
Land and building	7,495	2,097
Plant and equipment	31,023	18,235
Mining property	640	658
	<u>39,158</u>	<u>20,990</u>
Capital works in progress		
Scheelite flotation	-	5,306
Filter Plant	-	5,406
Storage facility – Kara mine site	-	2,131
Storage facility - Mackay	-	2,731
Ball mill upgrade	-	806
Water Supply	-	578
Rod mill	1,636	1,630
Storage facility - Newcastle	377	83
Tailings dam – stage 2	168	162
Mill cyclone upgrade	115	54
Other capital works in progress	149	135
	<u>2,445</u>	<u>19,022</u>
<b>Total property, plant and equipment</b>	<b><u>41,603</u></b>	<b><u>40,012</u></b>

### 7. Deferred stripping costs

Stripping costs (overburden and other waste removal) incurred in the development of a mine before production commences are capitalised and subsequently amortised over the estimated life of the mine on a units of production basis. Several open pits are regarded as separate operations for the purpose of mine planning, stripping costs are accounted for separately by reference to the ore from each separate pit. Deferred stripping costs are included as part of "Mine properties".

### 8. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

# Tasmania Mines Limited

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## Notes to the condensed consolidated financial statements For the half-year ended 30 June 2015

### 9. Financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the half-year financial report of Tasmania Mines Limited approximate their fair values.

### 10. Dividends

During the half-year, Tasmania Mines Limited declared a fully franked dividend of three cents (\$0.03) per share to the holders of fully paid ordinary shares. The total dividend of \$547,575 was paid on 29 May 2015.

### 11. Disclosure of additional information

		<b>CONSOLIDATED</b>	
		Half-Year Ended 30 June 2014 \$'000	Half-Year Ended 30 June 2014 \$'000
Revenue from the sale of goods	Down by 23.7%	\$19,812	\$25,975
Profit for the period attributable to owners of the parent	Down by 13.9%	\$2,772	\$3,220
Net tangible assets per security	Up by 13.1%	276.7 cents	244.6 cents
Dividends paid	Total	\$548	\$548
	Cents per share	3 cents	3 cents