



# TASMANIA MINES LIMITED

ABN 45 009 491 990

Registered Office  
Aurora Place  
Level 33, 88 Phillip Street  
Sydney NSW 2000  
Australia

Telephone (02) 9251 4244  
Facsimile (02) 9247 2322

---

**15 February 2017**

The Manager  
Australian Stock Exchange Limited  
GPO Box 100A  
Hobart TAS 7001

## Appendix 4E

### Preliminary final report

**“Results for announcement to the market”**

We submit the following information pursuant to ASX listing rule 4E  
for the year ended 31 December 2016 (2016).  
All amounts expressed in \$000 (thousands of dollars)

Details for the reporting period being the year ended 31 December 2016 (2016) and the previous  
corresponding period, being the year ended 31 December 2015 (2015).

**K.J. Broadfoot**  
Director

# Tasmania Mines Limited

## Results for Announcement to the Market

### Appendix 4E for the year ended 31 December 2016

<b>RESULTS</b>		<b>Consolidated</b>	
		<b>2016</b>	<b>2015</b>
		<b>\$'000</b>	<b>\$'000</b>
Revenue from ordinary activities	Down by 0.2%	40,691	40,781
Impairment charge net of tax		(17,829)	Nil
Profit after tax from ordinary activities, before net impairment charge, attributable to members	Down by 8%	5,723	6,213
(Loss)/profit after tax attributable to members	Down by 295%	(12,106)	6,213
Net tangible assets per security	Down by 21%	2.34	2.96

  

<b>Dividends</b>
The company paid a dividend of three cents (\$0.03) per share fully franked totalling \$547,575 (at the tax rate of 30%) on 27 May 2016. (2015 \$0.03 per share).
No further dividends are proposed.

## Commentary on the Results for the Year

### Principal activities

The consolidated entity's principal activities in the course of the year ended 31 December 2016 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 and the sale of the Company's products and the ongoing exploration and development of mining tenements.

### Review of operations

#### Mining

During the year, a total of 397,218 tonnes of ore was mined at 40% Fe. In addition, 416,257 tonnes of overburden was removed. All material was taken from the Kara No.1 Open Pit.

#### Milling

The Kara concentrator mill treated 402,153 tonnes of materials during the year. Production totalled 25.3 tonnes of high grade scheelite and 186,178 tonnes of dense medium magnetite.

# Tasmania Mines Limited

---

## Sales

193,627 tonnes of dense medium magnetite was sold this year compared with 178,679 tonnes sold in the previous year.

25 tonnes of high grade scheelite was sold this year of which the average assay was 73% WO<sub>3</sub> compared to 50 tonnes in the previous year of which the average assay was 74% WO<sub>3</sub>.

## **Changes in state of affairs**

On 7<sup>th</sup> November 2016 the Company announced to the ASX that it intended to seek shareholder approval for a selective capital reduction of the 20.78% of issued shares held by minority shareholders. Subsequent to this, on 6 January 2017, the Company announced to the ASX that it was proposing to recognise an impairment to the carrying value of certain non-current assets. Following an annual review of non-current assets pursuant to the requirements of accounting standard AASB 136 *Impairment of Assets* and upon receipt of an Independent Expert Report prepared in relation to the selective capital reduction, the Company has recognised an impairment charge of \$25.47m before tax (\$17.83m after tax).

Other than the above, there was no significant change in the state of affairs of the consolidated entity during the financial year.

## **Subsequent events**

On 11 January 2017, the Company issued an Explanatory Memorandum and Notices of Shareholder Meetings in relation to a proposed selective reduction of capital. The relevant shareholder meetings, at which the shareholder approvals required under the Corporations Act will be sought, are scheduled to be held on 21 February 2017.

Apart from the above, there has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

## **Future developments**

The consolidated entity is continuing its presence in the market for coal washery magnetite.

## **Dividends**

The Company paid a dividend of \$547,575 being three cents (\$0.03) per share fully franked (at the tax rate of 30%) on 27 May 2016.

There are no dividend or distribution reinvestment plans in operation.

## **Other information**

No control over another entity has been gained or lost during 2016 or 2015 and the Company has no associates or joint venture entities (2015: nil).

This Appendix 4E has been compiled from information contained in TMM's reports, books and records. The 2016 financial statements from which our responses have been extracted are in the process of being audited.

Attached:

- Condensed statement of comprehensive income.
- Condensed statement of financial position.
- Condensed statement of cash flows.
- Statement of changes in equity.

# Tasmania Mines Limited

---

## Statement of profit or loss and other comprehensive income for the year ended 31 December 2016

	Consolidated	
	2016 \$'000	2015 \$'000
Revenue	40,691	40,781
Cost of sales	(16,941)	(14,628)
<b>Gross profit</b>	23,750	26,153
Other income	186	145
Distribution expenses	(14,947)	(16,630)
Administration expenses	(1,218)	(761)
Impairment of assets	(25,470)	-
Finance costs	(47)	(55)
<b>(Loss)/profit before tax</b>	(17,746)	8,852
Income tax benefit / (expense)	5,640	(2,639)
<b>(Loss)/profit for the year</b>	(12,106)	6,213
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	(12,106)	6,213
 <b>Earnings per share:</b>		
From continuing operations:		
Basic (cents per share)	(66.3)	34.0
Diluted (cents per share)	(66.3)	34.0

# Tasmania Mines Limited

## Statement of financial position as at 31 December 2016

	Consolidated	
	2016 \$'000	2015 \$'000
<b>Current assets</b>		
Cash and cash equivalents	7,525	2,665
Trade and other receivables	8,406	6,184
Other financial assets	22	-
Inventories	9,596	11,125
Other	299	308
<b>Total current assets</b>	25,848	20,282
<b>Non-current assets</b>		
Exploration and evaluation	-	1,127
Mine development	-	334
Property, plant and equipment	17,994	41,310
Deferred tax	6,661	-
<b>Total non-current assets</b>	24,655	42,771
<b>Total assets</b>	50,503	63,053
<b>Current liabilities</b>		
Trade and other payables	5,498	4,020
Provisions	395	364
Current tax payable	325	615
<b>Total current liabilities</b>	6,218	4,999
<b>Non-current liabilities</b>		
Provisions	1,532	1,279
Deferred tax	-	1,368
<b>Total non-current liabilities</b>	1,532	2,647
<b>Total liabilities</b>	7,750	7,646
<b>Net assets</b>	42,753	55,407
<b>Equity</b>		
Issued capital	9,534	9,534
Retained earnings	33,219	45,873
<b>Total equity</b>	42,753	55,407

# Tasmania Mines Limited

---

## Statement of changes in equity for the year ended 31 December 2016

	Consolidated		
	Share Capital \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2015	9,534	40,208	49,742
Dividends paid	-	(548)	(548)
Profit for the year / total comprehensive income	-	6,213	6,213
<b>Balance at 31 December 2015</b>	9,534	45,873	55,407
Dividends paid	-	(548)	(548)
Loss for the year / total comprehensive loss	-	(12,106)	(12,106)
<b>Balance at 31 December 2016</b>	9,534	33,219	42,753

# Tasmania Mines Limited

## Statement of cash flows for the year ended 31 December 2016

	Consolidated	
	Inflows (Outflows)	
	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	38,603	45,145
Payments to suppliers and employees	(26,706)	(38,761)
Income taxes paid	(2,679)	(2,627)
Net cash provided by operating activities	9,218	3,757
<b>Cash flows from investing activities</b>		
Interest received	62	15
Amounts repaid by related party	(22)	26
Payments for plant and equipment	(3,840)	(4,340)
Proceeds from sale of plant and equipment	(10)	13
Net cash used in investing activities	(3,810)	(4,286)
<b>Cash flow from financial activities</b>		
Dividend paid	(548)	(548)
Net cash used for financing activities	(548)	(548)
<b>Net increase/(decrease) in cash and cash equivalents</b>	4,860	(1,077)
<b>Cash and cash equivalents at the beginning of the financial year</b>	2,665	3,742
<b>Cash and cash equivalents at the end of the financial year</b>	7,525	2,665

# Tasmania Mines Limited

---

## Supplementary Appendix 4E Information

### 1. Statement of significant accounting policies

Tasmania Mines Ltd (the “Company”) is a company incorporated and domiciled in Australia. This preliminary final report of the Company for the year ended 31 December 2016 encompasses the Company and its subsidiaries (together referred to as the “Group”). The Group is a for-profit entity.

#### **(a) Statement of compliance**

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the unaudited annual consolidated financial statements for the year ended 31 December 2016, which are in the process of being audited.

The consolidated financial statements have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The preliminary final report does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 31 December 2015.

#### **(b) Basis of preparation**

This preliminary final report has been prepared on a historical cost basis except where otherwise noted. This preliminary final report and the consolidated financial statements are presented in Australian dollars, which is the Company’s functional currency.

The company is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors’ Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors’ report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.



# Tasmania Mines Limited

## Supplementary Appendix 4E Information

Consolidated	
2016	2015
\$'000	\$'000

### 2. Income

An analysis of the Group's revenue for the year, is as follows:

(a) *Revenue from the sale of product* 40,691 40,781

#### (b) *Other income*

Interest income:

Related entities -- other deposits and receivables

32 -

Other entities

30 15

62 15

Rental income

18 18

Loss on disposal of property, plant and equipment

(11) (22)

Sundry income

117 134

Total other income

186 145

### 3. Profit for the year

#### (a) *Gains and losses*

Profit before income tax for the year has been arrived at after recognising the following gains and losses:

Loss on disposal of plant and equipment

(11) (22)

# Tasmania Mines Limited

## Supplementary Appendix 4E Information

	Consolidated	
	2016	2015
	\$'000	\$'000
<b>3. Profit for the year (cont'd)</b>		
<i>(b) Other expenses</i>		
Profit for the year includes the following expenses:		
Cost of sales	16,941	14,628
Finance costs:		
Interest on bank overdraft	1	16
Unwinding of discount on provisions	46	39
	47	55
Depreciation of non-current assets	3,168	3,004
Employee benefit expense:		
Defined contribution plans	190	209
Government mining royalties	1,373	1,338
<i>(c) Income and expenses relating to financial instruments</i>		
Loans and receivables:		
Interest revenue	32	-
Cash and cash equivalents:		
Interest revenue	30	15

# Tasmania Mines Limited

## Supplementary Appendix 4E Information

	Consolidated	
	2016 \$'000	2015 \$'000
<b>4. Trade and other receivables</b>		
Trade receivables	8,396	6,175
Other receivables	10	9
	8,406	6,184
<b>5. Inventories</b>		
Stores – at cost	85	131
Ore stock – at cost	89	100
Finished concentrate – at cost	8,543	10,019
Scheelite – at net realisable value	879	875
	9,596	11,125
<b>6. Trade and other payables</b>		
Trade payables	3,782	3,476
Goods and services tax payable	112	17
Accrued expenses	1,604	527
	5,498	4,020
<b>7. Issued capital</b>		
Fully paid ordinary shares	9,534	9,534
	<b>No.</b>	<b>\$'000</b>
<i>Fully Paid Ordinary Share Capital</i>		
Balance at beginning of financial year	18,252,496	9,534
Shares brought back and cancelled	-	-
Balance at end of financial year	18,252,496	9,534
Fully paid ordinary shares carry one vote per share and carry the right to dividends.		

# Tasmania Mines Limited

## Supplementary Appendix 4E Information

### 8. Earnings per share

	2016 Cents per Share	2015 Cents per Share
From continuing operations:		
Basic earnings per share	(66.3)	34.0
Diluted earnings per share	(66.3)	34.0
	2016	2015

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Earnings used in the calculation of basic and diluted earnings per share from continuing operations (\$'000)	(\$12,106)	\$6,213
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	18,252,496	18,252,496

### 9. Dividends

A dividend was paid on 27 May 2016 of three cents (\$0.03) per share (2015: three cents (\$0.03) per share), fully franked (at the tax rate of 30%). The total dividends paid during the period amounted to \$547,575 (2015: \$547,575)

### 10. Subsidiaries

Name of Entity	Country of Incorporation	Ownership Interest	
		2016 %	2015 %
<i>Parent Entity</i>			
Tasmania Mines Limited	Australia		
<i>Subsidiaries</i>			
Kara Magnetite Pty Ltd	Australia	100%	100%
Hampshire Mines Pty Ltd	Australia	100%	100%
Companion Resources Pty Ltd	Australia	100%	100%
Kara Industrial Minerals Pty Ltd	Australia	100%	100%

# Tasmania Mines Limited

## Supplementary Appendix 4E Information

### 11. Segment information

The consolidated entity operates in the mining industry only with operations comprising exploration, production and sale of magnetite and its scheelite by-product principally within Australia. Revenues from sale of magnetite of \$30 million (2015: \$32 million) arose from sales to the Group's five largest customers. All other customers contributed approximately 25% to the Group's revenue (2015: 20%). Approximately 2% of total sales are shipped internationally which includes sales of magnetite and high grade scheelite (2015: 3%).

The Group's business activities are not organised on the basis of differences in mineral products or differences in geographical sales locations. All assets are held in Australia.

Revenue by Geographical area	2016			2015		
	Australia \$'000	International \$'000	Total \$'000	Australia \$'000	International \$'000	Total \$'000
Magnetite	39,761	443	40,204	39,004	337	39,341
High grade scheelite	-	429	429	-	902	902
Other revenue	58	-	58	538	-	538
	39,819	872	40,691	39,542	1,239	40,781

### 12. Notes to the cash flow statement

#### (a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	2016 \$'000	2015 \$'000
Cash and cash equivalents	7,525	2,665

# Tasmania Mines Limited

## Supplementary Appendix 4E Information

### 12. Notes to the cash flow statement (cont'd)

	Consolidated	
	2016	2015
	\$'000	\$'000
<i>(b) Reconciliation of profit for the period to net cash flows from operating activities</i>		
(Loss) / Profit for the year	(12,106)	6,213
loss on sale of non-current assets	11	21
Depreciation and amortisation	3,168	3,004
Impairment of assets	25,470	-
Unwinding of discount on provisions for rehabilitation	47	40
Increase/(decrease) in mining rehabilitation provision	177	-
Interest income received and receivable	(62)	(15)
Increase/(decrease) in deferred tax liability	(8,029)	373
Increase/(decrease) in current tax liabilities	(290)	(362)
<b>(Increase)/decrease in assets:</b>		
Current receivables	(2,222)	109
Current inventories	1,529	(1,823)
Other current assets	(13)	11
<b>Increase/(decrease) in liabilities:</b>		
Trade payables	1,478	(3,656)
Provisions	60	(158)
Net cash from operating activities	9,218	3,757