



**ABN 51 140 351 033**

# **Financial Report**

**For the year ended 30 June 2015**

## Flinders Exploration Limited

ABN 51 140 351 033

DIRECTORS' REPORT

## Flinders Exploration Limited

ABN 51 140 351 033

### Financial Report for the Year Ended 30 June 2015

Directors present their report on Flinders Exploration Limited, the company, for the financial year ended 30 June 2015.

#### Directors

The names of the directors in office at any time during, or since the end of, the year are:

Kevin John Anson Wills (Chair)

David Tucker

Peter Moloney

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Principal Activities

Since incorporation, on 26 November 2009, the Company has been in the process of working towards a successful Initial Public Offering (IPO) or backdoor listing or reverse take over on the Australian Stock Exchange (ASX). During the last year the Company has also considered other potential corporate transactions, none of which was deemed satisfactory. The Company is continuing along this path.

Once the company has successfully completed a satisfactory IPO or corporate transaction, the principal activities will be mineral exploration and development.

The Company's primary exploration and development interest is in Eastern Goldfields of Western Australia. During the year, additional scoping studies based on a heap leach development were carried out at the Black Cat South gold deposit.

There were no significant changes in the nature of these activities during the year.

#### Dividends

There were no Dividends paid or declared by Company during the year.

#### Operating results and financial position

The net result of the Company operations for the financial year was a loss of \$54,808 as compared with that of the previous year loss of 2014: \$61,720.

The net assets of the Company have decreased by \$3,034 during the financial year from \$253,832 at 30 June 2014 to \$250,798 at 30 June 2015.

#### Review of Operations

During the year the Company operated from a serviced office in Eastwood, South Australia, and from the Directors' offices.

During the period, a small team of geologists and geophysicists and support staff have undertaken activities to further the Company's projects.

At the end of the period the Company has two projects, Black Cat gold (Western Australia) and Marymia gold (Western Australia).

## Flinders Exploration Limited

ABN 51 140 351 033

### DIRECTORS' REPORT

The Black Cat project is located 35km Northwest of Coolgardie, in the Jaurdi Hills gold mining centre in the Eastern Goldfields of Western Australia. The Company is acquiring 100% of Ramelius Resources Ltd (Ramelius) share of the Joint Venture Mining Leases M16/34, and M16/115 (90%) and JH Mining Pty Ltd (10%). This can provide the Company with a prefeasibility project in gold.

At this time the total resource at the Black Cat project was, in 2007, estimated by Ramelius at 317,000 tonnes at 2.1 g/t gold of which 187,000 tonnes have been assigned to an indicated resource at 2.2 g/t and 130,000 tonnes have been assigned to an inferred resource at 1.9 g/t. The Company carried out a preliminary scoping study from previously available resource and mining studies and this gave a positive result for a contract mining, ore haulage and toll treatment operation.

In 2015 the Company carried out a new scoping study with the basic premise of using onsite heap leach technology rather than ore haulage and toll treatment offsite. In addition the mining would include a 'pit within a pit' approach which can give quicker exposure of ore and earlier cash flow. The results of this new scoping study support use of contract mining and heap leach extraction of gold onsite. The Company is evaluating JORC compliance and a Pre Feasibility study.

The Marymia gold project is located approximately 30 km East of the Great Northern Highway, some 200 km Northeast of Meekatharra, in the Plutonic Well Greenstone Belt of Western Australia. The Company was granted tenement was E52/3104 which comprises 6 contiguous blocks on 12 March 2015. No new work has yet been undertaken.

#### **Significant Changes in the State of Affairs**

On 12 September 2012 a sale and purchase agreement was executed between FEX and Ramelius regarding the Black Cat Project. This agreement was executed on primarily the same terms as previous agreements between the parties. On 12 September 2013 the Company undertook an extension to this agreement. On 29 August 2014 the Company undertook an extension to this agreement to 12 September 2015 with changed terms such that the \$400,000 further payment is replaced by \$1.00 payable immediately and a further \$400,000 is paid out of royalties from production. The company and Ramelius agreed to extend the agreement to 12 March 2016.

A number of share issues occurred throughout the reporting period including:

November 2014 as settlement in lieu of fees for professional services regarding an offer document 2,500,000 ordinary shares were issued to Tomik Nominees Pty Ltd.

January 2015 in response to an offer document to shareholders 5,000,000 ordinary shares were issued to Global Financial Services Pty Ltd..

February 2015 as part settlement of fees for technical services regarding a scoping study 500,000 ordinary shares were issued to D Larson.

September 2015 in response to an offer document to shareholders 2,000,000 ordinary shares were issued to Global Financial Services Pty Ltd

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## Flinders Exploration Limited

ABN 51 140 351 033

### DIRECTORS' REPORT

#### Events Subsequent to the End of the Reporting Period

The Company and Ramelius are negotiating an extension of the agreement to purchase Ramelius 100 % share of the Joint Venture Mining Leases M16/34, and M16/115 (90%) and JH Mining Pty Ltd (10%).

#### Likely Developments and Expected Results of Operations

The Company continues working towards the possible mining of the Black Cat deposit. Fluctuations in the Gold prices make it difficult to predict with certainty the possible outcomes. The Company continues investigation to expand into other exploration projects in the Eastern Goldfields and Marymia regions.

#### Dividends

There were no Dividends paid or declared during the 2015 financial year.

#### Environmental Regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

#### Options

No options over issued shares or interests in the company were granted during or since the end of the financial year, and there were no options outstanding as at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

#### Indemnification of Officers

The company has paid premiums to insure directors under a Directors and Officers Insurance policy. The details of the indemnity insurance are as follows:

- The company has entered into an insurance policy to indemnify each director, to an amount of \$1,000,000, against any liability arising from a claim brought against the company and the directors by a third party for the supply of substandard services or advice. The agreement provides for the insurer to pay all damages and costs which may be brought against the directors.
- The insurer is AAI Limited trading as Vero insurance

Further disclosure of information relating to this policy is not permitted under the contract of insurance.

No indemnification has been obtained for the auditors of the company.

## Flinders Exploration Limited

ABN 51 140 351 033

### DIRECTORS' REPORT

#### Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

#### Information on Directors

**Kevin John Anson Wills BSc, PhD, ARSM, FAus IMM** (Non-executive Chairman)

##### Experience and expertise

A director since 26 November 2009, Dr Wills is a geologist with 40 years' experience in multi-commodity mineral exploration including feasibility studies and mining operations in Australasia. Dr Wills spent seven years with CRA Exploration Pty Ltd, the highlight of which was involvement with the location and evaluation of the Argyle diamond deposit. Later, with Penarroya Australia Pty Ltd, his work led to an expansion of reserves at Thalanga and the discovery of the Waterloo base metals deposit.

In the late 1980's, Dr Wills was exploration manager with Metana Minerals NL. He built up a successful exploration team which extended known gold ore bodies and made new discoveries in the Murchison Region of Western Australia. In the early 1990s Dr Wills was regional exploration manager with Dominion Mining Limited, based in Adelaide. His work on the Gawler Craton led to the development of a calcrete sampling technique which, later on, was instrumental in the Challenger gold discovery. Dr Wills was Managing Director of Flinders Mines Limited (FMS) until his resignation on 31 August 2010. During this period FMS located a significant iron ore resource of over 1 billion tonnes at the Blacksmith Project in the Pilbara Region of Western Australia.

He is an Associate of the Royal School of Mines, past Chairman of the Adelaide Branch and a Fellow of the Australian Institute of Mining and Metallurgy. In November 2010 he was appointed an Adjunct Associate Professor at the University of Adelaide to engage in teaching and research on mineral exploration.

##### Special responsibilities

Chairman of the Board

##### Interests in shares and options

7,750,000 ordinary shares in Flinders Exploration Limited

**David Hamilton Tucker BSc, PhD, MGSA, ACTASEG, MAusIMM** (Managing Director)

**Joint Company Secretary (appointed 4 July 2013)**

##### Experience and expertise

A director since 26 November 2009, Dr Tucker is a geophysicist with 40 years' experience in minerals and petroleum exploration, mostly in Australia and Africa.

## Flinders Exploration Limited

ABN 51 140 351 033

### DIRECTORS' REPORT

Dr Tucker gained experience in base metals exploration with CRA Exploration Limited (Now RTZ) and later as a geophysical consultant for major companies including CRA Ltd and Mount Isa Mines Ltd. He has worked as consultant in Australia and Canada in base and precious metals exploration and later as principal in a petroleum venture in South Australia. From 1995 to 1999 he was managing director of Kalahari Mining N.L., an exploration company that was active in base metals and gold exploration in Namibia and Botswana. From 2008 to 2009 he worked as exploration manager (diamonds, phosphate, copper) for Flinders Mines Ltd.

He has worked at various times for the Commonwealth Government, ultimately as Principal Research Scientist for the Bureau of Mineral Resources (now Geoscience Australia), as well as consulting for the South Australian Department of Mines and Energy (now DMITRE: Department for Manufacturing, Innovation, Trade, Resources and Energy)

#### Interests in shares and options

2,550,000 ordinary shares in Flinders Exploration Limited

#### Peter Moloney (Non-executive director)

Peter Moloney has over 30 years' experience working in the financial markets. Peter holds a Diploma of financial services and for over 20 years owned and managed a licensed financial services company dealing in the futures commodities markets around the world. After establishing the company in 1985, Peter managed the company which very quickly became one of the most successful future broking companies in Australia, with Peter becoming a licensed futures broker and a Full Associate Member of the Sydney Futures Exchange Ltd. Peter sold the business in November 2007.

Since 2007 Peter has provided investment opportunities to high net worth individuals and in 2010 established a hedge fund company to invest in Greenfields projects and other early opportunities including small capitalised ASX listed companies.

#### Interests in shares and options

16,999,999 ordinary shares in Flinders Exploration Limited

#### Directors' Meetings

During the financial year, five meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors	Directors' Meetings		Audit Committee		Compliance and Risk Management Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Kevin John Anson Wills (Chair)	5	5	1	1	1	1
David Hamilton Tucker	5	5	1	1	1	1
Peter Moloney	5	5	1	1	1	1

**Flinders Exploration Limited**

**ABN 51 140 351 033**

**DIRECTORS' REPORT**

**Company Secretary**

The following held the position of company secretary at the end of the financial year:

**David Hamilton Tucker BSc, PhD, MGSA, ACTASEG, MAusIMM** (Managing Director)

**Joint Company Secretary (appointed 4 July 2013)**

**Experience and expertise**

A director since 26 November 2009, Dr Tucker is a geophysicist with 40 years' experience in minerals and petroleum exploration, mostly in Australia and Africa.

**Michael James Fox (FCA, TEP, CTA, B Ec, M. Entrepreneurship, Dip Fin Svs)**

**Joint Company Secretary (appointed 4 July 2013)**

**Experience and expertise**

Michael is a Chartered Accountant and Partner with KMT Partners. Michael has over 30 years experience in the Accounting and Professional Services sector within both large and boutique accounting practices.

**Flinders Exploration Limited**

**ABN 51 140 351 033**

**DIRECTORS' REPORT**

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 9.

No officer of the company/Group is or has been a partner/director of any auditor of the Group.

This directors' report is signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to read "David Hamilton Tucker", is written over a horizontal line.

Director.....

David Hamilton Tucker (Managing Director)

Dated this 3rd day of November 2015



Flinders Exploration Limited

ABN 51 140 351 033



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  
W www.granthornton.com.au

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Flinders Exploration Limited for the year ended 30 June 2015, 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

  
GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

J Humphrey  
Partner Audit & Assurance

Adelaide, 3 November 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 Exploration Limited

ABN 51 140 351 033

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015	2014
		\$	\$
Exploration Expenditure		(26,762)	(35,143)
Other administration and overhead expenses	3	(28,046)	(26,577)
<b>Profit before income tax</b>	2	(54,808)	(61,720)
Tax expense	2	-	-
<b>Profit for the year</b>	2	(54,808)	(61,720)
<b>Other comprehensive income:</b>			
<b>Other comprehensive income for the year, net of tax</b>		(54,808)	(61,720)
<b>Total comprehensive income</b>		(54,808)	(61,720)

This statement must be read in conjunction with the notes to the financial statements.

Flinders Exploration Limited

ABN 51 140 351 033

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,834	11,841
Trade and other receivables	5	1,373	1,747
Other Assets	6	2,095	2,324
<b>TOTAL CURRENT ASSETS</b>		<u>5,302</u>	<u>15,912</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	-	20
Exploration Assets	8	254,816	254,815
<b>TOTAL NON-CURRENT ASSETS</b>		<u>254,816</u>	<u>254,835</u>
<b>TOTAL ASSETS</b>		<u><u>260,118</u></u>	<u><u>270,747</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	9,319	16,915
<b>TOTAL CURRENT LIABILITIES</b>		<u>9,319</u>	<u>16,915</u>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>9,319</u>	<u>16,915</u>
<b>NET ASSETS</b>		<u><u>250,798</u></u>	<u><u>253,832</u></u>
<b>EQUITY</b>			
Issued capital	10	1,227,248	1,175,474
Retained earnings		(976,450)	(921,642)
<b>TOTAL EQUITY</b>		<u>250,798</u>	<u>253,832</u>

This statement must be read in conjunction with the notes to the financial statements.

Flinders Exploration Limited

ABN 51 140 351 033

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015**

Note	Ordinary Share Capital \$	Retained Earnings \$	Total \$
<b>Balance at 30 June 2013</b>	1,175,474	(859,922)	315,552
<b>Comprehensive income</b>			
Profit or loss for the year	-	(63,220)	(63,220)
<b>Total comprehensive income</b>	-	(63,220)	(63,220)
<b>Transactions with owners, in their capacity as owners</b>			
Share Issued during the year	-	-	-
<b>Balance at 30 June 2014</b>	<b>1,175,474</b>	<b>(921,642)</b>	<b>252,332</b>
<b>Comprehensive income</b>			
Profit or loss for the year		(54,808)	(54,808)
<b>Total comprehensive income</b>		<b>(54,808)</b>	<b>(54,808)</b>
<b>Transactions with owners, in their capacity as owners</b>			
Share Issued during the year	52,486		52,486
Transaction Costs	(712)		(712)
<b>Balance at 30 June 2015</b>	<b>1,227,248</b>	<b>(976,450)</b>	<b>249,298</b>

This statement must be read in conjunction with the notes to the financial statements.

Flinders Exploration Limited

ABN 51 140 351 033

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015	2014
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(61,781)	(58,788)
Interest revenue received		-	-
<b>Net cash provided by operating activities</b>	14	<u>(61,781)</u>	<u>(58,788)</u>
<b>Cash flows from investing activities</b>			
Purchase of exploration assets		-	(24,815)
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(24,815)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		51,774	-
<b>Net cash provided by financing activities</b>		<u>51,774</u>	<u>-</u>
<b>Net (decrease)/ increase in cash held</b>		<u>(10,007)</u>	<u>(83,603)</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>11,841</u>	<u>95,444</u>
<b>Cash and cash equivalents at end of year</b>	4	<u>1,834</u>	<u>11,841</u>

This statement must be read in conjunction with the notes to the financial statements.

## Flinders Exploration Limited

ABN 51 140 351 033

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The financial statements and notes represent those of Flinders Exploration Limited.

Flinders Exploration Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 3<sup>rd</sup> November 2015 by the directors of Flinders Exploration Limited.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

##### **Accounting Policies**

###### **a. Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through a sale.

## Flinders Exploration Limited

ABN 51 140 351 033

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### b.. **Exploration and Development Expenditure**

Exploration, evaluation and development expenditure incurred is capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated Costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 3 Business Combinations.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

All capitalised exploration and evaluation expenditure is assessed for impairment if facts and circumstances indicate that impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

#### c. **Impairment of Non-financial Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## Flinders Exploration Limited

ABN 51 140 351 033

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

d. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as short-term borrowings in current liabilities in the statement of financial position.

e. **Revenue and Other Income**

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

f. **Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

g. **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

h. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

i. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Company has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period is disclosed.

j. **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.



# Flinders Exploration Limited

ABN 51 140 351 033

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### Key estimates

#### (i) Impairment

The Company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

#### k. Adoption of New and Revised Accounting Standards

During the current year, the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has not significantly impacted the recognition, measurement and disclosure of any transactions.

### NOTE 2: TAX EXPENSE

	2015	2014
	\$	\$
a. The components of tax expense/(income) comprise:		
– current tax expense/(income)	-	-
– deferred tax expense/(income)	-	-
	<hr/>	<hr/>
	-	-
b. The prima facie tax on profit from ordinary activities:		
Prima facie (loss) before tax	(54,808)	(61,720)
Prima facie tax benefit on loss at 30%	(16,442)	(18,516)
	<hr/>	<hr/>
<b>Income tax attributable to entity</b>	-	-
	<hr/>	<hr/>
The applicable income tax rate is the Australian federal tax rate of 30% (2013: 30%) applicable to Australian resident companies.		
– current tax	-	-
– deferred tax	-	-
	<hr/>	<hr/>
	-	-

A deferred tax asset (DTA) has not been recognised in respect of the temporary differences as they do not meet the recognition criteria as outlined in Note 1(a) of the financial statements. A DTA has not been recognised in respect of tax losses as realisation of the benefit is not regarded as likely.

The tax rates applicable to each potential tax benefit are as follows:

- Timing differences – 30%
- Tax losses – 30%

**Flinders Exploration Limited**

**ABN 51 140 351 033**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 3: AUDITORS REMUNERATION**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor is as follows:		
Auditing or reviewing the financial statements	1,000	1,100
Taxation and other services		-
<b>Total auditors' remuneration</b>	1,000	1,100

**NOTE 4: CASH AND CASH EQUIVALENTS**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	1,834	11,841
	1,834	11,841

The effective interest rate on short-term bank deposits was nil (2015: 0.0%)

**NOTE 5: TRADE AND OTHER RECEIVABLES**

	<b>Note</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade receivables:	-	-
GST receivables	1,373	1,747
<b>Total current receivables</b>	<b>1,373</b>	<b>1,747</b>

**Credit risk**

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main sources of credit risk to the Company are considered to relate to the classes of assets described as "trade and other receivables" and "loans".

Any receivables past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

**Flinders Exploration Limited**

**ABN 51 140 351 033**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 6: OTHER CURRENT ASSETS**

	<b>Note</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Prepayments	2,095	2,324

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT**

	<b>Note</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment:		
Plant and equipment at cost	785	785
Less: Accumulated depreciation	(785)	(765)
Total plant and equipment	0	20
<b>Total property, plant and equipment</b>	<b>0</b>	<b>20</b>

**NOTE 8: NON CURRENT ASSETS**

**Jaurdi Hills Joint Venture**

	<b>Note</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Exploration Asset (Jaurdi Hills)	254,816	254,816

In September 2012 the Company acquired an assigned interest in a Joint Venture arrangement with Ramelius Resources Limited over the Jaurdi Hills Joint Venture.

On 12 September 2013, by exchange of letters, the Company and Ramelius agreed to extend the agreement to 12 September 2014. The agreement sees the Company acquire 100 % of Ramelius Resources Ltd (Ramelius) share of the Joint Venture Mining Leases M16/34, and M16/115 (90%) and JH Mining Pty Ltd (10%). On 29 August 2014 the Company and Ramelius agreed to extend the agreement to 12 September 2015. On 3 November 2015, the Company and Ramelius agreed an extension of this agreement to 12 March 2016. The total consideration for the agreement will be \$200,001, which has been paid, and the finalisation of the agreement requires the WA Department of Mines and Petroleum to transfer the Ramelius tenement ownership from Ralemius to FEX.

The Jaurdi Hills gold mining centre is situated in the Eastern Goldfields of Western Australia.

**Flinders Exploration Limited**  
**ABN 51 140 351 033**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 9: TRADE AND OTHER PAYABLES

	<b>Note</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Unsecured liabilities:		
Trade payables	555	8,491
Sundry payables	8,764	8,424
Total current unsecured liabilities	9,319	16,915
<b>Total trade and other payables</b>	9,319	16,915

NOTE 10: ISSUED CAPITAL

	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
	<b>shares</b>	<b>\$</b>	<b>shares</b>	<b>\$</b>
Opening Ordinary Shares	53,156,453	1,243,161	53,156,453	1,243,161
Shares Issued	5,782,882	52,486	-	-
Less: accumulated transaction costs		(68,399)		(67,687)
<b>Total share capital</b>	58,939,335	1,227,248	53,156,453	1,175,474

The company has authorised share capital amounting to 53,156,453 ordinary shares of no par value.

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
<b>a. Movements in issued capital</b>		
Fully paid ordinary shares:		
At the beginning of the reporting period	53,156,453	53,156,453
Shares issued during the year	5,782,882	-
At the end of the reporting period	58,939,335	53,156,453

## Flinders Exploration Limited

ABN 51 140 351 033

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

#### NOTE 10: ISSUED CAPITAL

Ordinary shares participate in dividends and the proceeds on winding up of the entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

#### b. **Capital management**

Management controls the capital of the Company in order to maintain a satisfactory debt to equity ratio and to ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. Currently, the Company does not consider it necessary to finance its operations through debt capital. Accordingly, the Company's only material financial liabilities at the end of the reporting period are trade and other payables.

Management manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There have been no changes in the capital structure or the objectives, policies, processes and the strategy adopted by management to manage the capital of the Company from the previous year.

#### NOTE 11: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no contingent liabilities. In accord with environmental law statues the Company has obligations to make good tenemts which it controls. The cost of rehabilitation are not determinable at this time.

#### NOTE 12: EVENTS AFTER THE REPORTING PERIOD

In August 2014 the Company arranged, through exchange of letters, to extend the duration of the agreement to purchase Ramelius 100 % share of the Joint Venture Mining Leases M16/34, and M16/115 (90%) and JH Mining Pty Ltd (10%), through to 12 September 2015. A further extension negotiation is being concluded between the parties during the December quarter of 2015. On 2 November 2015 a further extension to 16 March 2016 was agreed between the Company and Ramelius.

A share issue occurred in the reporting period including:

8<sup>th</sup> September 2015 2,000,000 ordinary shares were issued to Global Financial Services (Australia ) Pty. Ltd.

#### NOTE 13: RELATED PARTY TRANSACTIONS

The Company had the following related party transactions during the period.

The Company's continued a Service Agreement with KMT Partners Chartered Accountants. (This arrangement is circa \$500 per month plus GST)

KMT Partners 2015 \$16,244 (2014: \$19,145). (All figures stated exclusive of GST)

**Flinders Exploration Limited**

**ABN 51 140 351 033**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 14: CASH FLOW INFORMATION**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>a. Reconciliation of cash flow from operations with profit</b>		
Profit for the year	(54,808)	(63,222)
Non-cash items included in profit or loss:		
Depreciation and amortisation expense	20	259
(Increase)/decrease in trade and other receivables	374	(2,018)
(Increase)/decrease in prepayments	229	(434)
Increase/(decrease) in trade and other payables	(7,596)	5,758
<b>Net cash provided by operating activities</b>	<b>(61,781)</b>	<b>(58,788)</b>

**NOTE 15: FINANCIAL RISK MANAGEMENT**

The Company's financial instruments consists of cash held on deposit with banks; as well as accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies, are as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash and cash equivalents (net of bank overdrafts)	1,834	11,841
Trade and other receivables	1,373	1,747
<b>Total financial assets</b>	<b>3,207</b>	<b>13,588</b>
<b>Financial liabilities</b>		
Trade and other payables	9,319	16,915
<b>Total financial liabilities</b>	<b>9,319</b>	<b>16,915</b>

## Flinders Exploration Limited

ABN 51 140 351 033

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

#### Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

The Board meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts. The overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance.

#### Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

##### a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company. The Company's objective in managing credit risk is to minimise the credit losses incurred, mainly on trade and other receivables and loans.

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment.

##### *Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

All cash and cash equivalents are held with large reputable financial institutions within Australia and therefore credit risk is considered minimal.

	2015	2014
	\$	\$
Cash and cash equivalents:	1,834	11,841

##### b. Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages its liquidity risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;

## Flinders Exploration Limited

ABN 51 140 351 033

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and

#### c. **Market risk**

##### i. *Interest rate risk*

Exposure to interest rate risk arises on interest-bearing financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect either the future cash flows (in the case of variable interest instruments) or the fair value financial instruments (in the case of fixed rate instruments).

Interest rate risk is managed using a mix of fixed and floating rate instruments. At 30 June 2015, the Company had no interest-bearing financial liabilities.

The Company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

##### ii. *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk) for securities. The Company's exposure to securities price risk arises mainly from available-for-sale financial assets. Such risk is managed through diversification of investments across industries and geographical locations.

#### d. **Fair Values**

##### **Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. All financial assets are measured at fair value in the Statement of Financial Position.

The fair values disclosed in the Statement of Financial Position have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments whose carrying amounts approximate their fair values. Trade and other payables exclude amounts relating to the provision of annual leave and deferred revenue which are outside the scope of AASB 139.
- (ii) For listed available-for-sale financial assets, fair value is based on closing quoted bid prices at the end of the reporting period. In determining the fair values of the unlisted available-for-sale financial assets, the directors have applied valuation methodologies and used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (iii) Loans and held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets. The fair values of these financial assets have been derived by discounting their fixed or determinable cash flow using market interest rates of a similar instrument.

There have been no changes in the above methods and valuation techniques from the previous years.



## Flinders Exploration Limited

ABN 51 140 351 033

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

#### NOTE 16: RETAINED LOSSES

Movements in retained losses were as follows:

	2015	2014
	\$	\$
<b>Opening balance 1 July 2014</b>	<b>(921,642)</b>	<b>(859,922)</b>
Net loss for the period	(54,808)	(61,720)
<b>Closing balance 30 June 2015</b>	<b>(976,450)</b>	<b>(921,642)</b>

#### NOTE 17: GOING CONCERN

This financial report has been compiled on the basis of going concern.

Projections indicate that the Company will be reliant on further capital raisings to continue its exploration opportunities.

The Company's ability to continue as a going concern is contingent on it being to raise additional capital as required. If this capital cannot be secured the going concern basis may not be appropriate, and the Company may be forced to realise its assets and extinguish liabilities, in a manner other than in the ordinary course of business which may result in amounts other than those specified in the report.

#### NOTE 18: COMPANY DETAILS

The Registered Office of the Company:

Flinders Exploration Limited  
31 Hauteville Terrace  
EASTWOOD SA 5063

The principal place of business is:

Flinders Exploration Limited  
31 Hauteville Terrace  
EASTWOOD SA 5063

**Flinders Exploration Limited**  
**ABN 51 140 351 033**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Flinders Exploration Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 35, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company and consolidated group.
2. 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.

The declaration is made in accordance with a resolution of the Board of Directors.



.....  
Kevin John Anson Wills (Chairman)



.....  
David Hamilton Tucker (Director)

Dated this 3rd day of November 2015

# Flinders Exploration Limited

ABN 51 140 351 033



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)

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

We have audited the accompanying financial report of Flinders Exploration Limited (the "Company"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

### **Directors' responsibility for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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 Exploration Limited

ABN 51 140 351 033



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence**

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

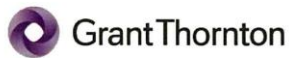
### **Auditor's opinion**

In our opinion:

- a the financial report of Flinders Exploration Limited is in accordance with the Corporations Act 2001, including:
  - i giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

## Flinders Exploration Limited

ABN 51 140 351 033



### **Material uncertainty regarding going concern**

Without qualification to the audit opinion expressed above, we draw attention to Note 20 to the financial report which indicates that the company incurred a net loss of \$54,808 and an operating and investing cash outflow of \$10,007 during the year ended 30 June 2015. These conditions, along with other matters as set forth in Note 21, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

*Grant Thornton*  
GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

*J Humphrey*  
J Humphrey  
Partner - Audit & Assurance

Adelaide, 3 November 2015