



## TASMANIA MINES LIMITED

ABN 45 009 491 990

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

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

In reply please refer:

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13 March 2017

Manager Announcements  
Australia Stock Exchange Limited  
20 Bridge Street  
Sydney NSW

Dear Sir,

**RE: Annual Report for the year ended 31 December 2016**

Please find attached Annual Report for Tasmania Mines Limited for the year ended 31 December 2016.

Yours faithfully,

Tasmania Mines Ltd

K. J. Broadfoot

Director

**Tasmania Mines Limited**  
**Annual Report**

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**Tasmania Mines Limited**

*ACN 009 491 990*

*Annual Report*

*For the year ended 31 December 2016*

# Tasmania Mines Limited

## Annual Report

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### 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 Collins 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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# 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 high grade scheelite and iron ore fines for steelmaking.

### Competent Persons

Unless otherwise advised, the information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Alan D Fudge of Polberro Consulting who is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Exploration Results, Mineral Resources and Ore reserves (JORC, 2012). Alan Fudge consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

### Disclaimer

This report may contain certain forward looking statements and forecasts including possible or assumed reserves and resources, production levels and rates, costs, prices, future performances or potential growth of Tasmania Mines Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performances and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Tasmania Mines Ltd. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of other country securities laws. Unless, otherwise indicated, all ore reserves and mineral reserves and mineral resources estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscience.

# Tasmania Mines Limited

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### Corporate Governance Statement

This Statement is made in accordance with Australian Stock Exchange (ASX) Listing Rule 4.10.3. It is current as at the date of the Directors Report and has been approved by the Board. The Board reviews the sustainability, structure, policies and procedures of the Company to ensure that these are in its best interests.

The Company's operations are simple with one major product produced and sold. Accordingly it has a small number of staff with short reporting lines and strong control over expenditure. The Board is composed of those well versed in the Company's affairs and subject it to ongoing monitoring. This close supervision should be kept in mind when considering the applications of Corporate Governance principles by the Company.

#### ***Principle 1 - Lay Solid Foundations for Management and Oversight***

The Board is responsible for the corporate governance of the Company, including the setting and monitoring of objectives, goals and strategy of the Company. The Board guides and monitors the business of the Company on behalf of its shareholders. The focus is to enhance the interests of shareholders and other key stakeholders and ensure the Company is properly managed. This includes ensuring internal controls and reporting procedures are adequate and effective. The Board has access to independent advisers where it identifies such a need.

The responsibilities of the Board include:

- establishing and monitoring the goals of the Company with strategic plans and performance objectives
- reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives
- monitoring financial performance including approval of the annual and half year financial reports
- overview of systems of risk management, compliance, control and codes of conduct
- monitoring performance and implementation of strategy by management
- approving and monitoring the progress of significant business transactions
- enhancing and protecting the reputation of the Company
- a proper understanding and competency of the current and emerging issues, facing the Company.

The Board also receives and considers reports from the Chairman of each Committee of the Board. Written agreements are entered into for all new Board and senior management appointments. The Company Secretaries through the Chairman are responsible for the proper functioning of the Board.

#### ***Principle 2 – Structure the Board to add value***

The Board is comprised of three non-executive directors, details of whom are set out in the Directors' report.

The Board provides strategic guidance to the Company and effective oversight of management. The Board also approves major capital expenditure, capital management funding activities and new investments. The Board monitors compliance with regulatory requirements and ethical standards.

The composition of the Board is periodically reviewed by the Corporate Governance and Nominations Committee. The Board considers its current membership has the appropriate range of skills and experience to drive the growth of the business and maximise shareholder value. The Board seeks to ensure that at any time, its membership represents an appropriate balance of knowledge, experience and diversity, and its size is conducive to effective discussion and decision making.

# Tasmania Mines Limited

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### Corporate Governance Statement (cont'd)

#### *Committees of the Board*

The Board has established four Committees:

- Audit
- Corporate Governance and Nominations
- Remuneration
- Risk Management.

Each Committee has its own Charter with each Committee comprising three directors, one of whom is the Committee's Chairman and is a person other than the Chairman of the full Board. Members of the Committees do not receive any additional remuneration for being a Committee member.

The Committees assist the Board in the execution of its duties and to allow detailed consideration of issues. Minutes of these committee meetings are tabled at the next subsequent Board meetings and matters determined by the committees are submitted as recommendations to the Board for consideration and if thought fit adopted.

The role of the Corporate Governance and Nominations Committee is detailed below, the Audit Committee is detailed in Principle 4, the Risk Committee is detailed in Principle 7 and the Remuneration Committee is detailed in Principle 8.

#### *Corporate Governance and Nominations Committee*

This Committee is responsible for establishing criteria for Board membership, reviewing Board composition and identifying and nominating potential directors. Board membership is reviewed at least annually to ensure the Board has an appropriate mix of qualifications, skills and experience.

The terms and conditions of appointment and retirement of non-executive directors are considered by the committee.

- The term of the appointment;
- The determination of the remuneration;
- The expectations of the Board in relation to attendance at Board and Committee meetings; and
- Procedures for dealing with conflicts of interest.

The Committee is responsible for the evaluation of the performance of the Board.

One third of the Directors (or the next lowest whole number) retire by rotation at each Annual General Meeting (AGM). The Directors who retire at each AGM are those longest in office since their last election. Retiring Directors are eligible for re-election.

The Board considers Mr J. O. Carroll to be an independent director.

The Committee periodically reviews the Company's Corporate Governance framework and charter and makes recommendations to the full Board in this regard.

#### ***Principle 3 – Promote Ethical and Responsible Decision Making***

At all times all Company personnel must act with integrity, and in compliance with the letter and the spirit of the law and Company policy directives. The Company's code of conduct, Diversity policy and Securities Dealing policy are discussed with each new executive as part of their induction training.

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### Corporate Governance Statement (cont'd)

#### *Gender Diversity*

As noted above the Corporate Governance and Nominations Committee regularly reviews the number of Directors of the Company and composition of the Board. The current view of the Directors is that the present small and experienced Board who have steered the Company through various economic cycles is still appropriate and no change is needed. It must also be appreciated that the Company is very small with a strong control over costs.

Given this background, in accordance with the Company's policy and ASX Corporate Governance Principles, the Board has established the following objectives in relation to gender diversity. The aim is to achieve these objectives over the coming 3 to 5 years as director positions become vacant and appropriately skilled candidates are available for nomination.

	Actual		Actual		Company	
	(at Dec 2016)		(at Dec 2015)		Objective	
	Number	%	Number	%	Number	%
Number of women employees in the whole organisation	6	23	5	20	6	25%
Number of women on the Board	0	0	0	0	1	33%

#### ***Principle 4 – Safeguard Integrity in Financial Reporting***

##### *Audit Committee*

The Audit Committee is responsible for overseeing and reviewing the Company's accounting controls and financial activities including the verification and safeguarding the integrity of the financial reporting process. The Committee liaises with the Company's auditors including monitoring the acceptance or otherwise by management of the auditors recommendations and their implementation and meeting with them to review audit plans and proposed fees as well as significant audit and accounting matters that are of interest to or warrant the attention of the Committee. It reviews the half-year report and preliminary final report prior to their lodgement with the ASX, including any significant adjustments required as a result of the auditor's findings, and if in order, recommends Board approval of these documents, prior to announcement of results.

The Audit Committee also monitors the Company's legislative and regulatory compliance.

Details of these directors' qualifications and attendance at Audit Committee meetings are set out in the Directors' Report. All members of the Audit Committee are financially literate and have an appropriate understanding of the industry in which the Company operates.

##### *Risk Management Committee*

The Risk Management Committee takes responsibility for the wider risk management considerations for the Company as a whole, that is, the culture, processes and structures that are directed towards taking advantage of potential opportunities while managing potential adverse effects (This is to be contrasted to the Audit Committee which principally considers financial risks). The Risk Management Committee coordinates activities with the Audit Committee to ensure no duplication of effort or conversely no voids between functions. The Risk Management Committee seeks to identify and analyse key strategic operational and compliance risks and the implementation of the necessary controls and policies to manage these risks. Particular emphasis is placed on Occupational Health and Safety aspects.



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### Corporate Governance Statement (cont'd)

#### *Risk Management Committee (cont'd)*

Committee meeting minutes and action reports are presented at each subsequent meeting of the Board.

In accordance with ASX Corporate Governance recommendation 4.2, the responsible persons have made the following representation to the Board:

- that the Company's financial reports are complete and present a true and fair view, in all material aspects, of the financial condition and operating results of the Company and are in accordance with relevant accounting standards;
- that the above statement is founded on a sound system of risk management and internal compliance and control which incorporates the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects in relation to financial reporting risks.

For the year ended 31 December 2016 Deloitte Touche Tohmatsu (DTT) acted as the Company's external auditor. A representative from DTT will be available to the Annual General Meeting to answer shareholder questions about the conduct of the audit and the preparation and content of the 2016 audit report.

#### ***Principle 5 - Make Timely and Balanced Disclosure***

The Company complies with its continuous disclosure obligations. Information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities is disclosed pursuant to listing rules and applicable laws.

The Company Secretaries have been nominated as the persons responsible for communications with the ASX. This includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure as soon as practicable.

#### ***Principle 6 - Respect the Rights of Shareholders***

The Company seeks to communicate effectively with its shareholders, providing access to relevant information about the Company and its operations. The information is released to the ASX, as well as through information posted on the Company's website.

All information disclosed to the ASX is posted on the Company's website as soon as practicable. Prior year Annual reports are also available on the website.

At the Company's AGM shareholders are able to ask the Chairman, Directors and Managers questions relating to the Company and afford an opportunity for directors and management to speak with shareholders. At other times the shareholders may communicate electronically with the Company.

#### ***Principle 7 - Recognise and Manage Risk***

The Board, through the Risk Committee, is responsible for ensuring there are adequate policies and practices for risk management and compliance. The policies are designed to ensure strategic, operational, legal, financial and business risks are identified, assessed, monitored and managed in order to assist the Company's performance and minimise risk.

The Company has put in place a series of risk assessment procedures and insurance to minimise risk to the Company.

The Board requires the Company, its executives and all other interested parties to conduct all business activities in a manner which complies with the law and the Company's risk management policy.

# Tasmania Mines Limited

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### Corporate Governance Statement (cont'd)

#### *Principle 8 - Remunerate Fairly and Responsibly*

The main responsibilities of the Remuneration Committee is to make recommendations to the Board on compensation matters; to review the Company's remuneration policies and practices so as to attract and retain directors and executives who will best achieve positive outcomes for the Company; and to ensure that the Company acts fairly and responsibly rewards executives, having regard to the performance of the Company, the performance of the executives and the external remuneration environment.

The Committee advises the board on practices generally, and makes specific recommendations on remuneration packages and other terms of employment for directors.

The Committee also has responsibility for overseeing management succession planning.

In particular the Remuneration Committee is responsible for reviewing the compensation arrangements for directors and the company secretaries. It is also responsible for reviewing and determining the terms of any superannuation and/or pension schemes and retirement benefits.

# Tasmania Mines Limited

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### Directors' report

The directors of Tasmania Mines Limited present their annual financial report for the year ended 31 December 2016. The directors of the company during and since the end of the financial 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) 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. Mr Wilton is a member of Chartered Accountants Australia and New Zealand.

### 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.

# Tasmania Mines Limited

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### Directors' report (cont'd)

#### 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.

##### 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>.

##### Operating Statistics

Operating statistics were as follows:

	2016		2015	
Ore Mined	397,218	Tonnes	386,462	Tonnes
Waste Removed	416,257	Tonnes	642,049	Tonnes
Mill Feed Treated	402,153	Tonnes	391,897	Tonnes
Dense Medium Magnetite Produced	186,178	Tonnes	189,935	Tonnes
Sales Dense Medium Magnetite Concentrate	193,627	Tonnes	178,679	Tonnes
Scheelite Produced	25	Tonnes	39	Tonnes
Sales Scheelite Concentrate	25	Tonnes	50	Tonnes
Revenue from sale of minerals (\$)	\$40,691,176		\$40,780,760	
Profit/(loss) after income tax expense (\$)	(\$12,105,530)		\$6,212,755	

#### Mineral Resources and Ore Reserves Statement

Ore reserves for magnetite for the Kara No.1 ore body have been calculated at the end of December 2016. The mining reserve is calculated by the depletion of materials (measured by survey at end of December 2016) from the December 2014 Kara No.1 Global Resource Estimate.

The December 2014 Kara No.1 Global Mineral Resource Estimate is presented as Table 1. This information was contained in a Technical Memorandum Kara No 1 Mineral Resource Estimation 2015 that was prepared by *Resource and Exploration Geology*.

Table 1 December 2014 Kara No. 1 Global Mineral Resource Estimate at 30% FeO cut off

Classification	Tonnes	FeO%	WO <sub>3</sub> ppm
Inferred	350,000	55.0	1,302
Indicated	1,853,000	49.8	722
Measured	13,035,000	49.2	358
Total	15,238,000	49.4	424

# Tasmania Mines Limited

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### Directors' report (cont'd)

#### Mineral Resources and Ore Reserves Statement (cont'd)

Based upon depletion of materials created by mining the Kara No.1 resource the magnetite mining reserve estimate for January 2017 has been calculated by Polberro Consulting. The mining reserve is presented as Table 2. The reserve estimate excludes 95,000 tonnes of inferred resources (59.5% FeO) that lie within the economic pit boundary and will be mined during the normal operation of the open pit. It is estimated that 7% of the material reporting to reserves within the pit design shell contains material classified as oxidised. It is currently considered that 30% of this oxidised material is unsuitable for generation of a magnetite product and has weathered to limonite, goethite and haematite. The estimate for oxide material has been adjusted in this *mining reserve* estimate accordingly - a 30% resource reduction factor is applied to reserve estimates and reflects current applied practice in the open cut.

Table 2 Kara No.1 December 2016 Mining Reserve Estimate

Classification	Tonnes	FeO%	WO <sub>3</sub> ppm
Inferred	83,000	59.4	2621
Probable	624,000	51.1	799
Proven	9,350,000	49.6	337
Proven + Probable	9,974,000	49.7	366

(Note: Scheelite WO<sub>3</sub> ppm column is shown for reference only and should not be regarded as a reserve estimate)

Any information in this Annual Report that relates to Ore Reserves, Exploration Results and Mineral Resources is based on, and accurately reflects, information compiled by Mr T. Callaghan (Resource and Exploration Geology) and Mr A. D. Fudge (Polberro Consulting). Mr Callaghan and Mr Fudge are independent consultants engaged by Tasmania Mines Limited.

Mr Callaghan and Mr Fudge are Members of the Australasian Institute of Mining and Metallurgy who have more than five years' experience in the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to act as Competent Persons as defined in the JORC 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Callaghan and Mr Fudge have given written consent to the inclusion in this Annual Report of Tasmania Mines Ltd of the matters based on their respective Reports, where applicable, in the form and context in which it appears.

#### Life of Mine

An estimate of ore reserves as at 1 January 2017 has been completed. Subsequently, an estimate of the life of the Tasmania Mines operation, from the Kara No 1 pit only, has been made based upon producing dense medium magnetite and other saleable products utilising resources above a FeO 30% cut off within the design pit shell.

The Kara No. 1 life of mine based upon the 2016 production rate of 400,000 tonnes of ore per annum is 25 years.

# Tasmania Mines Limited

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### Directors' report (cont'd)

#### 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.

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 an announced proposed selective reduction of capital.

The relevant shareholder meetings, at which shareholder approvals were required under the Corporations Act, were held on 21 February 2017 where the resolution was passed by majority vote, to cancel all shares other than those held by Metroof Industries Pty Limited.

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.

#### Environmental regulations

The consolidated entity's environmental obligations are regulated by Commonwealth and State law. All environmental performance obligations are monitored by the Board of Directors and are subjected from time to time to Government agency site inspections and sampling regimes. The consolidated entity has a policy of at least complying, but in most cases exceeding its environmental performance obligations.

The consolidated entity does not have any outstanding environmental orders or obligations.

#### 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. In respect of the financial year ended 31 December 2016, the directors proposed no dividends.

#### Indemnification of officers and auditors

The company has not provided indemnification of or insurance for its present or former officers or auditors of the company, or of a related body corporate.

# Tasmania Mines Limited

## Annual Report

### Directors' report (cont'd)

#### Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

Directors	Board of Directors		Remuneration Committee		Audit Committee		Risk Management Committee		Corporate Governance and Nominations Committee	
	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended
S.H.M. Kanji	5	5	2	2	2	2	2	2	2	2
J.O. Carroll	5	3	2	1	2	1	2	1	2	1
K.J. Broadfoot	5	4	2	2	2	2	2	2	2	2

Other informal meetings and / or discussions are held at such other times as are necessary to address any specific matters that may arise.

\*Held and entitled to attend

#### Directors' shareholdings

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the company or a related body corporate as at the date of this report.

Directors	Fully Paid Ordinary Shares
Shamsher H. M. Kanji	1,750
Joseph O. Carroll	502,000
Ken J. Broadfoot	500
<b>Total</b>	<b>504,250</b>

#### Remuneration report - Audited

The following table discloses the remuneration of the directors of the consolidated entity for the year ended 31 December 2016:

Name	Primary Salary/Fees	Post-employment Superannuation	Total
<i>Non-Executive Directors:</i>			
Shamsher H. M. Kanji, Chairman	\$33,000	-	\$33,000
Joseph O. Carroll - Director	\$16,500	-	\$16,500
Ken J. Broadfoot - Director	\$65,596	\$6,232	\$71, 828
<b>Total</b>	<b>\$115,096</b>	<b>\$6,232</b>	<b>\$121,328</b>

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### Directors' report (cont'd)

#### Remuneration report – Audited (cont'd)

The following table discloses the remuneration of the directors of the consolidated entity for the year ended 31 December 2015:

Name	Primary Salary/Fees	Post-employment Superannuation	Total
<i>Non-Executive Directors:</i>			
Shamsher H. M. Kanji, Chairman	\$30,000	-	\$30,000
Joseph O. Carroll - Director	\$15,000	-	\$15,000
Ken J. Broadfoot - Director	\$59,633	\$5,665	\$65,298
	\$104,633	\$5,665	\$110,298

The full Board considers the recommendations of the Remuneration Committee as to the appropriate nature and amount of remuneration of the three non-executive directors, which includes Mr. Broadfoot who is also a Secretary of the Company.

There were no changes to the directors during the year.

The Group has provided short term loans to several related entities of the key management personnel at rates comparable to the average commercial rate of interest. The following table outlines amounts in relation to loans made to key management personnel of the Group or to their related entities.

Loans to Key Management Personnel	Company Concerned	Balance at Beginning \$	Interest Charge \$	Balance at End \$	Highest Period \$
<b>2016</b>					
S.H.M. Kanji & K.J. Broadfoot	Metroll Pty Ltd	250	31,112	22,283	2,160,000
<b>2015</b>					
S.H.M. Kanji & K.J. Broadfoot	Metroll Pty Ltd	(2,382)	-	250	2,382
S.H.M. Kanji & K.J. Broadfoot	Metroof Industries Pty Ltd	24,667	-	-	24,667



# Tasmania Mines Limited

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### Directors' report (cont'd)

#### Remuneration report – Audited (cont'd)

The following table discloses the fully paid ordinary shares of Tasmania Mines Limited held by the key management personnel of the consolidated entity.

	Balance at 1 Jan No.	Net other changes No.	Balance at 31 Dec No.
<b>2016</b>			
<i>Directors</i>			
S.H.M. Kanji	1,750	-	1,750
J. O. Carroll	502,000	-	502,000
K.J. Broadfoot	500	-	500
	504,250	-	504,250
<b>2015</b>			
<i>Directors</i>			
S.H.M. Kanji	1,750	-	1,750
J.O. Carroll	502,000	-	502,000
K .J Broadfoot	500	-	500
	504,250	-	504,250

Profit for the year includes the following items of revenue and expense that resulted from transactions, other than compensation, loans or equity holdings, with key management personnel or their related entities.

	Consolidated	
	2016 \$	2015 \$
Consolidated profit includes the following amounts arising from transactions with key management personnel of the Group or their related entities		
Interest revenue	31,112	-
	31,112	-
Consolidated profit includes the following expenses arising from transactions with key management personnel of the Group or their related entities:		
Purchases of goods and services	1,361,284	1,545,211
	1,361,284	1,545,211

# Tasmania Mines Limited

## Annual Report

### Directors' report (cont'd)

#### Remuneration report – Audited (cont'd)

##### Relationship between the remuneration policy and company performance

The Board has endorsed the Committee's recommendation that the Directors' remuneration is fixed and there is no performance based component parts thereof. No director has any entitlement to a retirement benefit (payable by the Company), there are no options over unissued capital and the Company does not have an employee share option plan. The three Directors are non-executive and other than Mr. Broadfoot, in his capacity as company secretary, there are no persons classified as key executives. This policy is consistent with the very small size of the consolidated entity (compared to most listed companies) and the corresponding rigid control of costs as is evident by the small quantum of Director's Remuneration.

The table below sets out summary information about the consolidated entity's earnings for the five years to 31 December 2016:

	31 December 2016	31 December 2015	31 December 2014	31 December 2013	31 December 2012
Revenue	\$40,691,176	\$40,780,760	\$50,430,363	\$48,349,359	\$41,174,423
Net profit/(loss) before tax	(\$17,745,867)	\$8,852,147	\$9,789,579	\$8,764,816	\$6,207,038
Net profit/(loss) after tax	(\$12,205,530)	\$6,212,755	\$6,874,154	\$6,150,584	\$4,400,187
Share price at start of year	\$1.07	\$1.50	\$1.41	\$1.12	\$1.64
Share price at end of year	\$1.64	\$1.07	\$1.50	\$1.41	\$1.12
Dividends	\$547,575	\$547,575	\$547,575	\$1,097,000	\$1,097,000
Earnings per share	(\$0.663)	\$0.340	\$0.376	\$0.336	\$0.241
Shares bought back	Nil	Nil	51,821	Nil	Nil

#### Non-audit services provided by auditors

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 5 to the financial statements.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 5 to the financial statements do not compromise the external auditor's independence for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

#### Auditor's independence declaration

The auditor's independence declaration is included on page 16 of the annual report.

# Tasmania Mines Limited

## Annual Report

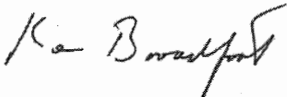
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### Rounding off of amounts

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.

*Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.*

On behalf of the Directors



Kenneth J Broadfoot  
Director  
Sydney, 10 March 2017

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

10 March 2017

Dear Board Members

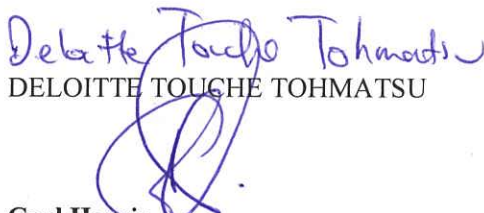
**Tasmania Mines Limited**

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 audit of the financial statements of Tasmania Mines Limited for the financial year ended 31 December 2016, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

  
DELOITTE TOUCHE TOHMATSU

**Carl Harris**  
Partner  
Chartered Accountants

## Independent Auditor's Report to the Members of Tasmania Mines Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Tasmania Mines Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the directors as set out on pages 21 to 58.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p><b>Carrying value of Property, Plant and Equipment</b></p> <p>As outlined in Note 22 the recoverable amount of Property, Plant and Equipment is estimated using a value-in-use model (the “model”). The model requires the exercise of significant judgement in determining the assumptions, the most significant of which include:</p> <ul style="list-style-type: none"> <li>• forecast sales quantities</li> <li>• forecast selling price</li> <li>• forecast capital expenditure</li> <li>• forecast costs of extraction and distribution; and</li> <li>• the discount rate.</li> </ul>	<p>Our procedures, performed in conjunction with our valuation experts, included but were not limited to:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of the processes associated with the preparation of the model</li> <li>• evaluating management’s methodologies and their documented basis for key assumptions utilised in the model</li> <li>• assessing and challenging the key assumptions relating to forecast sales quantities, forecast selling price, forecast capital expenditure and forecast costs of extraction and distribution by comparing them to historical results, existing sales agreements and the Board approved forecasts</li> <li>• performing an assessment of the reasonableness of the discount rate applied by assessing whether it fell within the discount rate range determined independently</li> <li>• performing an assessment of the historical accuracy of forecasting by the Group</li> <li>• performing an assessment of the competence and objectivity of the external party who prepared an independent expert report in connection with the Selective Capital Reduction being proposed by the Group as this report included a valuation against which we cross-checked the reasonableness of management’s assumptions, and</li> <li>• evaluating the adequacy of the disclosures made in the financial statements.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2016, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of the directors 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* and for 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.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*


We have audited the Remuneration Report included in pages 11 to 14 of the directors' report for the year ended 31 December 2016.

In our opinion, the Remuneration Report of Tasmania Mines Limited, for the year ended 31 December 2016, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU

  
Carl Harris  
Partner  
Chartered Accountants  
Hobart, 10 March 2017



# Tasmania Mines Limited

## Annual Report

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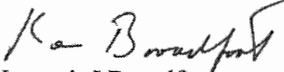
### Directors' declaration

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 for the year ended 31 December 2016 are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes thereto 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; and
- (d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

  
Kenneth J Broadfoot  
Director  
Sydney, 10 March 2017

# Tasmania Mines Limited

## Annual Report

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

		Consolidated	
		2016	2015
		\$'000	\$'000
	Note		
Revenue	2(a)	40,691	40,781
Cost of sales	3(b)	(16,941)	(14,628)
<b>Gross profit</b>		23,750	26,153
Other income	2(b)	186	145
Distribution expenses		(14,947)	(16,630)
Administration expenses		(1,218)	(761)
Impairment of assets	22	(25,470)	-
Finance costs	3(b)	(47)	(55)
<b>(Loss) / Profit before tax</b>		(17,746)	8,852
Income tax benefit/(expense)	4	5,640	(2,639)
<b>(Loss) / Profit for the year</b>		(12,106)	6,213
Other comprehensive income		-	-
<b>Total comprehensive (loss) / income for the year</b>		(12,106)	6,213
<b>(Loss) / Earnings per share:</b>			
From continuing operations:			
Basic / Diluted (cents per share)	15	(66.3)	34.0

Notes to the financial statements are included on pages 26 to 58.

# Tasmania Mines Limited

## Annual Report

### Statement of financial position as at 31 December 2016

		Consolidated	
		2016	2015
		\$'000	\$'000
	Note		
<b>Current assets</b>			
Cash and cash equivalents	25(a)	7,525	2,665
Trade and other receivables	6	8,406	6,184
Other financial assets	7	22	-
Inventories	8	9,596	11,125
Other	9	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	10	17,994	41,310
Deferred tax	4	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	11	5,498	4,020
Provisions	12	395	364
Current tax payable	4	325	615
<b>Total current liabilities</b>		6,218	4,999
<b>Non-current liabilities</b>			
Provisions	12	1,532	1,279
Deferred tax	4	-	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	13	9,534	9,534
Retained earnings	14	33,219	45,873
<b>Total equity</b>		42,753	55,407

Notes to the financial statements are included on pages 26 to 58.

# Tasmania Mines Limited

## Annual Report

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

	<b>Consolidated</b>		
	Share Capital \$'000	Retained earnings \$'000	Total \$'000
	9,534	40,208	49,742
Balance at 1 January 2015	9,534	40,208	49,742
Dividends paid (Note 16)	-	(548)	(548)
Profit for the year / total comprehensive income	-	6,213	6,213
<b>Balance at 31 December 2015</b>	<b>9,534</b>	<b>45,873</b>	<b>55,407</b>
Dividends paid (Note 16)	-	(548)	(548)
Loss for the year / total comprehensive losses	-	(12,106)	(12,106)
<b>Balance at 31 December 2016</b>	<b>9,534</b>	<b>33,219</b>	<b>42,753</b>

Notes to the financial statements are included on pages 26 to 58.

# Tasmania Mines Limited

## Annual Report

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

		Consolidated	
		Inflows (Outflows)	
Note	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	25(b)
<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)	16
Net cash used for financing activities	(548)	(548)	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,860</b>	<b>(1,077)</b>	
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>2,665</b>	<b>3,742</b>	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7,525</b>	<b>2,665</b>	25(a)

Notes to the financial statements are included on pages 26 to 58.

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

## 1. Summary of accounting policies

### **New and revised Accounting Standards**

In the current year, the Consolidated Entity and the Company have adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2016.

The new and revised Standards and Interpretations adopted in these financial statements did not result in any significant changes to the Company's and the Group's accounting policies or affected amounts reported for the current or prior years.

### **Accounting Standards and Interpretations issued but not yet effective**

A number of Australian Accounting Standards and Interpretations [and IFRSs and IFRIC Interpretations] are in issue but are not effective for the current year end. The reported results and position of the Group is not expected to change on adoption of these pronouncements as they are not likely to result in any changes to the Group's existing accounting policies. Adoption may, however, result in changes to information currently disclosed in the financial statements. The Group does not intend to adopt any of these pronouncements before their effective dates.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective:

AASB 9 'Financial Instruments', and the relevant amending standards – Effective for reporting periods beginning on or after 1 January 2018.

AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective Date of AASB15' and AASB 2016-3 'Amendments to Australian Accounting Standards – Clarifications to AASB 15' – Effective for reporting periods beginning on or after 1 January 2018.

AASB 16 'Leases' – Effective for reporting periods beginning on or after 1 January 2019.

AASB 2016-1 'Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses' – Effective for reporting periods beginning on or after 1 January 2017.

AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107' – Effective for reporting periods beginning on or after 1 January 2017.

AASB 2017-1 'Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014– 2016 Cycle and Other Amendments' - Effective for reporting periods beginning on or after 1 January 2018.

AASB 2017-2 'Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle' - Effective for reporting periods beginning on or after 1 January 2017.

AASB Interpretation 22 'Foreign Currency Transactions and Advance Consideration' - Effective for reporting periods beginning on or after 1 January 2018.

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 1. Summary of accounting policies (cont'd)

##### Statement of compliance

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report comprises the financial statements of the Group. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 10 March 2017.

##### (a) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

##### Fair value definition:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value, for measurement and/or disclosure purposes in these consolidated financial statements, is determined on such a basis, except for leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' or value in use in AASB 136 'Impairment of Assets'.

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

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 1. Summary of accounting policies (cont'd)

**(b) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its four wholly owned subsidiary entities controlled by the Company (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is achieved as the Company has the power over the wholly owned subsidiary entities, is exposed to the variable returns of the subsidiary entities and has the ability to use its power to affect the subsidiary entities returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

**(c) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(d) Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

**(e) Financial assets**

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.



# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 1. Summary of accounting policies (cont'd)

##### Effective interest method (cont'd)

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

##### Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which AASB 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- (i) has been acquired principally for the purpose of selling in the near future;
- (ii) is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- (iii) is a derivative that is not designated and effective as a hedging instrument.

##### Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

##### Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at end of each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

##### De-recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and reward of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 1. Summary of accounting policies (cont'd)

**(f) Financial instruments issued by the company**

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

**(g) Foreign currency**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in period in which they arise.

**(h) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis.

The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 1. Summary of accounting policies (cont'd)

(i) **Impairment of tangible and intangible assets**

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately where assets are held at cost.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately where assets are held at cost.

(j) **Income Tax**

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 1. Summary of accounting policies (cont'd)

(j) **Income Tax (cont'd)**

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation

The company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 January 2004 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Tasmania Mines Limited. The members of the tax-consolidated group are identified at note 20.

Entities within the tax-consolidated group have entered into tax funding and tax-sharing arrangements with the head entity, whereby each of the entities in the tax-consolidated group will agree to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax arrangement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

(k) **Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on an average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Scheelite, a by-product, is measured at its net realisable value in accordance with AASB 102 *Inventories*.

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 1. Summary of accounting policies (cont'd)

**(l) Property, plant and equipment**

Land, buildings, capital works in progress, plant and equipment and mining property are measured at cost.

Depreciation is provided on plant and equipment and mining property, including freehold buildings but excluding land and capital works in progress. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The following estimated useful lives are used in the calculation of depreciation:

Buildings	4 – 50 years
Plant and equipment	3 – 25 years
Mining property	25 years

**(m) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for Mine Site restoration

The accounting method adopted in determining the liability for mine site restoration is based on:

- (a) The total amount of restoration obligations recognised on a gradual basis over the life of the facility as the environmental disturbance occurs
- (b) The amount of restoration obligations recognised includes the costs of reclamation, plant closure and waste site closure
- (c) Restoration costs have been determined on the basis of current costs, current legal requirements and technology; and
- (d) The amounts of restoration costs have been determined on a discounted basis.

**(n) Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 1. Summary of accounting policies (cont'd)

**(n) Revenue (cont'd)**

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**(o) Leased assets**

Group as lessee

The Group has no finance or operating leases in capacity as lessee.

**(p) 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. The recoverability of the carrying amount of the exploration and evaluation assets recognised is dependent on successful development and commercial exploitation of the relevant areas of interest. During the current financial year, the balance of the capitalised exploration and evaluation assets was written-off.

**(q) Mine development**

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 "Mining property and Mine development". During the current financial year, the balance of the mine development assets, relating to open pits that are not currently operational, were written-off.

**(r) Critical accounting judgements and key sources of estimation uncertainty**

In applying of the Group's accounting policies, which are described above, directors are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 1. Summary of accounting policies (cont'd)

(r) **Critical accounting judgements and key sources of estimation uncertainty (cont'd)**

The following are key assumptions and sources of estimation uncertainty made by management in the application of Australian Accounting Standards, which have a significant effect on the financial statements and a significant risk of causing material adjustments to carrying amounts of assets and liabilities within the next financial year:

Recoverable amount of Tasmania Mines Limited CGU

We have determined the recoverable amount of the Tasmania Mines Limited Cash Generating Unit (CGU) in accordance with the requirements of AASB 136. In apply this policy the Group has made various assumptions in modelling the determined recoverable amount, which are based on future estimates and forecasts, giving rise to future estimate uncertainties.

As at 31 December 2016 the determination of the recoverable amount under AASB 136, resulted in an impairment of the Tasmania Mines Limited CGU as noted in in note 22.

# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

	Consolidated	
	2016	2015
	\$'000	\$'000
<b>2. Income</b>		
An analysis of the Group's revenue for the year, is as follows:		
<b>(a) Revenue from the sale of product</b>	40,691	40,781
<b>(b) Other income</b>		
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)
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# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

	Consolidated	
	2016 \$'000	2015 \$'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	3,215	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

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

	Consolidated	
	2016 \$'000	2015 \$'000
<b>4. Income taxes</b>		
<b>(a) Income expense tax recognised in profit or loss comprises</b>		
Current tax expense	2,704	2,295
Deferred tax expense relating to the origination and reversal of temporary differences	(8,029)	373
Adjustment recognised in current year related to prior year current tax	(315)	(29)
	(5,640)	2,639

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

(Loss) / Profit for the year	(17,746)	8,852
Income tax (benefit) / expense	(5,325)	2,656
Permanent differences	-	12
Adjustment recognised in current year related to prior year current tax	(315)	(29)
	(5,640)	2,639

The tax rate used in the above reconciliation is the tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

	Consolidated	
	2016	2015
	\$'000	\$'000
<b>4. Income taxes (cont'd)</b>		
<b>(b) Deferred tax balances</b>		
<b>Deferred tax assets comprise:</b>		
Temporary differences	6,733	509
<b>Deferred tax liabilities comprise:</b>		
Temporary differences	72	1,877
Net deferred tax asset/(liability)	6,661	(1,368)

Taxable and deductible temporary differences arise from the following:

	Consolidated			
2016	Opening balance \$'000	Charged to profit and loss \$'000	Prior year Adjustments \$'000	Closing balance \$'000
<b>Gross deferred tax liability:</b>				
Consumable stores	39	(13)	-	26
Exploration and evaluation assets and mine development	439	(439)	-	0
Other	59	(13)	-	46
	537	(465)	-	72
<b>Gross deferred tax assets:</b>				
Provisions	493	343	-	836
Property, plant & equipment	(1,340)	7,215	-	5,875
Accrued audit fees	16	6	-	22
	(831)	7,564	-	6,733
Net deferred tax asset/(liability)	(1,368)	8,029	-	6,661

# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

#### 4. Income taxes (cont'd)

##### (b) Deferred tax balances (cont'd)

	Consolidated			
	Opening balance	Charged to profit and loss	Prior year Adjustments	Closing balance
	\$'000	\$'000	\$'000	\$'000
<b>2015</b>				
<b>Gross deferred tax liability:</b>				
Consumable stores	57	(18)	-	39
Plant & equipment	1,141	199	-	1,340
Exploration and evaluation assets and mine development	338	101	-	439
Other	4	55	-	59
	1,540	337	-	1,877
<b>Gross deferred tax assets:</b>				
Provisions	528	(35)	-	493
Accrued audit fees	17	(1)	-	16
	545	(36)	-	509
Net deferred tax liability	(995)	(373)	-	(1,368)

##### (c) Current tax payable

Income tax payable

Consolidated	
2016	2015
\$'000	\$'000
325	615

##### (d) Franking account balance

Company	
2016	2015
\$'000	\$'000
19,251	16,808

# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

	Consolidated	
	2016	2015
	\$	\$
<b>5. Remuneration of auditors</b>		
<i>Auditor of the parent entity</i>		
Audit and half-year review of financial reports	85,184	87,645
Other Services	8,965	6,600
	94,149	94,245

The auditor of Tasmania Mines Limited is Deloitte Touche Tohmatsu.

Other services include services relating to Mineral Resources Tasmanian - Profit-Based Royalty Return and taxation services.

	Consolidated	
	2016	2015
	\$'000	\$'000
<b>6. Trade and other receivables</b>		
Trade receivables (i), (ii)	8,396	6,175
Other receivables	10	9
	8,406	6,184

(i) The average aging period on sales of product is 49 days (2015: 43 days). No interest is charged on trade receivables outstanding. The group does not hold any collateral over these balances.

(ii) In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The directors consider that due to the Group having a broad customer base with minimal credit risk, the directors believe that the amounts are recoverable.

No provision for doubtful debts was required as at 31 December 2016 (as in the previous year.)

Age of receivables that are past due but not impaired

60-90 days	486	384
90-120 days	-	-
Total	486	384
Average age	67 days	61 days

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

	Consolidated	
	2016 \$'000	2015 \$'000
<b>7. Other financial assets</b>		
<u>Current</u>		
Deposits:		
Deposits with related parties (i)	22	-
	22	-

(i) Deposits with related parties return interest calculated based on the bank bill swap rate (90 days) + 2% p.a. and are held at call.

<b>8. 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>9. Other assets</b>		
<u>Current</u>		
Prepayments	299	308
	299	308

# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

#### 10. Property, plant and equipment

	Consolidated						TOTAL \$'000
	Freehold land at cost \$'000	Buildings at cost \$'000	Building improvements at cost \$'000	Capital works in progress at cost \$'000	Plant and equipment at cost \$'000	Mining Property at cost \$'000	
<b><i>Gross carrying amount</i></b>							
Balance at 1 January 2015	137	2,404	101	19,022	28,954	782	51,400
Additions	-	680	-	1,349	2,311	-	4,340
Disposals	-	-	-	-	(3,742)	-	(3,742)
Transfer*	-	4,862	-	(17,094)	12,232	-	-
Balance at 31 December 2015	137	7,946	101	3,277	39,755	782	51,998
Additions	-	2,308	-	1,082	353	177	3,920
Disposals	-	-	-	-	(451)	-	(451)
Transfers	-	1,138	-	(1,138)	-	-	-
Balance at 31 December 2016	137	11,392	101	3,221	39,657	959	55,467
<b><i>Accumulated depreciation and impairment</i></b>							
Balance at 1 January 2015	-	(490)	(52)	-	(10,722)	(124)	(11,388)
Disposals	-	-	-	-	3,704	-	3,704
Depreciation expense	-	(288)	(10)	-	(2,671)	(35)	(3,004)
Balance at 31 December 2015	-	(778)	(62)	-	(9,689)	(159)	(10,688)
Disposals	-	-	-	-	439	-	439
Depreciation expense	-	(407)	(10)	-	(2,751)	(47)	(3,215)
Impairment losses (Note 22)	-	(3,710)	-	(1,921)	(18,378)	-	(24,009)
Balance at 31 December 2016	-	(4,895)	(72)	(1,921)	(30,379)	(206)	(37,473)
<b><i>Net book value</i></b>							
As at 31 December 2015	137	7,168	39	3,277	30,066	623	41,310
As at 31 December 2016	137	6,497	29	1,300	9,278	753	17,994

Aggregate depreciation allocated during the year is recognised as an expense and disclosed in note 3 to the financial statements.

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 10. Property, plant and equipment (cont'd)

\* During the 31 December 2015 financial year, the Company transferred buildings with a value of \$4,862,000 out of capital works in progress at cost as they were ready for use. These asset transfers were classified in the 31 December 2015 financial statements as transfers into plant and equipment at cost instead of transfers into buildings at cost. The comparative figures have been amended to reflect this as a transfer into buildings at cost. There is no change to the comparative period Statement of financial position and no change to accumulated depreciation as this was disclosed correctly.

The following useful lives are used in the calculation of depreciation:

Buildings	4 – 50 years
Plant and equipment	3 – 25 years
Mining property	25 years

Aggregate depreciation allocated, recognised as an expense as part of the carrying amount of other assets during the year:

	Consolidated	
	2016	2015
	\$'000	\$'000
Buildings	407	288
Building improvements	10	10
Plant and equipment	2,751	2,671
Mining property	47	35
	<b>3,215</b>	<b>3,004</b>



# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

	Consolidated	
	2016 \$'000	2015 \$'000
<b>11. Trade and other payables</b>		
Trade payables (i)	3,782	3,476
Goods and services tax payable	112	17
Accrued expenses	1,604	527
	5,498	4,020

(i) The average credit period on purchases is 30 days. No interest is charged on trade payables.

## 12. Provisions

### Current

Employee benefits	395	364
	395	364

### Non-current

Employee benefits	69	40
Mine site restoration (i)	1,463	1,239
	1,532	1,279

(i) The provision for mine site restoration represents the present value of the best estimate of the future sacrifice of economic benefits that will be required for rehabilitating and restoring the property at the end of the mine life.

### **Mine site restoration**

Balance at 1 January	1,239	1,199
Movement in provision	177	-
Unwinding of discount	47	40
Balance at 31 December	1,463	1,239

### **Key assumptions**

Discount rate	3.2%	3.2%
Estimated cost base of rehabilitation	1,626	1,413
Mine closure estimate (years)	25	25

# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

		Consolidated	
		2016	2015
		\$'000	\$'000
<b>13. 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
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.			
		Consolidated	
		2016	2015
		\$'000	\$'000
<b>14. Retained earnings</b>			
Balance at beginning of financial year		45,873	40,208
Dividend paid	16	(548)	(548)
Net profit attributable to members of the parent entity		(12,106)	6,213
Balance at end of financial year		33,219	45,873
<b>15. Earnings per share</b>			
		<b>2016</b>	<b>2015</b>
		<b>Cents per Share</b>	<b>Cents per Share</b>
From continuing operations:			
Basic / Diluted earnings per share		(66.3)	34.0
		<b>2016</b>	<b>2015</b>
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

# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

#### 16. Dividends

A dividend was paid 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%). Total dividends paid amounted to \$547,575 (2015: \$547,575).

#### 17. Commitments for expenditure

The Group had committed to expenditure of \$1,409,000 for plant and equipment as at 31 December 2016 (2015: \$2,179,000).

There were no material capital expenditure or other material commitments not provided for in the financial statements other than to cover normal operating costs.

#### 18. Superannuation benefits

The company does not provide superannuation or retirement benefits for any officers or employees of the company, other than to comply with mandatory superannuation obligations.

#### 19. Contingent liabilities

There are no contingent liabilities at the end of the financial year.

#### 20. 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

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 21. 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. The Group has determined that this constitutes one reportable segment.

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

# Tasmania Mines Limited

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### Notes to the financial statements for the year ended 31 December 2016

#### 22. Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. The Group considers various factors, including the relationship between its market capitalisation and its book value when reviewing for indicators of impairment. At the time the impairment testing was performed the market capitalisation of the Group was below the book value of its net assets and this was considered an indicator that the assets may be impaired. A recoverable amount assessment was performed which indicated that the assets of the Group were impaired by \$25.470m before tax.

In addition on 7 November 2016, the Group announced to the ASX that it was intending to seek shareholder approval for a selective capital reduction at \$1.80 per share. As noted in Note 24, subsequent to year-end, the Group has received shareholder approval to carry out the selective capital reduction.

#### Impairment testing

##### i. Methodology

An impairment loss is recognised for a Cash Generating Unit (CGU) when the recoverable amount is less than the carrying amount of the assets. The Group has determined that it has a single CGU, the Tasmania Mines Limited CGU and the recoverable amount has been estimated on a value in use basis and in accordance with the requirements of AASB 136 Impairment of Assets.

Fair value has been estimated based on the net present value of estimated future cash flows for the CGU. Future cash flows have been based on a number of assumptions, including commodity price expectations, reserves and resources and expectations regarding future operating performance and capital requirements of the CGU. These assumptions are subject to judgement and uncertainty as noted in Note 1(r).

##### ii. Key assumptions

Magnetite tonnes sold	190,000 p.a.
Life of mine	25 years
Average sale price per tonne (2017 to 2021)	AUD 207
Capital expenditure	AUD 3,250k p.a.
Post-tax nominal discount rate	14%

##### iii. Impacts

As at the reporting date, the Group has recognised non-current asset impairments of the carrying value of the Tasmania Mines Limited CGU totalling \$25.470m before tax, as summarised in the table below. The recoverable amount of the Tasmania Mines Limited CGU was determined to be \$27.448m.

# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

#### 22. Impairment of assets (cont'd)

Impairment	\$'000
Exploration and evaluation	1,127
Mine development	334
Property, plant and equipment	24,009
<b>Total asset impairments</b>	<b>25,470</b>
Tax effect	(7,641)
<b>Total asset impairments after tax</b>	<b>17,829</b>

#### 23. Related party transactions

*(a) Equity interests in related parties*

Details of the percentage of ordinary shares held in controlled entities are disclosed in note 20 to the financial statements.

*(b) Key management personnel compensation and loans*

	Consolidated	
	2016	2015
	\$	\$
The aggregate compensation made to key management personnel of the company and the Group is set out below.		
Short-term employee benefits	115,096	104,633
Post-employment benefits	6,232	5,665
	121,328	110,298

The following loan balances are in respect of loans made to key management personnel of the Group or to their related entities.

Loans to Key Management Personnel	Company Concerned	Balance at Beginning \$'000	Interest Charge \$'000	Balance at End \$'000	Highest Period \$'000
<b>2016</b>					
S.H.M. Kanji & K.J. Broadfoot	Metroll Pty Ltd	-	31	22	2,160
<b>2015</b>					
S.H.M. Kanji & K.J. Broadfoot	Metroll Pty Ltd	(2)	-	-	2
S.H.M. Kanji & K.J. Broadfoot	Metroof Industries Pty Ltd	25	-	-	25

Transactions between the company and its subsidiaries were eliminated in the preparation of consolidated financial statements of the Group.

# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

#### 23. Related party transactions (cont'd)

(c) Key management personnel equity holdings

Fully paid ordinary shares of Tasmania Mines Limited

	Balance at 1 Jan No.	Net other changes No.	Balance at 31 Dec No.
<b>2016</b>			
<i>Directors</i>			
S.H.M. Kanji	1,750	-	1,750
J. O. Carroll	502,000	-	502,000
K.J. Broadfoot	500	-	500
	504,250	-	504,250
<b>2015</b>			
<i>Directors</i>			
S.H.M. Kanji	1,750	-	1,750
J.O. Carroll	502,000	-	502,000
K. J Broadfoot	500	-	500
	504,250	-	504,250

(d) Other transactions with key management personnel of the Group

	Consolidated	
	2016 \$'000	2015 \$'000
Consolidated revenue includes the following amounts arising from transactions with key management personnel of the Group or their related entities:		
Interest revenue	31	-
	31	-
Consolidated profit includes the following expenses arising from transactions with key management personnel of the Group or their related entities:		
Purchases of goods and services	1,361	1,545
	1,371	1,545

Details of interest revenue from other related parties are disclosed in note 2 to the financial statements.

Aggregate amounts receivable from other related parties are disclosed in note 7 to the financial statements.

# Tasmania Mines Limited

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### Notes to the financial statements for the year ended 31 December 2016

#### 23. Related party transactions (cont'd)

Transaction Type	Directors Concerned	Company Concerned	Consolidated	
			Aggregate amount recognised 2016 \$'000	Aggregate amount recognised 2015 \$'000
Purchase of goods and services from	S.H.M. Kanji & K.J. Broadfoot	The Engineering Company Pty Ltd	380	623
Purchase of goods and services from	S.H.M. Kanji & K.J. Broadfoot	Queensland Steel Products Pty Ltd	52	669
Purchase of goods and services from	S.H.M. Kanji & K.J. Broadfoot	Metroll Newcastle Pty Ltd	243	-
Rent charges from	S.H.M. Kanji & K.J. Broadfoot	Rolled Steel Manufacturing Pty Ltd	29	26
Legal fees from	S.H.M. Kanji & K.J. Broadfoot	Kanji & Co	191	47
Management fees from	S.H.M. Kanji & K.J. Broadfoot	Kanji Group Pty Ltd	150	-
Travel charges from	S.H.M. Kanji	Kanji Group LLP	45	-
Accounting and administration services provided by	S.H.M. Kanji & K.J. Broadfoot	The Engineering Company Pty Ltd	240	180
Interest received from	S.H.M. Kanji & K.J. Broadfoot	Metroll Pty Ltd	31	-
<b>Total</b>			<b>1,361</b>	<b>1,545</b>

The above transactions were made on commercial terms and conditions and at market rates.

*(e) Controlling Entities*

The parent entity in the consolidated entity is Tasmania Mines Limited.

The ultimate Australian parent entity is Metroof Industries Pty Ltd.

The ultimate parent entity is Pacific Industrial Corporation SA.

#### 24. 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 shareholder approvals were required under the Corporations Act, were held on 21 February 2017 where the resolution was passed by majority vote, to cancel all shares other than those held by Metroof Industries Pty Limited.



# Tasmania Mines Limited

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### Notes to the financial statements for the year ended 31 December 2016

#### 24. Subsequent events (cont'd)

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.

#### 25. 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:

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

##### *(b) Reconciliation of profit for the period to net cash flows from operating activities*

(Loss) / Profit for the year after tax	(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 in mining rehabilitation provision	177	-
Interest income received and receivable	(62)	(15)
(Decrease)/increase/in deferred tax liability	(8,029)	373
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

# Tasmania Mines Limited

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### Notes to the financial statements for the year ended 31 December 2016

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

	Consolidated	
	2016	2015
	\$'000	\$'000
<i>(c) Financing facilities</i>		
Secured bank guarantee facility, reviewed annually and payable at call:		
· Amount used	1,457	1,406
· Amount unused	-	-
	1,457	1,406
Unsecured bank overdraft facility, reviewed annually and payable at call:		
· Amount used	-	-
· Amount unused	2,000	2,000
	2,000	2,000

#### *Assets pledged as security*

The property at 13 Marine Terrace, Burnie TAS has been pledged as security for the overdraft under a mortgage.

The cash deposit bank account is held as security for the bank guarantee facility.

#### 26. Financial instruments

##### *(a) Capital risk management*

The group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and retained earnings as disclosed in notes 13 and 14. The Group's board of directors reviews the capital structure on at least a semi-annual basis. As a part of this review the board considers the cost of capital and the risks associated with each class of capital.

At the reporting date there are no significant concentrations of credit risk relating to loans and receivables.

# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

#### 26. Financial instruments (cont'd)

*(b) Significant Accounting Policies*

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

*(c) Derivative Financial Instruments*

The company does not utilise derivative financial instruments.

*(d) Categories of financial instruments:*

	Consolidated	
	2016 \$'000	2015 \$'000
<i>Financial assets</i>		
Cash and cash equivalents	7,525	2,665
Loans and receivables	8,406	6,184
	15,931	8,849
<i>Financial liabilities</i>		
Trade and other payables	5,498	4,020

*(e) Exposure to interest rate risk*

The company and the Group are exposed to interest rate risk as entities in the group invest cash at both fixed and variable interest rates. This risk is managed by the Group by maintaining an appropriate mix between fixed and variable rate cash investments.

The following table details the Group's exposure to interest rate risk as at 31 December 2016:

2016	Weighted Average Interest Rate %	Variable Interest Rate \$'000	Fixed Interest Rate Maturity			Non- Interest Bearing \$'000	Total \$'000
			Less than 1 Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000		
<i>Financial Assets</i>							
Cash	1.76%	7,057	468	-	-	-	7,525
Trade and other receivables	-	-	-	-	-	8,406	8,406
		7,057	468	-	-	8,406	15,931
<i>Financial Liabilities</i>							
Trade and other payables	-	-	-	-	-	5,498	5,498
		-	-	-	-	5,498	5,498

# Tasmania Mines Limited

## Annual Report

### Notes to the financial statements for the year ended 31 December 2016

#### 26. Financial instruments (cont'd)

The following table details the Group's exposure to interest rate risk as at 31 December 2015:

2015	Weighted Average Interest Rate %	Variable Interest Rate \$'000	Fixed Interest Rate Maturity			Non-Interest Bearing \$'000	Total \$'000
			Less than 1 Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000		
<b>Financial Assets</b>							
Cash	2.67%	2,246	419	-	-	-	2,665
Trade and other receivables	-	-	-	-	-	6,184	6,184
		2,246	419	-	-	6,184	8,849
<b>Financial Liabilities</b>							
Trade and other payables	-	-	-	-	-	4,020	4,020
		-	-	-	-	4,020	4,020

#### Interest rate sensitivity

The company and the group are exposed to interest rate sensitivity on cash balances. Any movement in interest rates would not have a material impact on the company and Group profit or reserves.

#### (f) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the consolidated entity. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures credit risk on a fair value basis.

The directors consider that as trade receivables are due from large national or multinational companies and loans are from related parties, the risk of default is considered low.

The carrying amounts of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

#### (g) Fair Value of Financial Instruments

The carrying amounts of financial assets and financial liabilities recorded in the financial statements represents their respective fair values.

#### (h) Financial risk management objectives

The board of director's monitors and manages the financial risks relating to the operations of the Group through monthly management reports. These risks include interest rate risk, credit risk, and liquidity risk. The Group seeks to minimise the effects of these risks by implementing cash management policies approved by the board of directors.

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 26. Financial instruments (cont'd)

(i) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The group manages liquidity risk by monitoring forecast and actual cash flows.

#### 27. Parent entity disclosures

As at and throughout the years ended on 31 December 2016 and 31 December 2015 the parent company of the Group was Tasmania Mines Ltd.

**(a) Financial results and position of the parent entity**

	2016 \$'000	2015 \$'000
Results of the parent entity		
Profit for the year	(10,066)	4,615
Other comprehensive income	-	-
Total comprehensive income for the year	(10,066)	4,615
Financial position of the parent entity at year end		
Current assets	18,433	14,342
Non-current assets	16,392	34,981
Total assets	34,825	49,323
Current liabilities	2,975	5,942
Non-current liabilities	-	2,035
Total liabilities	2,975	7,977
Total equity of the parent comprising of share capital	9,534	9,534
Retained earnings	22,316	31,812
Total equity	31,850	41,346

**(b) Parent entity contingencies**

The Company does not have any contingent liabilities as at 31 December 2016 (2015 Nil).

**(c) Parent entity capital commitments for acquisition of property plant and equipment**

The Company had committed to expenditure of \$1,409,000 for plant and equipment as at 31 December 2016 (2015: \$2,179,000).

# Tasmania Mines Limited

## Annual Report

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### Notes to the financial statements for the year ended 31 December 2016

#### 27. Parent entity disclosures (cont'd)

(d) Parent entity guarantees the debts of its subsidiaries at 31 December 2016

The Company has not guaranteed the debts of any of its subsidiary companies at 31 December 2016 (2015 Nil).

#### 28. Additional company information

Tasmania Mines Limited is a listed public company, incorporated in Tasmania and operating in Australia.

*Registered Office*

Level 33, Aurora Place  
88 Phillip Street  
Sydney NSW 2000

*Principal Place of Business*

Kara Mine  
683 Kara Road  
Hampshire TAS 7321

# Tasmania Mines Limited

## Annual Report

### Additional Securities Exchange information as at 1 February 2017

#### Number of Holders of Equity Securities

##### *Ordinary Share Capital*

· 18,252,496 Fully Paid

All issued ordinary shares carry one vote per share.

#### Substantial Shareholders

##### *Ordinary Shareholders*

Metroof Industries Pty Ltd

Fully Paid	
Number	Percentage
14,459,910	79.22%
14,459,910	79.22%

#### Twenty Largest Holders of Quoted Equity Securities

##### *Ordinary Shareholders*

Metroof Industries Pty Ltd

Mr Joseph O. Carroll

Aliton Pty Ltd (Bell Family Super Fund A/C)

Mr David Bell

Boland Holdings Pty Ltd

Mr Stuart L. Bell

Telfer Nominees Pty Ltd

Ms Janet N. Gear

Weldbank Pty Ltd

Mrs Milly Elkington

Lanes End Dural Pty Ltd

Imperial Pacific Resource

Mrs Kay Pelz

Mrs Gloria Wadsworth

Mr Stuart Lindsey Bell

Florin Mining Investment Company Limited (Investment A/C)

Mr Edward J.S. Dally & Mrs Selina Dally

Mr Edward J. Dally & Mrs Selina Dally (E.J. Dally Super Fund A/C)

Imperial Pacific Fund Managers Pty Ltd

Guilfoyle Investments Pty Ltd

J P Morgan Nominees Australia Limited

Mr Rodney Harper & Mrs Elizabeth Harper

Fully Paid	
Number	Percentage
14,459,910	79.22%
352,000	1.93%
711,750	3.90%
147,496	0.81%
223,775	1.23%
150,228	0.82%
133,000	0.73%
126,450	0.69%
67,200	0.37%
62,514	0.34%
178,979	0.98%
36500	0.20%
59350	0.33%
50,000	0.27%
40,000	0.22%
50,000	0.27%
49,040	0.27%
48,275	0.26%
47,782	0.26%
40,000	0.22%
69,180	0.38%
54,640	0.30%
17,158,069	94.00%

# Tasmania Mines Limited

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### Additional Securities Exchange information as at 1 February 2017

#### Distribution of Holders of Equity Securities

	Fully Paid Ordinary Shares
1 - 1,000	271
1,001 - 5,000	162
5,001 - 10,000	20
10,001 - 100,000	36
100,001 and over	9
	<hr/>
	498
	<hr/>
Holdings less than a marketable parcel	100
	<hr/>

#### Company Secretaries

Mr Ken Broadfoot

Mr Warren Wilton

#### Registered Office

Level 33, Aurora Place  
88 Phillip Street  
Sydney NSW 2000

#### Principal Administration Office

c/o The Engineering Company  
15265 Bass Highway  
Somerset TAS 7322

#### Share Registry

Link Market Services Ltd  
Level 1  
333 Collins Street  
Melbourne VIC 3000

#### Securities Exchange Listings

Tasmania Mines Limited's ordinary shares are quoted by the Australian Securities Exchange Limited (code TMM).