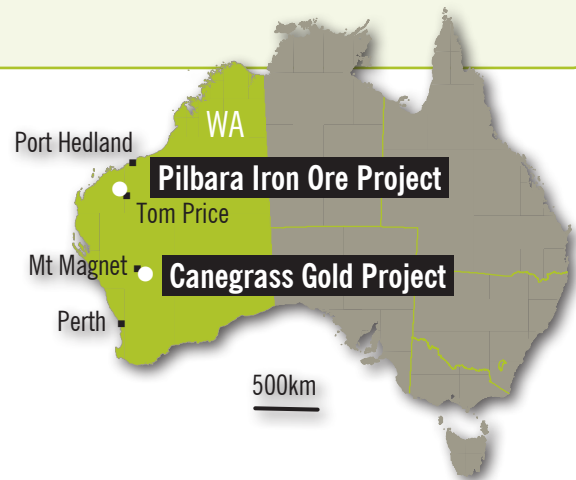


Quarterly Report

For the quarter ending 30 June 2015

HIGHLIGHTS

- *Option and Sale Agreement signed with Todd Corporation*
- *Independent Expert's Report commenced during the quarter*
- *PIOP Bankable Feasibility Study suspended until outcome of shareholder vote on Todd Transaction is known*



CORPORATE

Todd Transaction

On 11 May 2015, the Company announced it had signed an Option and Sale Agreement with a subsidiary of Todd Corporation for the sale of PIOP (refer to ASX announcement dated 11/05/2015). This transaction is subject to shareholder approval at a general meeting, expected to be held in the September 2015 quarter.

At the time of this report, the Independent Expert's Report has been lodged with ASX and ASIC for review and will be dispatched to shareholders once cleared.

Several initiatives to reduce costs in the current commodity cycle were commenced including suspending activities on the Pilbara Iron Ore Project Bankable Feasibility Study and a reduction in staffing numbers.

PROJECTS

Pilbara Iron Ore Project (PIOP) - WA

During the quarter, the Company scaled down its activities at PIOP due to the transaction signed with Todd Corporation. At this time the Company had completed all required drilling, resource modelling and metallurgical test work. Environmental approvals for PIOP continue to be progressed, with the EPA giving conditional support to the expanded project during the quarter.

FMG Agreement

During the quarter the Company assigned four tenements in the Pilbara to Fortescue Metals Group for consideration of \$150,000. Fortescue already held the iron ore rights to these tenements, with Flinders retaining a royalty on iron ore produced.

EXPLORATION AND EVALUATION ACTIVITIES

WESTERN AUSTRALIA

Pilbara Iron Ore Project

There were no exploration and evaluation activities carried out on the Company's PIOP tenements during the June 2015 quarter.

Canegrass Gold Project

Assays for a small Air-Core (AC) drilling program undertaken at the Honeypot and Boulder prospects (Figure 1) were received during the quarter. Significant intersections are shown in Table 1, with the highlight being an intersection of 8m @ 2.03 g/t Au from 12m in hole HAC022 at the Honeypot Prospect. Hole HAC022 is located at the northern end of a trend of anomalous holes that intersected a deformed and foliated mafic schist as well as late stage undeformed granitic dykes and quartz veining. Mineralisation remains open to the north (Figure 2).

At the Boulder Prospect, only low grade mineralisation was intersected (Table 1) with the best result being 4m @ 0.20 g/t Au from 24m in hole BAC030.

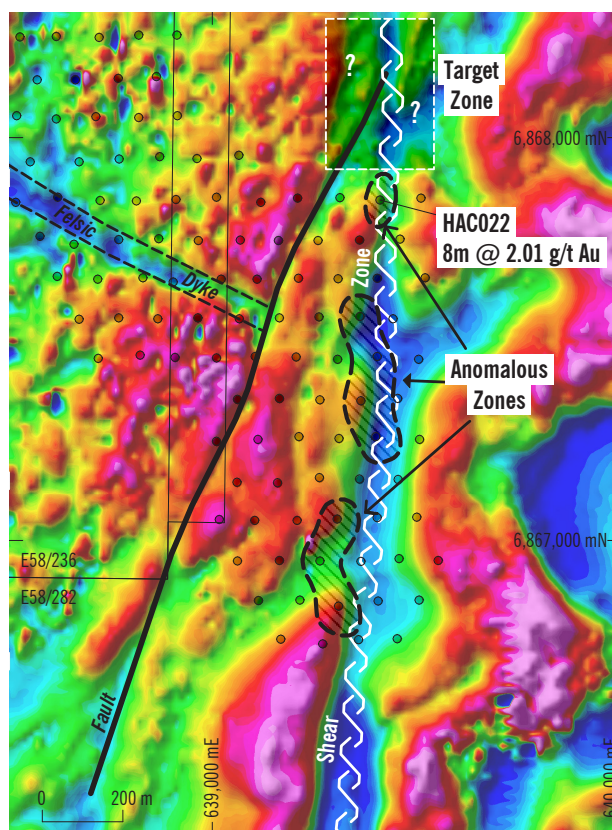


Figure 2 : Honeypot prospect AC drillholes over ground TMI (magnetic) image.

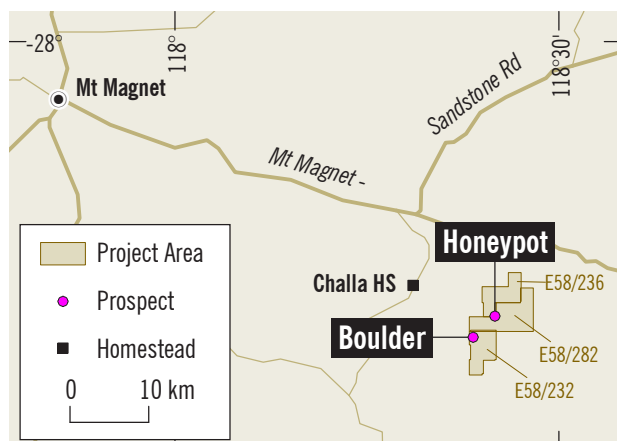


Figure 1 : Canegrass Gold Project is located approximately 60km SE from Mt Magnet, Western Australia.

Table 1 : Significant intersections summary for 2015 AC drillholes.

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au g/t
HAC022	Honeypot	12	20	8	2.03
BAC007	Boulder	16	20	4	0.13
BAC025	Boulder	12	16	4	0.13
BAC030	Boulder	24	28	4	0.20

All other holes returned intersections less than 0.10 g/t Au.

SOUTH AUSTRALIA

There were no exploration and evaluation activities carried out on the Company's South Australian tenements during the June 2015 quarter.

Ian Gordon

Managing Director

31 July 2015

Contact us

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Qualifying Statements

Forward-looking statements

This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events as of the time of the release of this document. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, some of which are outside the control of Flinders Mines Limited, that could cause actual results to differ materially from such statements. Flinders Mines Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

Competent Persons

The information in this report that relates to Exploration Targets, Exploration Results, or Mineral Resources is based on information compiled by Dr Graeme McDonald who is a member of the Australian Institute of Mining and Metallurgy and a full-time employee of Flinders Mines Limited. Graeme McDonald has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Graeme McDonald consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Flinders Mines Limited

Tenement Schedule For the quarter ending 30 June 2015

Tenement	Status	Name	Registered Holder /Applicant	Flinders Mines Interest
WESTERN AUSTRALIA				
Pilbara Iron Ore Project				
E47/1560	Granted	Anvil	Flinders Mines Ltd	100%
L47/728	Granted	PIOP Airstrip	Flinders Mines Ltd	100%
L47/730	Granted	PIOP Village	Flinders Mines Ltd	100%
L47/731	<i>Pending</i>	Northern Road	Flinders Mines Ltd	100%
L47/734	Granted	Southern Road	Flinders Mines Ltd	100%
M47/1451	Granted	Blacksmith ML	Flinders Mines Ltd	100%
P47/1291	Granted	Gap Area	Flinders Mines Ltd	100%
Canegrass Project				
E58/232	Granted	Boulder Well	Flinders Canegrass Pty Ltd	100%
E58/236	Granted	Challa	Flinders Canegrass Pty Ltd	100%
E58/282	Granted	Honey Pot	Flinders Canegrass Pty Ltd	100%
SOUTH AUSTRALIA				
Jamestown Project				
ELA 182/14	<i>Pending</i>	Caltowie	Flinders Mines Ltd	100%

Tenements E47/1011, E47/1016, E47/1306 and M47/1407 were assigned to Fortescue Metals Group during the quarter.

Tenement E58/271 expired during the quarter.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Flinders Mines Limited

ABN

46 091 118 044

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	112	112
1.2 Payments for:		
(a) exploration & evaluation	(699)	(8,209)
(b) development		
(c) production		
(d) administration	(1,097)	(3,438)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	9	199
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (R&D rebates)		
Net operating cash flows	(1,675)	(11,336)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	-	(19)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	-	(19)
1.13 Total operating and investing cash flows (carried forward)	(1,675)	(11,355)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,675)	(11,355)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5,256
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	5,256
	Net increase (decrease) in cash held	(1,675)	(6,099)
1.20	Cash at beginning of quarter/year to date	5,445	9,869
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,770	3,770

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	90
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	590
4.2 Development	-
4.3 Production	-
4.4 Administration	960
Total	1,550

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,020	1,581
5.2 Deposits at call	2,750	3,864
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,770	5,445

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E58/271	All interests relinquished	100%	Nil
	E47/1011	Interests sold	100%	Nil
	E47/1016	Interests sold	100%	Nil
	E47/1306	Interests sold	100%	Nil
	M47/1407	Interests sold	100%	Nil
6.2 Interests in mining tenements and petroleum tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	2,762,995,689	2,762,995,689		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				

+ See chapter 19 for defined terms.


Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
				<i>Exercise price</i>	<i>Expiry date</i>
7.10	Expired during quarter	120,000		\$0.085	30/06/2015
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 31 July 2015

Print name: Justin Nelson

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.