



# Tasmania Mines Limited

ACN 009 491 990

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

		<b>Half-Year Ended 30 June 2012 \$'000</b>	<b>Half-Year Ended 30 June 2011 \$'000</b>
Revenue from ordinary activities	Up by 26.6%	\$19,219	\$15,185
Profit from ordinary activities after tax attributable to members	Down by 15%	\$2,679	\$3,154
Net tangible assets per security	Up by 11.7%	197.1 cents	176.4 cents
Dividends paid	-Total	\$1,097	\$1,097
	-Cents per share	6 cents	6 cents



# **Tasmania Mines Limited**

ACN 009 491 990

Financial Report for the Half-Year Ended

30 June 2012

# 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. A secondary product is the production and sale of higher grade Scheelite.

## Corporate Information

### Directors

Shamsher H M Kanji  
Joseph O Carroll  
Kenneth J Broadfoot

### Secretary

Kenneth J Broadfoot

### Registered Office

Level 33, Aurora Place  
88 Phillip Street  
Sydney NSW 2000  
Phone: +61 2 9251 4244

### Principal Administrative Office

C/- The Engineering Company Pty Ltd  
15265 Bass Highway  
PO Box 215  
Somerset TAS 7322  
Phone: +61 03 6435 1556

### Principal Place of Business

Kara Mine  
683 Kara Road  
Hampshire TAS 7321

### Securities Exchange

Listed on the Australian Securities Exchange  
Code TMM

### Share Registry

Link Market Services Ltd  
Level 1 - 333 Colin Street  
Melbourne VIC 3000  
Phone: 1300 554 474  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

Postal Address  
Locked Bag A14  
Sydney South NSW 1235

# Tasmania Mines Limited

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## Financial Report For the Half-Year Ended 30 June 2012

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# Tasmania Mines Limited

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## Directors' Report

The directors of Tasmania Mines Limited present their financial report for the half-year ended 30 June 2012. The directors of the company during or since the end of the half-year are:

<b>Name</b>	<b>Particulars, qualifications and experience</b>
Mr Shamsher H. M. Kanji	Chairman, Member of the Audit, Nomination, 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, Nomination, Remuneration and Risk Management Committees of the Board, Non-Executive Bachelor of Engineering (Civil) from University of Sydney Management Consultant. Past experience as project manager for major civil engineering projects. Appointed to the Board 5 May 1986 Other public company directorships - none
Mr Ken J. Broadfoot	Director Member of the Audit, Nomination, 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 secretary

The company secretary is Mr Ken J. Broadfoot who was appointed to that position in 1992.

### Principal activities

The consolidated entity's principal activities in the half-year ended 30 June 2012 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

### Review of Operations

#### Mining

During the half-year a total of 194,000 tonnes of ore was mined. In addition, 371,014 tonnes of overburden was removed. All material was taken from the Kara No. 1 Open Pit.

#### Milling

The Kara concentrator mill treated 207,908 tonnes of materials during the half-year. Production totalled 18 tonnes of high grade scheelite and 66,685 tonnes of dense medium magnetite.

#### Sales

During the half-year a total of 80,274 tonnes of dense medium magnetite was sold compared with 70,761 tonnes sold in the previous half-year and no high grade scheelite sold this half-year compared to 1,530 MTU sold in the previous half-year of which the average assay was 75% WO<sub>3</sub>.

### Auditor's Independence Declaration

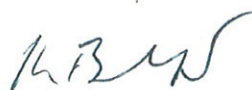
The auditor's independence declaration is included on page 3 of the half-year financial report.

### Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998 and in accordance with that Class Order amounts in the Directors' Report and the half-year financial report are rounded off to the nearest thousand dollars unless otherwise indicated.

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

On behalf of the Directors



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Director  
Sydney, 20 August 2012

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

17 August 2012

Dear Board Members

**Tasmania Mines Limited**

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

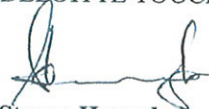
As lead audit partner for the review of the financial statements of Tasmania Mines Limited for the half-year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



**Steven Hernyk**  
Partner  
Chartered Accountants

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

We have reviewed the accompanying half-year financial report of Tasmania Mines Limited, which comprises the condensed statement of financial position as at 30 June 2012, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 12.

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

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tasmania Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



*Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Tasmania Mines Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tasmania Mines Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Debbie Towle Tolhurst*

DELOITTE TOUCHE TOHMATSU



Steven Hernyk  
Partner  
Chartered Accountants  
Launceston, 20 August 2012

# Tasmania Mines Limited

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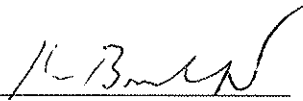
## Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements and notes thereto for the half year ended 30 June 2012 are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity

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

On behalf of the Directors

  
\_\_\_\_\_  
Director

Sydney, 20 August 2012

# Tasmania Mines Limited

## Statement of Comprehensive Income For the Half-Year Ended 30 June 2012

	<b>CONSOLIDATED</b>	
	<b>Half-Year Ended 30 June 2012 \$'000</b>	<b>Half-Year Ended 30 June 2011 \$'000</b>
<b><i>Continuing operations</i></b>		
Revenue from sale of goods	19,219	16,113
Cost of sales	(8,066)	(6,522)
<b><i>Gross profit</i></b>	11,153	9,591
Other income	280	388
Distribution expenses	(7,251)	(5,087)
Administration expenses	(333)	(385)
Finance costs	(22)	(16)
<b><i>Profit before tax</i></b>	3,827	4,491
Income tax expense	(1,148)	(1,337)
<b><i>Profit for the half-year</i></b>	2,679	3,154
<b><i>Other comprehensive income (net of income tax)</i></b>	-	-
<b><i>Total comprehensive income for the half-year</i></b>	2,679	3,154
<b><i>Earnings per share:</i></b>		
Basic and diluted (cents per share)	14.7	17.3

Notes to the financial statements are included on page 10 to 12.

# Tasmania Mines Limited

## Statement of Financial Position As at 30 June 2012

	<b>CONSOLIDATED</b>	
	<b>30 June 2012 \$'000</b>	<b>31 December 2011 \$'000</b>
<b>Current assets</b>		
Cash and cash equivalents	2,828	6,297
Trade and other receivables	5,053	5,537
Other financial assets	4,616	3,614
Inventories	6,114	5,725
Other	159	235
<b>Total current assets</b>	<b>18,770</b>	<b>21,408</b>
<b>Non-current assets</b>		
Exploration and evaluation assets	325	-
Mine properties	334	-
Property, plant and equipment	22,798	19,509
<b>Total non-current assets</b>	<b>23,457</b>	<b>19,509</b>
<b>Total assets</b>	<b>42,227</b>	<b>40,917</b>
<b>Current liabilities</b>		
Trade and other payables	3,294	3,351
Provisions	346	412
Current tax liability	335	636
<b>Total current liabilities</b>	<b>3,975</b>	<b>4,399</b>
<b>Non-current liabilities</b>		
Provisions	787	760
Deferred tax liabilities	771	646
<b>Total non-current liabilities</b>	<b>1,558</b>	<b>1,406</b>
<b>Total liabilities</b>	<b>5,533</b>	<b>5,805</b>
<b>Net assets</b>	<b>36,694</b>	<b>35,112</b>
<b>Equity</b>		
Issued capital	9,586	9,586
Retained earnings	27,108	25,526
<b>Total equity</b>	<b>36,694</b>	<b>35,112</b>

Notes to the financial statements are included on page 10 to 12.

# Tasmania Mines Limited

## Statement of Changes in Equity For the Half-Year Ended 30 June 2012

<b>Consolidated</b>	<b>CONSOLIDATED</b>		
	<b>Issued Capital \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Total \$'000</b>
Balance at 1 January 2011	9,586	20,611	30,197
Profit for the period		3,154	3,154
Dividends paid	-	(1,097)	(1,097)
Balance at 30 June 2011	9,586	22,668	32,254
Balance at 1 January 2012	9,586	25,526	35,112
Profit for the period		2,679	2,679
Dividends paid	-	(1,097)	(1,097)
Balance at 30 June 2012	9,586	27,108	36,694

Notes to the financial statements are included on page 10 to 12.

# Tasmania Mines Limited

## Statement of Cash Flows For the Half-Year Ended 30 June 2012

	<b>CONSOLIDATED</b>	
	<b>Half-Year Ended 30 June 2012 \$'000</b>	<b>Half-Year Ended 30 June 2011 \$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	21,914	15,639
Payments to suppliers and employees	(17,240)	(10,834)
Income tax paid	(1,544)	(1,800)
	3,130	3,005
<b>Cash flows from investing activities</b>		
Amounts repaid by related parties	-	250
Interest bearing deposit with related party	(1,000)	-
Interest received	280	299
Payment for property, plant and equipment	(4,123)	(3,175)
Expenditures on mine development	(334)	-
Investment in exploration and evaluation assets	(325)	-
Proceeds from sale of property, plant and equipment	-	44
	(5,502)	(2,582)
<b>Cash flows from financing activities</b>		
Dividends paid	(1,097)	(1,097)
	(1,097)	(1,097)
<b>Net decrease in cash and cash equivalents</b>	(3,469)	(674)
<b>Cash and cash equivalents at the beginning of the half-year</b>	6,297	2,073
	2,828	1,399

Notes to the financial statements are included on page 10 to 12.

# Tasmania Mines Limited

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## Notes to the Financial Statements For the Half-Year Ended 30 June 2012

### 1. Significant accounting policies

#### Statement of compliance

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

#### Basis of preparation

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

The consolidated entity is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998 and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2011 annual financial report for the financial year ended 31 December 2011 except for the impact of the interpretation described below. These accounting policies are consistent with Australian equivalents to International Financial Reporting Standards (A-IFRS).

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

New and revised Standards and Interpretations effective for the current reporting period that are relevant to the consolidated entity include:

- AASB 1054 Australian Additional Disclosures
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets
- AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets

The adoption of these new and revised Standards and Interpretations have resulted in no changes to the consolidated entity's accounting policies and have not affected amounts reported in current or prior periods.

The following new interpretation has been early adopted in the current year and has affected the amounts reported in these financial statements:

- Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine (and related AASB 2011-12 Amendments to Australian Accounting Standards arising from interpretation 20) refer note 6 for the effect of this early adoption.

# Tasmania Mines Limited

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## Notes to the Financial Statements For the Half-Year Ended 30 June 2012

### 2. Segment information

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

### 3. Subsequent events

No matters have arisen since 30 June 2012 that may significantly affect the operations or the state of affairs of the consolidated entity in subsequent reporting periods.

### 4. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets disclosed in the 31 December 2011 annual financial report. As such there are no updates for purposes of this period end report.

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

### 5. Exploration and evaluation assets

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

### 6. Deferred stripping costs

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

The Company has early adopted IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*, which has a mandatory effective date for annual periods which begin on or after 1 January 2013. The Company has applied this standard effective 1 January 2012. This had no impact on the comparative periods presented. If this interpretation was not early adopted, it would result in a decrease in Mine Properties and an increase to Costs of Sales of \$334,472.

### 7. Comparative figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented for the current period.

### 8. Investments

On 18 August 2011, the company acquired the remaining 50% interest in Kara Industrial Minerals Pty Ltd and it became a wholly owned subsidiary at that date. Consideration paid for the interest equated to the net assets acquired.



# Tasmania Mines Limited

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## Notes to the Financial Statements For the Half-Year Ended 30 June 2012

### 9. Disclosure of additional information

		CONSOLIDATED	
		Half-Year Ended 30 June 2012 \$'000	Half-Year Ended 30 June 2011 \$'000
Revenue from the sale of goods	Up by 26.6%	\$19,219	\$15,185
Profit for the period attributable to members of the parent entity	Down by 15%	\$2,679	\$3,154
Net tangible assets per security	Up by 11.7%	197.1 cents	176.4 cents
Dividends paid	Total Cents per share	\$1,097 6 cents	\$1,097 6 cents