Quarterly Report

For the quarter ending 31 March 2015

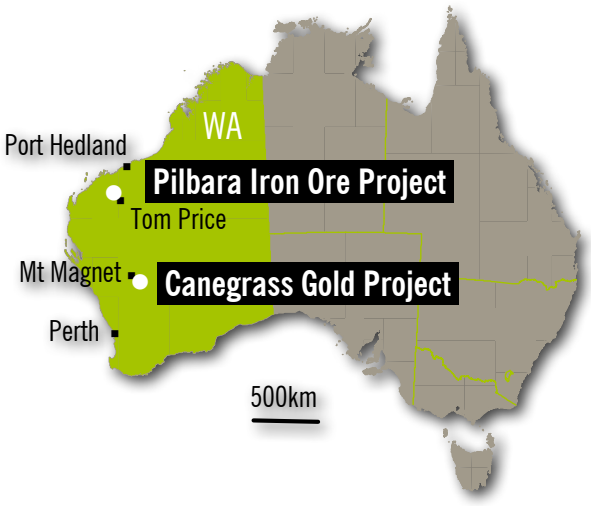
HIGHLIGHTS

- *Continued progress on completion of the PIOP BFS*
- *Mine approval documents submitted to EPA and detailed mine planning commenced*
- *Balla Balla JV port expansion approved by EPA*
- *Air-Core drilling of Canegrass gold targets completed - awaiting assays*

CORPORATE

Work continued with the Company's Alliance partners with the objective of optimising project costs given the current iron ore price outlook.

At the end of the quarter, Flinders held $5.4 million in cash.



PROJECTS

PILBARA IRON ORE PROJECT (PIOP) - WA

- Development of packages of work for the Bankable Feasibility Study has continued during the quarter with a major milestone being achieved in shortlisting and issuing the processing facility tender during the quarter. This represents the largest single package of work and is critical in ensuring timely delivery of the project.
- An additional LIDAR (Light Detection and Ranging) survey was undertaken in order to ensure that engineering for airstrip, camp and external access roads had accurate survey information to support the earthworks package for these components of the project. Packages of work have also been developed for non-process infrastructure, permanent and construction camp, power supply and fuel storage facilities and will be issued early Q2 2015.
- Mine optimisation has recommenced using the updated resource model and new optimisation parameters with initial results showing the potential to significantly reduce the de-watering requirements during the second half of life of mine operations. These indications will be confirmed during the detailed mine planning and scheduling phase that will be undertaken during Q2 2015.
- Applications for miscellaneous licences have progressed well, with Flinders Mines having agreed to the terms by which objections to the licence applications will be withdrawn. Flinders Mines expects that these miscellaneous licences will be granted during Q2 2015.

Metallurgical Test Work

Outotec was commissioned to carry out thickening and filtration test work on samples of tailings generated during the pilot plant test work. These samples are representative of operational tailings with the tests providing validating data for the mass and water balance used in facilitating the design of the wet processing plant.

Samples for materials handling characterisation tests were generated and dispatched to the University of Newcastle, Centre of Bulk Solids and Particulate Technologies. Two 500kg samples representing Year 1-5 and Life of Mine at the PIOP were generated from laboratory scale and pilot-plant scale iron ore composites. This suite of tests measures the flow properties of the iron ore to provide parameters for the efficient and reliable design of bulk storage and handling facilities such as bins, chutes, conveyors and train/ship loaders. Results from this testwork are expected in April 2015.

A 300kg customer sample for sinter testing has been generated from laboratory scale and pilot scale iron ore composites. It is expected to be dispatched to the University of Science and Technology in Beijing China for testing in Q2 2015.

A report covering the Phase V Metallurgy Testwork program was completed and peer reviewed during the quarter and has been issued along with a mass balance, block flow diagram, process flow diagram and process design criteria in the EPC tender package for design of the processing plant.

Environment and Approvals

A referral document supporting Stage 2 activities, including tailings storage and on site processing was prepared and submitted to the WA EPA. The EPA has since advised Flinders Mines that the referral will be assessed on proponent information (API) Category A, indicating the proposal is straight forward and the proponent has provided sufficient information on environmental impacts at the referral stage.

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 March 2015 quarter.

CANEGRASS GOLD PROJECT

During the quarter a small Air-Core (AC) drilling program was undertaken at the Honeypot and Boulder prospects to ensure that the Company can meet its tenement commitments *(Figure 1)*. This program was designed to follow up the significant Au in soil anomalies identified during previous phases of exploration *(Figures 2 and 3)*. The aim of the drilling was to gain a better understanding of the bedrock geology and structures as well as to try and identify the primary source of the gold anomalism. A total of 106 holes for 1,904m were drilled at the Honeypot Prospect and 30 holes for 753m at the Boulder Prospect *(Table 1, Figures 2 and 3)*. Samples have been submitted to a laboratory in Perth and assays will be reported as soon as they are received.

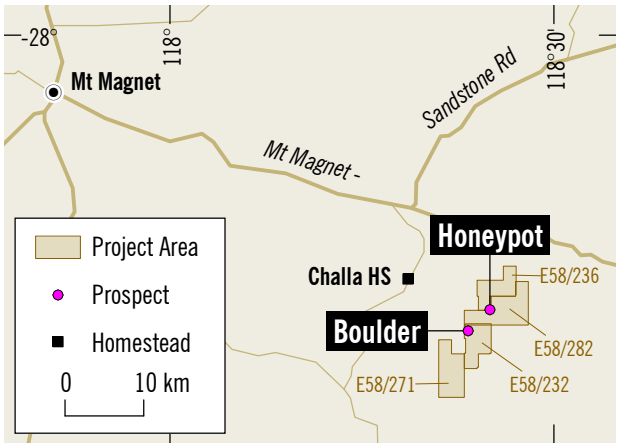


Figure 1 : *Canegrass Gold Project is located approximately 60km SE from Mt Magnet, Western Australia.*

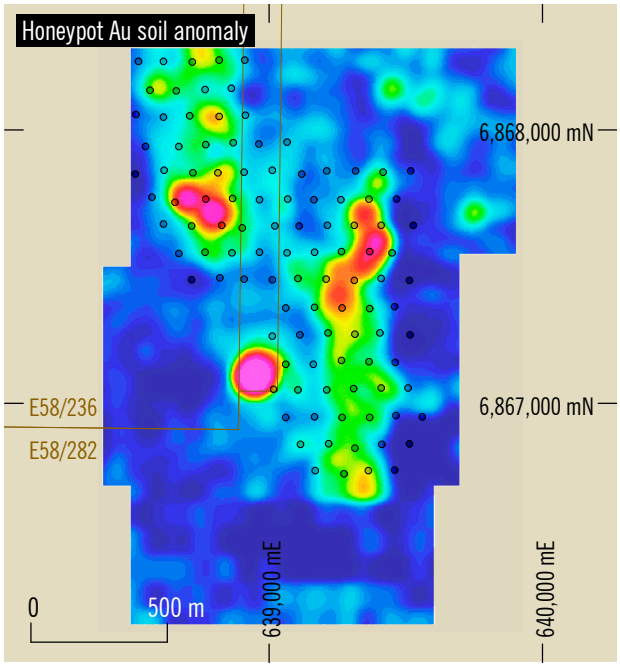


Figure 2 : *Honeypot Prospect AC drillholes targeting gold in soil anomaly, drilled in March 2015.*

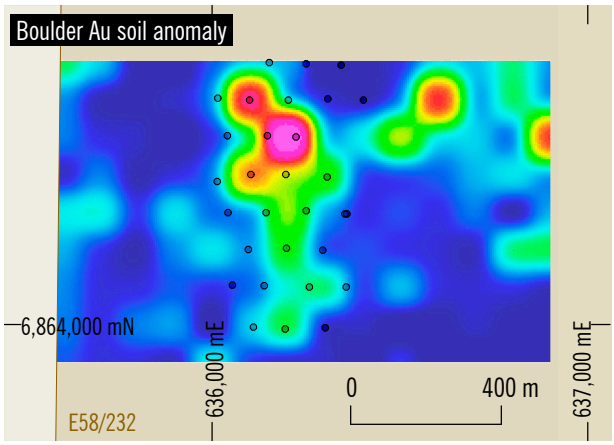


Figure 3 : *Boulder Prospect AC drillholes targeting gold in soil anomaly, drilled in March 2015.*

SOUTH AUSTRALIA

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

Ian Gordon

Managing Director

29 April 2015

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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.

Exploration Targets

Exploration Targets are reported according to Clause 17 of the 2012 JORC Code. This means that the potential quantity and grade is conceptual in nature and that considerable further exploration, particularly drilling, is necessary before any Identified Mineral Resource can be reported. It is uncertain if further exploration will lead to a larger, smaller or any Mineral Resource.

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.

Table 1 : *Summary of Canegrass Gold Project 2015 Aircore drillholes.*

Hole	Prospect	Tenement	MGAz50 E	MGAz50 N	RL (m)	Dip	Azimuth	Total Depth (m)
BAC002	Boulder	E58/232	636151	6864697	452.8	-70	270	27
BAC003	Boulder	E58/232	636250	6864694	455.2	-70	270	34
BAC004	Boulder	E58/232	636343	6864691	455.9	-70	270	13
BAC005	Boulder	E58/232	636015	6864602	453.3	-70	270	20
BAC006	Boulder	E58/232	636099	6864597	453.1	-70	270	23
BAC007	Boulder	E58/232	636203	6864597	454.5	-70	270	26
BAC008	Boulder	E58/232	636307	6864600	459.6	-70	270	27
BAC009	Boulder	E58/232	636402	6864598	459.0	-70	270	31
BAC010	Boulder	E58/232	636040	6864503	451.2	-70	270	11
BAC011	Boulder	E58/232	636146	6864503	453.4	-70	270	8
BAC012	Boulder	E58/232	636222	6864500	458.4	-70	270	32
BAC014	Boulder	E58/232	636012	6864381	449.6	-70	270	31
BAC015	Boulder	E58/232	636103	6864399	451.0	-70	270	26
BAC016	Boulder	E58/232	636196	6864399	453.8	-70	270	17
BAC017	Boulder	E58/232	636306	6864392	455.1	-70	270	32
BAC019	Boulder	E58/232	636042	6864297	448.6	-70	270	20
BAC020	Boulder	E58/232	636144	6864298	449.1	-70	270	17
BAC021	Boulder	E58/232	636250	6864303	450.2	-70	270	23
BAC022	Boulder	E58/232	636353	6864295	451.6	-70	270	22
BAC024	Boulder	E58/232	636096	6864199	448.5	-70	270	27
BAC025	Boulder	E58/232	636198	6864203	450.4	-70	270	25
BAC026	Boulder	E58/232	636294	6864197	449.9	-70	270	20
BAC028	Boulder	E58/232	636053	6864104	447.4	-70	270	30
BAC029	Boulder	E58/232	636138	6864102	449.5	-70	270	30
BAC030	Boulder	E58/232	636258	6864100	455.4	-70	270	36
BAC031	Boulder	E58/232	636356	6864099	451.9	-70	270	28
BAC033	Boulder	E58/232	636109	6863992	448.9	-70	270	16
BAC034	Boulder	E58/232	636194	6863988	451.6	-70	270	28
BAC035	Boulder	E58/232	636300	6863991	452.6	-70	270	35
BAC036	Boulder	E58/232	636358	6864294	451.6	-70	270	38
HAC001	Honeypot	E58/282	638912	6868255	448.8	-70	90	8
HAC002	Honeypot	E58/236	638817	6868254	448.2	-70	90	7
HAC003	Honeypot	E58/236	638719	6868249	448.3	-70	90	9
HAC004	Honeypot	E58/236	638613	6868251	448.1	-70	90	9
HAC005	Honeypot	E58/236	638522	6868250	447.3	-70	90	9
HAC006	Honeypot	E58/236	638861	6868152	448.7	-70	90	3
HAC007	Honeypot	E58/236	638766	6868147	448.4	-70	90	4
HAC008	Honeypot	E58/236	638660	6868143	448.4	-70	90	2
HAC009	Honeypot	E58/236	638565	6868144	448.0	-70	90	14
HAC010	Honeypot	E58/282	638913	6868054	449.6	-70	90	4
HAC011	Honeypot	E58/236	638817	6868050	449.1	-70	90	4
HAC012	Honeypot	E58/236	638711	6868052	448.2	-70	90	1
HAC013	Honeypot	E58/236	638613	6868046	448.4	-70	90	6
HAC014	Honeypot	E58/236	638514	6868055	447.7	-70	90	5
HAC015	Honeypot	E58/282	639066	6867956	450.9	-70	90	21
HAC016	Honeypot	E58/282	638962	6867948	450.4	-70	90	7
HAC017	Honeypot	E58/236	638869	6867953	449.8	-70	90	2
HAC018	Honeypot	E58/236	638769	6867947	449.2	-70	90	9
HAC019	Honeypot	E58/236	638669	6867940	448.6	-70	90	8
HAC020	Honeypot	E58/236	638548	6867940	448.3	-70	90	12
HAC021	Honeypot	E58/282	639518	6867850	454.5	-70	90	6
HAC022	Honeypot	E58/282	639416	6867845	453.1	-70	90	23

Table 1 : *Summary of Canegrass Gold Project 2015 Aircore drillholes (cont).*

Hole	Prospect	Tenement	MGAz50 E	MGAz50 N	RL (m)	Dip	Azimuth	Total Depth (m)
HAC023	Honeypot	E58/282	639317	6867851	452.9	-70	90	14
HAC024	Honeypot	E58/282	639212	6867850	452.3	-70	90	11
HAC025	Honeypot	E58/282	639120	6867839	451.7	-70	90	2
HAC026	Honeypot	E58/282	639011	6867852	451.4	-70	90	9
HAC027	Honeypot	E58/282	638910	6867846	450.7	-70	90	16
HAC028	Honeypot	E58/236	638812	6867843	449.6	-70	90	3
HAC029	Honeypot	E58/236	638721	6867844	449.1	-70	90	3
HAC030	Honeypot	E58/236	638616	6867852	448.8	-70	90	10
HAC031	Honeypot	E58/236	638512	6867839	448.9	-70	90	16
HAC032	Honeypot	E58/282	639466	6867748	453.4	-70	90	17
HAC033	Honeypot	E58/282	639365	6867746	452.6	-70	90	13
HAC034	Honeypot	E58/282	639262	6867745	452.5	-70	90	37
HAC035	Honeypot	E58/282	639164	6867745	452.4	-70	90	8
HAC036	Honeypot	E58/282	639069	6867746	452.2	-70	90	3
HAC037	Honeypot	E58/282	638965	6867745	451.5	-70	90	6
HAC038	Honeypot	E58/236	638867	6867749	450.8	-70	90	17
HAC039	Honeypot	E58/236	638768	6867747	449.7	-70	90	3
HAC040	Honeypot	E58/236	638656	6867735	449.8	-70	90	3
HAC041	Honeypot	E58/236	638572	6867755	449.3	-70	90	5
HAC042	Honeypot	E58/282	639528	6867652	454.4	-70	90	12
HAC043	Honeypot	E58/282	639410	6867651	453.4	-70	90	50
HAC044	Honeypot	E58/282	639312	6867650	454.0	-70	90	17
HAC045	Honeypot	E58/282	639214	6867651	453.7	-70	90	19
HAC046	Honeypot	E58/282	639111	6867648	453.4	-70	90	15
HAC047	Honeypot	E58/282	639022	6867648	452.6	-70	90	2
HAC048	Honeypot	E58/282	638903	6867641	451.6	-70	90	4
HAC049	Honeypot	E58/236	638828	6867652	450.8	-70	90	15
HAC050	Honeypot	E58/236	638716	6867649	449.8	-70	90	12
HAC051	Honeypot	E58/236	638615	6867655	449.8	-70	90	2
HAC052	Honeypot	E58/282	639449	6867550	454.8	-70	90	12
HAC053	Honeypot	E58/282	639367	6867556	455.4	-70	90	32
HAC054	Honeypot	E58/282	639265	6867555	455.6	-70	90	10
HAC055	Honeypot	E58/282	639167	6867552	454.4	-70	90	13
HAC056	Honeypot	E58/282	639067	6867550	454.4	-70	90	3
HAC057	Honeypot	E58/282	638964	6867553	452.7	-70	90	2
HAC058	Honeypot	E58/236	638865	6867550	451.9	-70	90	17
HAC059	Honeypot	E58/236	638767	6867552	450.6	-70	90	4
HAC060	Honeypot	E58/236	638669	6867549	450.5	-70	90	11
HAC061	Honeypot	E58/282	639512	6867450	455.1	-70	90	10
HAC062	Honeypot	E58/282	639409	6867456	455.3	-70	90	44
HAC063	Honeypot	E58/282	639311	6867450	455.7	-70	90	19
HAC064	Honeypot	E58/282	639208	6867455	454.9	-70	90	9
HAC065	Honeypot	E58/282	639106	6867456	454.2	-70	90	35
HAC066	Honeypot	E58/282	639011	6867453	453.1	-70	90	15
HAC067	Honeypot	E58/282	638908	6867454	452.3	-70	90	3
HAC068	Honeypot	E58/236	638821	6867460	451.3	-70	90	1
HAC069	Honeypot	E58/236	638717	6867452	451.2	-70	90	10
HAC070	Honeypot	E58/282	639460	6867353	455.2	-70	90	30
HAC071	Honeypot	E58/282	639369	6867347	454.7	-70	90	81
HAC072	Honeypot	E58/282	639267	6867349	454.4	-70	90	9
HAC073	Honeypot	E58/282	639166	6867352	453.4	-70	90	16
HAC074	Honeypot	E58/282	639062	6867350	453.0	-70	90	29

Table 1 : *Summary of Canegrass Gold Project 2015 Aircore drillholes (cont).*

Hole	Prospect	Tenement	MGAz50 E	MGAz50 N	RL (m)	Dip	Azimuth	Total Depth (m)
HAC075	Honeypot	E58/282	639515	6867251	455.4	-70	90	25
HAC076	Honeypot	E58/282	639406	6867258	454.7	-70	90	45
HAC077	Honeypot	E58/282	639315	6867253	454.3	-70	90	30
HAC078	Honeypot	E58/282	639215	6867258	453.4	-70	90	18
HAC079	Honeypot	E58/282	639113	6867251	453.7	-70	90	13
HAC080	Honeypot	E58/282	639011	6867246	453.5	-70	90	24
HAC081	Honeypot	E58/282	639461	6867151	455.7	-70	90	41
HAC082	Honeypot	E58/282	639366	6867152	455.2	-70	90	48
HAC083	Honeypot	E58/282	639266	6867156	455.5	-70	90	15
HAC084	Honeypot	E58/282	639162	6867143	455.7	-70	90	14
HAC085	Honeypot	E58/282	639061	6867144	456.1	-70	90	17
HAC086	Honeypot	E58/282	639508	6867057	457.1	-70	90	30
HAC087	Honeypot	E58/282	639409	6867056	458.0	-70	90	34
HAC088	Honeypot	E58/282	639310	6867053	457.9	-70	90	38
HAC089	Honeypot	E58/282	639210	6867049	457.8	-70	90	20
HAC090	Honeypot	E58/282	639105	6867049	456.9	-70	90	22
HAC091	Honeypot	E58/282	639017	6867052	456.4	-70	90	18
HAC092	Honeypot	E58/282	639561	6866950	458.6	-70	90	21
HAC093	Honeypot	E58/282	639464	6866955	458.5	-70	90	43
HAC094	Honeypot	E58/282	639369	6866948	458.3	-70	90	54
HAC095	Honeypot	E58/282	639267	6866949	458.3	-70	90	53
HAC096	Honeypot	E58/282	639166	6866950	457.5	-70	90	17
HAC097	Honeypot	E58/282	639062	6866949	456.4	-70	90	10
HAC098	Honeypot	E58/282	639514	6866852	458.4	-70	90	38
HAC099	Honeypot	E58/282	639412	6866849	457.6	-70	90	41
HAC100	Honeypot	E58/282	639313	6866837	457.0	-70	90	83
HAC101	Honeypot	E58/282	639217	6866852	456.1	-70	90	36
HAC102	Honeypot	E58/282	639115	6866851	455.7	-70	90	12
HAC104	Honeypot	E58/282	639459	6866756	457.1	-70	90	21
HAC105	Honeypot	E58/282	639363	6866753	456.1	-70	90	58
HAC106	Honeypot	E58/282	639274	6866743	456.0	-70	90	20
HAC107	Honeypot	E58/282	639170	6866754	454.8	-70	90	13

Flinders Mines Limited

Tenement Schedule

For the quarter ending 31 March 2015

Tenement	Status	Name	Registered Holder /Applicant	Flinders Mines Interest
WESTERN AUSTRALIA				
Pilbara Iron Ore Project				
E47/1011	Granted	Bold Cliff	Flinders Mines Ltd	100%
E47/1016	Granted	Mulga Downs	Flinders Mines Ltd	100%
E47/1306	Granted	Hamersley West	Flinders Mines Ltd	100%
E47/1560	Granted	Anvil	Flinders Iron Pty Ltd	100%
L47/728	Pending	PIOP Airstrip	Flinders Mines Ltd	100%
L47/730	Pending	PIOP Village	Flinders Mines Ltd	100%
L47/731	Pending	Northern Road	Flinders Mines Ltd	100%
L47/734	Pending	Southern Road	Flinders Mines Ltd	100%
M47/1407	Granted	Hamersley West FMG	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%
E58/271	Granted	Gingier Pool	Flinders Canegrass Pty Ltd	100%
E58/282	Granted	Honey Pot	Flinders Canegrass Pty Ltd	100%
SOUTH AUSTRALIA				
Jamestown Project				
ELA 182/14	Pending	Caltowie	Flinders Mines Ltd	100%

Tenements E58/235, E58/358, E58/359, E58/448, E59/1935, P58/1403 and P58/1404 were withdrawn during the quarter.

JORC 2012 - Table 1

Canegrass Gold Project, March 2015

Section 1 - Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	• Air-Core (AC) drilling was used to collect 1 to 4m downhole samples for assaying. • Typically, a sample up to 5kg was collected using a riffle splitter. All samples were sent for analysis via ICP-OES and ICP-MS. • Grade standards (Certified Reference Materials – CRM's) and field duplicate samples were used to monitor analytical accuracy and sampling precision.
Drilling techniques	• All downhole samples were collected from Air-Core (AC) drill holes of approximately 85mm diameter utilising a tungsten blade bit.
Drill sample recovery	• Sample quality was continuously monitored during drilling to ensure that samples were representative and recoveries maximised. • AC sample recovery was recorded as good (G) or poor (P) based on visual appraisal of sample size. The majority of all samples were logged as good. • No assessment of loss/gain of fine/coarse material was undertaken.
Logging	• Detailed geological logging of all AC holes captured various qualitative and quantitative parameters such as rock type, mineralogy, colour, texture and sample quality. • AC holes were logged at 1m intervals. • All AC sample chips and piles were photographed for future reference. • Logging data is collected on paper and entered into excel spreadsheets. The data is subsequently validated and downloaded into a dedicated Geobank database for storage.
Sub-sampling techniques and sample preparation	• AC drilling samples were collected in pre-labelled bags via a riffle splitter mounted directly below the cyclone. • All samples were collected dry. • Samples were stored on site prior to being transported to the laboratory. • Samples were sorted, dried and weighed at the laboratory where they were then crushed and riffle split to obtain a sub-fraction for pulverisation. The pulverised sample was reduced further and combined with various reagents prior to analysis.
Quality of assay data and laboratory tests	• All AC samples were submitted to MinAnalytical laboratory in Perth, an accredited laboratory with the National Association of Testing Authorities (NATA). • MinAnalytical completed both the sample preparation and analytical assaying. • All samples were analysed for Gold via ICP-MS and a large number of major and trace elements via ICP-OES. • Field duplicates were collected and inserted anonymously into the sample stream at a rate of 2 per 100 samples. • Pulp standards (CRM's) were inserted into the sample stream as blind samples by field geologists at a rate of 5 per 100 samples. • Laboratory duplicates and standards were also used as quality control measures at different sub-sampling stages. • No formal analysis of sample size versus grain size has been undertaken, however, the sampling techniques employed are industry best practice.
Verification of sampling and assaying	• All assays are pending. • No twinned holes were drilled.

Criteria	Commentary
Location of data points	• Drillhole collar locations have been surveyed using a hand held GPS with an accuracy of < 5m for easting and northing coordinates. The elevation (RL) was determined by placing the hole collar's x, y coordinates on the digital terrain model (DTM). • Collar surveys are validated against planned coordinates and the topographic surface. • Downhole surveys have not been carried out as the vast majority of the drillholes are relatively shallow meaning that any minor departures from the planned drilling direction will have minimal to no impact. • The primary grid used is Map Grid of Australia 94, Zone 50 (GDA94). Vertical datum is the Australian Height Datum (AHD).
Data spacing and distribution	• For the AC drilling, a nominal spacing of approximately 100m by 100m is achieved. Each drill line is offset 50m from the previous to achieve a better coverage of the area. • No Mineral Resource or Reserve is being reported for this drilling. • The majority of samples were composited to 4m intervals with others between 1 to 4m as required depending on hole depth.
Orientation of data in relation to geological structure	• The AC holes were drilled approximately at right angles to the strike and dip of targeted structures and geology where known. • The source and orientation of any mineralisation was unknown at the time of drilling.
Sample security	• Sample chain of custody is managed by Flinders. • Samples in calico bags are packed into polyweave bags and then placed into heavy duty bulk bags for transport to Mt Magnet. They are then transported via commercial freight directly to the laboratory. • Consignment notes for each submission are tracked and monitored.
Audits or reviews	• No formal audits or reviews have been undertaken.

Section 2 - Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	• The Canegrass Gold Project comprises three 100% FMS owned tenements, E58/232, E58/236 and E58/282, located approximately 60km SE of Mt Magnet. • Part of the Honeypot Prospect is covered by Prospecting Licences (P58/1584 and P58/1585), held by a third party. • The tenements lie within the Badimia Native Title Claim. • The tenements straddle the boundary between the Challa and Windimurra Pastoral Stations.
Exploration done by other parties	• Very little previous exploration has been undertaken by other parties in the immediate area of the drilling. However, regional rock chip and soil sampling programs have been undertaken by various explorers. Maximus Resources drilled a small number of AC and RC holes in the area. Flinders have also defined Magnetite Fe-V resources within the region.
Geology	• The local geology is dominated by the Windimurra Igneous Complex (WIC). The WIC is a large differentiated layered ultramafic to mafic intrusion emplaced within the Yilgarn craton of Western Australia. It outcrops over an area of approximately 2,500km^2 and has an age of approximately 2,800Ma. The complex is dominantly comprised of rocks that can broadly be classified as gabbroic in composition. It is dissected by large scale, strike slip shear zones. The mineralisation appears to be associated with structurally late and undeformed quartz veining. In the case of the Honeypot prospect, the quartz veining and gold may be associated with a late crosscutting granitic dyke. Both prospects are close to large late stage brittle fault zones identified on regional magnetic images.

Criteria	Commentary
Drill hole Information	• A total of 106 AC holes for 1,904m were drilled at the Honeypot Prospect and 30 AC holes for 753m at the Boulder Prospect. Relevant details for all drill holes are tabulated in the accompanying release.
Data aggregation methods	• No intersections have been defined as assays are still pending.
Relationship between mineralisation widths and intercept lengths	• No intersections have been defined as assays are still pending.
Diagrams	• Appropriate diagrams are included as parts of the accompanying release, including a plan of drill hole collar locations.
Balanced reporting	• Information for all drill holes has been reported. Assays are still pending and will be reported when available.
Other substantive exploration data	• There is very little outcrop in the drilling areas. The AC drilling has been undertaken to identify the source of significant Au in soil anomalies identified via sampling in 2012/13. A detailed ground magnetic survey was also undertaken at this time to help identify geological and basement structural controls on mineralisation.
Further work	• There are currently no plans to undertake further drilling or exploration activities, however this may change after all assays have been received and interpreted.

Rule 5.3

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	Quarter ended ("current quarter")
46 091 118 044	31 March 2015

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for:		
	(a) exploration & evaluation	(1,773)	(7,510)
	(b) development		
	(c) production		
	(d) administration	(266)	(2,341)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	56	190
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (R&D rebates)		
	Net operating cash flows	**(1,983)**	**(9,661)**
	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)	**(1,983)**	**(9,680)**

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	**(1,983)**	**(9,680)**
	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	**(1,983)**	**(4,424)**
1.20	Cash at beginning of quarter/year to date	**7,428**	**9,869**
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	**5,445**	**5,445**

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

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	625
4.2	Development	-
4.3	Production	-
4.4	Administration	588
	Total	**1,213**

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	1,581	1,138
5.2	Deposits at call	3,864	6,290
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	**5,445**	**7,428**

+ See chapter 19 for defined terms.

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	E58/235 E58/358 E58/359 E58/448 E59/1935 P58/1403 P58/1404	All interests relinquished All interests relinquished All interests relinquished All interests relinquished All interests relinquished All interests relinquished All interests relinquished	100% 100% 100% 100% 100% 100% 100%	Nil Nil Nil Nil Nil Nil 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** *(description)*				
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.

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

+ See chapter 19 for defined terms.

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: 29 April 2015

Print name: Justin Nelson

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.

+ See chapter 19 for defined terms.