



Tian Poh Resources Limited

(ABN 46 168 910 978)

Half-Year Report

30 June 2016

Index

Corporate Information	1
Directors' Report	2
Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Cash Flows	5
Consolidated Statement of Changes in Equity	6
Notes to the Financial Statements	7
Directors' Declaration	12
Auditor's Independence Declaration	13
Independent Auditor's Report	14

Corporate Information

ABN 46 168 910 978

Directors

Mr Poh Kay Ping *Managing Director & CEO*
Mr Tan-Kang Kee Sing *Non-Executive Director*
Mr Michael van Uffelen *Non-Executive Director*

Company Secretary

Mr Michael van Uffelen

Registered Office

C/- PKF
Level 4
35 – 37 Havelock Street
West Perth WA 6005

Telephone: +61 8 9426 8999

Facsimile: +61 8 9426 8900

Email: info@tianpoh.com

Principal Office

48 Pandan Road
Singapore 609289

Web Address

www.tianpoh.com

ASX Code: TPO

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Directors' Report

Your Directors present their report on Tian Poh Resources Limited (the "Company") and the entities it controlled (the "Group") for the half-year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of directors who held office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Poh Kay Ping	Managing Director & CEO
Mr Tan-Kang Kee Sing	Non-Executive Director
Mr Michael van Uffelen	Non-Executive Director (appointed 30 May 2016)
Mr Tian Guangru	Non-Executive Chairman (retired 30 May 2016)
Ms Tian Jia	Non-Executive Director (retired 30 May 2016)
Mr Darragh O'Connor	Non-Executive Director (retired 30 May 2016)

Principal Activities

The principal activity during the period was the exploration for minerals in Mongolia.

Review of Operations

- The Company held its AGM with three directors leaving the Company and a new director appointed.
- Coupon interest payable on the USD convertible notes was capitalized and the maturity date of the USD convertibles notes was extended to 5 January 2019 in consideration for the conversion price being reduced to 7.5 cents.
- The Company progressed with pre-feasibilities studies of its Nuurst Coal Project in Mongolia.
- 1,360,000 shares were issued at \$0.20 to three directors who agreed to be paid in shares.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the period.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 14 and forms part of this Directors' report for the half-year ended 30 June 2016.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.

Mr KP Poh
Managing Director and CEO

Singapore, 13 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 \$	30 June 2015 \$
Interest income		5,636	2,013
Finance costs	8	505,394	73,764
Employee benefits expense		(1,414)	(20,984)
Share based payments expense		(132,000)	(136,002)
General and administrative expenses		(333,148)	(220,768)
Professional Fees		(213,270)	(228,881)
Other income		103,242	-
Loss from operating activities		(65,560)	(530,858)
Income tax expense		-	-
Loss for the period after tax		(65,560)	(530,858)
- Other comprehensive income, net of tax			
o Exchange differences on translation of foreign operations		17,052	(74,466)
o Movement in AFS reserve		207,138	-
Total comprehensive (loss) for the year attributable to the owners		158,630	(605,324)
Basic and diluted loss per share (cents per share)		-	(0.3)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **AS AT 30 JUNE 2016**

	Note	As at 30 June 2016 \$	As at 31 December 2015 \$
CURRENT ASSETS			
Cash and cash equivalents		440,678	331,808
Trade and other receivables		111,029	145,285
Loans to employees	4	16,764	15,428
Loans receivable	4	84,569	54,907
Total Current Assets		653,040	547,428
NON-CURRENT ASSETS			
Exploration and evaluation assets	5	8,905,870	8,710,829
Financial assets	4	582,588	469,177
Other		5,201	11,559
Total Non-Current Assets		9,493,629	9,191,565
TOTAL ASSETS		10,146,669	9,738,993
CURRENT LIABILITIES			
Trade and other payables	6	479,380	627,179
Financial liabilities	4	900,090	421,655
Total Current Liabilities		1,379,470	1,048,834
NON-CURRENT LIABILITIES			
Financial liabilities	4	5,428,180	5,781,770
Total Non-current Liabilities		5,428,180	5,781,770
TOTAL LIABILITIES		6,807,650	6,830,604
NET ASSETS		3,339,019	2,908,389
EQUITY			
Issued capital	7	7,112,593	6,840,593
Reserves		329,341	105,151
Accumulated losses		(4,102,915)	(4,037,355)
TOTAL SHAREHOLDERS EQUITY		3,339,019	2,908,389

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE HALF-YEAR ENDED 30 JUNE 2016**

	30 June 2016 \$	30 June 2015 \$
Cash flows from Operating Activities		
Payments to suppliers and employees	(531,991)	(507,888)
Interest received	5,636	2,013
Net cash (outflow) from operating activities	(526,355)	(505,875)
Cash Flows from Investing Activities		
Payment for acquisition, exploration and evaluation costs	(71,933)	(912,016)
Investment made	-	(322,568)
Proceeds on the sale of investments	183,317	-
Loans advanced	-	(198,488)
Receipt of loan repayments	17,982	1,239
Net cash (outflow) from investing activities	129,366	(1,431,833)
Cash Flows from Financing Activities		
Proceeds from the issue of shares	-	1,620,000
Payment for share issue expenses	-	(9,727)
Advances by related parties	252,822	-
Advances from other parties	253,037	-
Proceeds from loans	-	-
Net cash inflow from financing activities	505,859	1,610,273
Net (decrease) / increase in cash and cash equivalents	108,870	(327,435)
Cash and cash equivalents at the beginning of the financial period	331,808	1,775,780
Cash and cash equivalents at the end of the financial period	440,678	1,448,345

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2016

	Ordinary Shares \$	Foreign Currency Translation Reserve \$	Available- For Sale Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 January 2016	6,840,593	78,021	27,130	(4,037,355)	2,908,389
Profit for the period	-	-	-	(65,560)	(65,560)
Net exchange differences on the translation of the financial reports of foreign subsidiaries	-	17,052	-	-	17,052
Movement in AFS reserve	-	-	207,138	-	207,138
Total comprehensive loss for the year	-	95,073	234,268	(65,560)	158,630
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued	272,000	-	-	-	272,000
Balance as at 30 June 2016	7,112,593	95,073	234,268	(4,102,915)	3,339,019

	Ordinary Shares \$	Foreign Currency Translation Reserve \$	Available- For Sale Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 January 2015	4,980,490	47,314	-	(2,384,796)	(2,643,008)
Loss for the period	-	-	-	(530,858)	(530,858)
Net exchange differences on the translation of the financial reports of foreign subsidiaries	-	(74,466)	-	-	(74,466)
Movement in AFS reserve	-	-	-	-	-
Total comprehensive loss for the year	-	(74,466)	-	(530,858)	(605,324)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued	1,874,737	-	-	-	1,874,737
Share issue expenses	(9,727)	-	-	-	(9,727)
Balance as at 30 June 2015	6,845,500	(27,152)	-	(2,915,654)	3,902,694

The accompanying notes form part of these financial statements

1. CORPORATE INFORMATION

The financial report of Tian Poh Resources Limited (the "Company") for the half-year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 13 September 2016.

Tian Poh Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Group during the half-year was exploration and evaluation of mineral licences in Mongolia.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

These general purpose condensed consolidated financial statements for the half-year ended 30 June 2016 have been prepared in accordance with AASB 134 Interim Financial Reporting as issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of the Group as at 31 December 2015.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Company during the half-year ended 30 June 2016 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss of \$65,560 (2015: \$530,858), net operating cash outflows of \$526,355 (2015: \$505,875) and net investing cash inflows of \$129,366 (2015: outflows of \$1,431,833).

This condition indicates the existence of a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business.

The Group's ability to continue as a going concern and pay its debts as and when they fall due is dependent on the following:

- Active management of the current level of discretionary expenditure in line with the funds available to the Group;
- The ability of the Group to sell an equity investment;
- The ability of the Group to extend the repayment of convertible notes and / or encourage the noteholders to convert to their notes to equity, and
- The ability to raise additional funding through either debt facilities or capital raising, if required.

Based on the existing cash resources, the ability to sell an equity investment and the ability to raise additional funding either by way of debt or capital raisings if required, the directors are satisfied that the going concern basis of preparation is appropriate.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Going concern (continued)

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that may be necessary if the Group is unable to continue as a going concern.

Adoption of new or revised accounting standards and interpretations

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except for the addition of a financial asset policy as detailed below. The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

Significant accounting judgements, estimates and assumptions

Financial Assets

Loans are carried at amortised cost using the effective interest method and other financial assets are carried at fair value. Financial assets are derecognised when the rights to receive the cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

3. SEGMENT REPORTING

The Group operates predominately in the mineral exploration industry. For management purposes, the Group is organised into one main operating segment, which involves the exploration for minerals. All of the Group activities are inter-related and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial results of the Group as a whole.

4. FINANCIAL ASSETS AND LIABILITIES

	At 30 June 2016 \$	At 31 December 2015 \$
<i>Current assets</i>		
Employee loans	16,764	15,428
Other loans	84,569	54,907
	<u>101,333</u>	<u>70,335</u>
<i>Non-current assets</i>		
Employee loans	170,311	183,993
Available-for-sale financial assets	412,247	285,184
	<u>582,558</u>	<u>469,177</u>
<i>Current liabilities</i>		
Accrued interest on convertible notes	303,382	283,532
Related party loans (a)	332,362	138,123
Other short-term loan (b)	264,346	-
	<u>900,090</u>	<u>421,655</u>
<i>Non-current liabilities</i>		
Convertible notes (c)	2,754,864	2,714,159
Financial liabilities at fair value through profit or loss:		
Derivative embedded in convertible notes (c)	2,682,316	3,067,611
	<u>5,428,180</u>	<u>5,781,770</u>

(a) Related party loans

Related party loans are interest free and have no fixed maturity date.

(b) Other short term loan

The other short-term loan is an advance for a convertible note intended to be issued after period end. The intended interest rate is 8% with a 3 year maturity and convertible into fully paid ordinary shares at \$0.075 per share.

(c) Convertible notes

i. 2015 convertible notes

Convertible notes were issued on 25 August 2015, had a face value of US\$2,070,000, bore interest of 8% per annum, net of any interest withholding tax and paid annually in arrears, were unsecured, convertible into shares in the Company at A\$0.12 and were repayable on 8 June 2017 unless converted into shares in the Company prior to this time.

At the 2015 AGM, the shareholders agreed to amend the terms and conditions of the Convertible Notes Agreement for a reduction in the Conversion Price to A\$0.075 and to capitalise US\$99,814 in consideration for extending the maturity of to 5 January 2019.

Subsequent to period end, the USD convertible notes with a face value of USD 2,169,814 were converted into 37,896,438 ordinary shares in the Company.

4. FINANCIAL ASSETS AND LIABILITIES (continued)

ii. 2013 convertible notes

The convertible notes were issued on 24 December 2013, has a face value of RMB 10,000,000, bears interest of 5% paid annually in arrears, may be converted into shares in the Company at \$0.20 and is repayable on 11 November 2017 unless converted into shares in the Company prior to this time.

The convertible notes have embedded options to convert the notes into shares in the Company, which are derivatives that are required to be separated. The embedded options have been separated and are carried at fair value through profit or loss.

5. EXPLORATION AND EVALUATION ASSETS

	Half-year Ended 30 June 2016	Half-year Ended 30 June 2015
	\$	\$
Opening balance	8,710,829	4,002,874
Exchange rate difference	123,108	123,165
Expenditure	71,933	963,968
At 31 December	<u>8,905,870</u>	<u>5,090,007</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

6. TRADE AND OTHER PAYABLES

	At 30 June 2016	At 31 December 2015
	\$	\$
Trade payables	93,754	40,738
Accruals	<u>385,626</u>	<u>586,441</u>
	<u>479,380</u>	<u>627,179</u>

7. CONTRIBUTED EQUITY

	Number of shares	\$
<u>Movements in ordinary share capital:</u>		
Balance at 31 December 2015	152,888,418	6,840,593
Share based payment (i)	<u>1,360,000</u>	<u>272,000</u>
Balance at 30 June 2016	<u>154,248,418</u>	<u>7,112,593</u>

- (i) 1,360,000 shares were issued to three directors at \$0.20 in lieu of fees, as approved at the 2015 AGM.

8. FINANCE COSTS

	Half-year Ended 30 June 2016	Half-year Ended 30 June 2015
	\$	\$
Interest expense	893,788	52,067
Foreign currency (gains) and losses	(264,380)	(41,593)
Fair value adjustment (see note 4(c))	(1,134,802)	(84,238)
	<u>(505,394)</u>	<u>(73,764)</u>

9. COMMITMENTS

There has been no change in commitments or contingent liabilities since the last annual reporting date.

10. INTEREST IN SUBSIDIARIES

(a) Subsidiaries

The consolidated financial statements include the financial statements of Tian Poh Resources Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	% Equity interest 2016	% Equity interest 2015
Poh Golden Ger Resources Limited	Seychelles	100%	100%
Poh Golden Ger Resources Pte Ltd	Singapore	100%	100%
Poh Golden Ger Resources LLC	Mongolia	100%	100%
Amulet LLC	Mongolia	100%	100%
Mandal-Urgukh LLC	Mongolia	100%	100%
Khangailand LLC	Mongolia	100%	100%
Derong Mining Limited	Hong Kong	100%	100%
Huabei Kuangye LLC	Mongolia	100%	100%
Modun Resources LLC	Mongolia	100%	-

11. EVENTS AFTER BALANCE DATE

Subsequent to period end, the USD convertible notes with a face value of USD 2,169,814 were converted into 37,896,438 ordinary shares in the Company.

Other than the matter noted above, there are no significant events subsequent to reporting date which may affect the financial position of the Group.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes thereto, as set out on pages 7 to 11:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting, Corporation Act 2001, the Corporations Regulations 2001 and mandatory professional reporting requirements; and
 - b. give a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to S303 (5) of the Corporations Act 2001.



Mr KP Poh
Managing Director

13 September 2016

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF TIAN POH RESOURCES LIMITED

As lead auditor for the review of Tian Poh Resources Limited for the half-year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Tian Poh Resources Limited and the entities it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 13 September 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Tian Poh Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tian Poh Resources Limited, which comprises the consolidated statement of financial position as at 30 June 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

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 2016 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 Tian Poh Resources 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.

Independence

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 Tian Poh Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 Tian Poh Resources 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 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2 in the financial report which describes the conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P Murdoch', is written over a horizontal line.

Phillip Murdoch

Director

Perth, 13 September 2016