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**TUNGSTEN  
MINING**

**Half Year Financial Report  
31 December 2022**

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# Corporate directory

## Board of directors:

Gary Lyons (Non-executive Chairman)  
Tan Sri Dato' Tien Seng Law (Non-executive Deputy Chairman)  
Chew Wai Chuen (Non-executive Director)  
Kong Leng (Jimmy) Lee (Non-executive Director)  
Teck Siong Wong (Executive Director)  
Russell Clark (Non-executive Director)  
Wai Cheong Law (Alternate Director)

## Chief executive officer:

Teck Siong Wong

## Company Secretaries:

Sonu Cheema  
Simon Borck

## Principal and registered office:

Level 4, 46 Colin Street  
West Perth WA 6005

Telephone: +61 8 9486 8492  
Facsimile: +61 8 6117 4039  
Email: [info@tungstenmining.com](mailto:info@tungstenmining.com)  
Website: [www.tungstenmining.com](http://www.tungstenmining.com)

## Postal address:

PO Box 452  
West Perth WA 6872

## Issued capital as at 31 December 2022:

Fully paid ordinary shares: 786,414,272

## Stock exchange:

Australian Securities Exchange Limited

## ASX company code:

TGN

## Auditors:

Stantons  
Level 2, 40 Kings Park Road  
West Perth WA 6005  
Telephone: +61 8 9481 3188  
Facsimile: +61 8 9321 1204

## Bankers:

National Australia Bank Limited  
Level 14, 100 St Georges Terrace  
Perth WA 6000

## Share registry:

Automic Group  
Level 5, 191 St Georges Terrace  
Perth, WA 6000  
Telephone: +61 2 8072 1400

## Solicitors:

Bennett  
Level 14, Westralia Square  
141 St Georges Terrace  
Perth WA 6000  
Telephone: +61 8 6316 2200  
Facsimile: +61 8 6316 2211

## ABN:

67 152 084 403

## Parent entity:

Tungsten Mining NL

# Directors' Report

Your directors submit their report for Tungsten Mining NL ('the Company' or 'the Parent') and for the Group, being the Company and its controlled entities, for the half year ended 31 December 2022.

## Directors

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Gary Lyons	Non-executive Chairman
Tan Sri Dato' Tien Seng Law	Non-executive Deputy Chairman
Kong Leng (Jimmy) Lee	Non-executive Director
Chew Wai Chuen	Non-executive Director
Teck Siong Wong	Executive Director & Interim Chief Executive Officer
Russell Clark	Non-executive Director
Wai Cheong Law	Alternate Director

Teck Wong was appointed Executive Director & Interim Chief Executive Officer on 9 August 2022. Prior to this appointment, he was a Non-executive director.

## Company Secretaries

Sonu Cheema (Appointed 3 February 2023)  
Mark Pitts (Resigned 3 February 2023)  
Simon Borck

## Dividends

No amounts have been paid or declared by way of dividend by the Company during the half year or in the period to the date of this report.

## Principal activities

The principal activity of the Company and its subsidiaries during the course of the half year continued to be the exploration and evaluation of mining projects.

## Operating results

The Group's cash position as at 31 December 2022 was \$12,621,581 (Jun 2022: \$14,630,799). During the period net cash flow used in operating activities was \$1,839,162 (Dec 2021: \$3,493,928).

The net loss of the Group for the half year to 31 December 2022 was \$1,852,938 (Dec 2021: \$3,555,284), which included exploration expenses of \$612,569 (Dec 2021: \$1,942,364).

## Review of operations

The Group continues to implement its strategy directed at building a tungsten business of scale, with a current resource inventory of 41 million MTU's (metric tonne units) of WO<sub>3</sub> (tungsten trioxide), 71,000 tonnes of Mo (molybdenum), 1 million ounces of Au (gold), 44 million ounces of Ag (silver) and 92,000 tonnes of Cu (copper).

The Mt Mulgine Project remained the highest priority development project for the Group, responsible for the majority of activities. The Company has continued to advance the feasibility studies for this Project and seek suitable partners capable of supporting the Project's development.

Craig Ferrier stepped down from full time employment with the Company and as a result Teck Wong was appointed as an Executive Director and interim CEO, effective 9 August 2022.

# Directors' Report

## Events subsequent to balance date

There have been no other matters or circumstances that have arisen since 31 December 2022 that have significantly affected or may significantly affect:

- (a) the Group's operations in future years; or
- (b) the results of those operations in future years; or
- (c) the Group's state of affairs in future years.

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 15.

Signed in accordance with a resolution of the Directors.



Gary Lyons  
Chairman  
Perth, 10 March 2023

# Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2022

	Note	Consolidated	
		December 2022	December 2021
		\$	\$
<b>Revenue</b>			
Research & Development tax offset		-	462,448
Interest		168,858	20,214
Other		-	20,786
<b>Total revenue</b>		<b>168,858</b>	<b>503,448</b>
<b>Expenses</b>			
Loss on sale of plant & equipment		-	(175,638)
Impairment of plant & equipment		-	(227,959)
Administration expenses		(580,932)	(477,513)
Exploration expenses		(612,569)	(1,942,364)
Remuneration expenses		(828,295)	(1,235,258)
<b>(Loss) before income tax</b>		<b>(1,852,938)</b>	<b>(3,555,284)</b>
Income tax expense/benefit		-	-
<b>(Loss) for the period</b>		<b>(1,852,938)</b>	<b>(3,555,284)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income after tax		-	-
<b>Total comprehensive (loss) for the period after tax</b>		<b>(1,852,938)</b>	<b>(3,555,284)</b>
(Loss) attributable to members of the Parent		(1,852,938)	(3,555,284)
Total comprehensive (loss) attributable to members of the Parent		(1,852,938)	(3,555,284)
Basic loss per share in cents		(0.24)	(0.45)

*Diluted loss per share is not shown as it would not reflect an inferior position.*

*The above statement should be read in conjunction with the accompanying notes.*

# Consolidated statement of financial position

As at 31 December 2022

	Note	Consolidated	
		December 2022	June 2022
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	3	12,621,581	14,630,799
Trade and other receivables	4	96,512	36,266
Other assets		403,394	353,706
<b>Total current assets</b>		<b>13,121,487</b>	<b>15,020,771</b>
<b>Non-current assets</b>			
Exploration and evaluation	5	19,707,196	19,707,196
Plant and equipment	6	1,919,382	1,943,143
Right of use assets		207,909	316,511
<b>Total non-current assets</b>		<b>21,834,487</b>	<b>21,966,850</b>
<b>Total assets</b>		<b>34,955,974</b>	<b>36,987,621</b>
<b>Current liabilities</b>			
Trade and other payables	7	496,392	393,179
Lease liabilities		249,117	281,990
Provisions	8	91,395	234,398
<b>Total current liabilities</b>		<b>836,904</b>	<b>909,567</b>
<b>Non-current liabilities</b>			
Lease liabilities		22,101	130,161
Provisions	8	526,822	524,808
<b>Total non-current liabilities</b>		<b>548,923</b>	<b>654,969</b>
<b>Total liabilities</b>		<b>1,385,827</b>	<b>1,564,536</b>
<b>Net assets</b>		<b>33,570,147</b>	<b>35,423,085</b>
<b>Equity</b>			
Reserves	9	7,851,718	7,851,718
Issued capital	10	82,460,127	82,460,127
Accumulated losses		(56,741,698)	(54,888,760)
<b>Total equity</b>		<b>33,570,147</b>	<b>35,423,085</b>

The above statement should be read in conjunction with the accompanying notes.

# Consolidated statement of changes in equity

For the half year ended 31 December 2022

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
<b>At 1 July 2022</b>	82,460,127	7,851,718	(54,888,760)	35,423,085
Loss for the period	-	-	(1,852,938)	(1,852,938)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,852,938)	(1,852,938)
<b>At 31 December 2022</b>	<b>82,460,127</b>	<b>7,851,718</b>	<b>(56,741,698)</b>	<b>33,570,147</b>
<b>At 1 July 2021</b>	82,460,127	7,851,718	(49,803,611)	40,508,234
Loss for the period	-	-	(3,555,284)	(3,555,284)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(3,555,284)	(3,555,284)
<b>At 31 December 2021</b>	<b>82,460,127</b>	<b>7,851,718</b>	<b>(53,358,895)</b>	<b>36,952,950</b>

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# Consolidated statement of cash flows

For the half year ended 31 December 2022

	Consolidated	
	December 2022	December 2021
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(1,981,483)	(3,974,233)
R&D Tax & other government incentives received	-	462,448
Interest received	142,321	17,857
<b>Net cash (used in) operating activities</b>	<b>(1,839,162)</b>	<b>(3,493,928)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant & equipment	(9,139)	(127,997)
<b>Net cash (used in) investing activities</b>	<b>(9,139)</b>	<b>(127,997)</b>
<b>Cash flows from financing activities</b>		
Lease payments	(160,917)	(162,559)
<b>Net cash (used in) financing activities</b>	<b>(160,917)</b>	<b>(162,559)</b>
Net increase/(decrease) in cash	(2,009,218)	(3,784,484)
Cash and cash equivalents at the beginning of the period	14,630,799	19,345,209
<b>Cash and cash equivalents at the end of the period</b>	<b>12,621,581</b>	<b>15,560,725</b>

*The above statement should be read in conjunction with the accompanying notes.*

# Condensed notes to the consolidated financial statements

## NOTE 1: BASIS OF PREPARATION OF THE HALF-YEARLY FINANCIAL REPORT

The consolidated financial report is a general purpose condensed financial report for the half-year ended 31 December 2022, which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 and this financial report was authorised for issue in accordance with a resolution of the directors on 10 March 2023.

It is recommended that the half-year consolidated financial statements be read in conjunction with the annual financial report for the year ended 30 June 2022 and considered with any public announcements made by Tungsten Mining NL during and subsequent to the half-year ended 31 December 2022 in accordance with continuous disclosure obligations of the *ASX Listing Rules*.

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

The half-year consolidated financial statements have been prepared on the basis of accrual accounting and historical costs.

### *Changes in accounting standards*

The Group has considered the implications of new and amended Accounting Standards effective for annual reporting periods beginning on or after 1 July 2022 but determined that their application to the financial statements is either not relevant or not material.

## NOTE 2: SEGMENT REPORTING

The Group has based its operating segments on the internal reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources.

The Group currently does not have production and is only involved in exploration. As a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis.

Based on these criteria the Group has only one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in the annual financial report for the year ended 30 June 2022 on a whole of entity basis.

# Condensed notes to the consolidated financial statements

## NOTE 3: CASH AND CASH EQUIVALENTS

	Consolidated	
	December 2022	June 2022
	\$	\$
Cash at bank	1,601,811	1,427,979
Term deposits	11,019,770	13,202,820
	<u>12,621,581</u>	<u>14,630,799</u>

### *Nature of cash and cash equivalents*

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

## NOTE 4: TRADE & OTHER RECEIVABLES

	Consolidated	
	December 2022	June 2022
	\$	\$
Trade receivables	37,375	-
GST receivable	7,131	5,382
Interest receivable	48,006	21,470
Other receivables	4,000	9,414
	<u>96,512</u>	<u>36,266</u>

### *Nature of trade receivables*

This balance includes \$25,208 due from associate entity GWR Group Limited for the recoupment of certain occupancy costs and staff recharges.

## NOTE 5: EXPLORATION AND EVALUATION

	Consolidated	
	December 2022	June 2022
	\$	\$
Capitalised exploration and evaluation	19,707,196	19,707,196
	<u>19,707,196</u>	<u>19,707,196</u>

### *Mineral acquisition costs*

The Group capitalises the acquisition costs in accordance with its accounting policy for exploration and evaluation expenditure. The ultimate recoupment of acquisition costs carried forward in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas. There was no movement in capitalised exploration and evaluation during the period.

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# Condensed notes to the consolidated financial statements

## NOTE 6: PLANT AND EQUIPMENT

	Consolidated	
	December 2022	June 2022
	\$	\$
Plant and equipment	1,919,382	1,943,143
	1,919,382	1,943,143

The following table illustrates the movement in carrying value of plant and equipment.

	Processing Plant	Office Equipment	Exploration Equipment	Computer Software	Total
	\$	\$	\$	\$	\$
Opening net carrying value	1,638,225	31,672	267,780	5,466	1,943,143
Cost of additions	-	9,139	-	-	9,139
Depreciation charge	-	(13,072)	(16,464)	(3,364)	(32,900)
Closing net carrying value	1,638,225	27,739	251,316	2,102	1,919,382

### Nature of Processing Plant

The processing plant above includes a dismantled mineral processing facility and an unused x-ray ore sorter, including spare parts, that were acquired in prior financial years. The processing plant is held in storage and is not currently being depreciated as it is not in use.

## NOTE 7: TRADE AND OTHER PAYABLES

	Consolidated	
	December 2022	June 2022
	\$	\$
Trade payables	310,198	161,138
Accrued expenses	166,464	172,771
Other payables	19,730	59,270
	496,392	393,179

### Nature of trade and other payables

These unsecured payables are non-interest bearing and are generally on 30-90 days terms. Due to the short term nature of these payables, the carrying value is assumed to approximate their fair value.

# Condensed notes to the consolidated financial statements

## NOTE 8: PROVISIONS

	Consolidated	
	December 2022	June 2022
	\$	\$
<b>Current</b>		
Provision for rehabilitation	-	9,000
Provision for employee annual leave	48,202	118,902
Provision for employee long service leave	43,193	106,496
	<u>91,395</u>	<u>234,398</u>
<b>Non-current</b>		
Provision for rehabilitation	519,000	510,000
Provision for employee long service leave	7,822	14,808
	<u>526,822</u>	<u>524,808</u>
Total Provisions	<u>618,217</u>	<u>759,206</u>

### *Provision for rehabilitation*

The non-current provision for rehabilitation includes an amount of \$400,000 which was assumed in prior financial years as part of the Watershed acquisition.

## NOTE 9: RESERVES

	Consolidated	
	December 2022	June 2022
	\$	\$
Share option reserve	855,398	855,398
Loan-funded share scheme reserve	6,996,320	6,996,320
	<u>7,851,718</u>	<u>7,851,718</u>

### *Vested and exercisable options*

There were no options issued or exercised during the period and there were no outstanding options on issue at period end.

## NOTE 10: ISSUED CAPITAL

	Consolidated	
	December 2022	June 2022
	\$	\$
Ordinary shares fully paid	82,460,127	82,460,127
	<u>82,460,127</u>	<u>82,460,127</u>

*The following table illustrates the movement in ordinary shares*

	\$	Number
Balance at the beginning of period	82,460,127	786,414,272
Movement during the period	-	-
Balance at the end of period	<u>82,460,127</u>	<u>786,414,272</u>

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# Condensed notes to the consolidated financial statements

## NOTE 11: CONTROLLED ENTITIES

Tungsten Mining NL is the ultimate parent entity of the consolidated group. The following were controlled entities at period end and have been included in the consolidated financial statements. All shares held are ordinary shares.

Subsidiaries	Country of Incorporation	Percentage Interest Held 31 Dec 2022	Percentage Interest Held 30 Jun 2022	Date Acquired/ Incorporated
SM3-W Pty Ltd	Australia	100	100	13/12/2012
Pilbara Tungsten Pty Ltd	Australia	100	100	30/11/2015
Mid-West Tungsten Pty Ltd	Australia	100	100	30/11/2015
North Queensland Tungsten Pty Ltd	Australia	100	100	09/08/2018
Territory Tungsten Pty Ltd	Australia	100	100	01/03/2019

## NOTE 12: CONTINGENT LIABILITIES

### *Mulgine Drilling Incident*

As a result of a drilling incident that occurred at the Mt Mulgine Project in July 2019, DMIRS prosecuted Tungsten Mining NL in the Magistrates Court of Western Australia. Tungsten Mining NL has pleaded guilty to the charge and is awaiting the sentencing hearing. At the date of this report, the Prosecutor and Defendant submissions have not yet been heard in the Court or a sentencing hearing held, therefore it is not possible to estimate a liability.

The Group is not aware of any other significant contingencies that existed at balance date.

## NOTE 13: EVENTS SUBSEQUENT TO BALANCE DATE

There have been no other matters or circumstances that have arisen since 31 December 2022 to the date of this report that have significantly affected or may significantly affect:

- the group's operations in future years; or
- the results of those operations in future years; or
- the group's state of affairs in future years.

# Directors' Declaration

In accordance with a resolution of the directors of Tungsten Mining NL, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
  - i. Giving a true and fair view of the financial position as at 31 December 2022 and the performance for the half-year ended on that date of the Group; and
  - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
  
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Gary Lyons  
Chairman  
Perth, 10 March 2023

# Auditor's independence declaration



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www.stantons.com.au

10 March 2023

Board of Directors  
Tungsten Mining NL  
Level 4, 46 Colin Street  
West Perth WA 6005

Dear Sirs

**RE: TUNGSTEN MINING NL**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Tungsten Mining NL.

As Audit Director for the review of the financial statements of Tungsten Mining NL for the half-year ended 31 December 2022, 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 faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(An Authorised Audit Company)

**Samir Tirodkar**  
Director



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# Independent auditor's review report



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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TUNGSTEN MINING NL

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Tungsten Mining NL, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Tungsten Mining NL does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Tungsten Mining NL's financial position as at 31 December 2022 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*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 10 March 2023.

#### Responsibility of the Directors for the Financial Report

The directors of Tungsten Mining NL 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.



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# Independent auditor's review report



## **Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Company's financial position as at 31 December 2022 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*.

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.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(An Authorised Audit Company)

**Samir Tirodkar**  
Director

West Perth, Western Australia  
10 March 2023

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