TUNGSTEN MINING NL

A.C.N. 152 084 403

Annual Report

For the period
13 July 2011 to 30 June 2012

TUNGSTEN MINING NL
A.C.N. 152 084 403

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Corporate directory

Directors
Patrick Bernard McManus
Paul John Berndt
Charlton William Kable
Francis Loh

Company Secretary
Farlee Walker

Auditor
Somes Cooke Chartered Accountants
1304 Hay Street
West Perth WA 6005 AUSTRALIA

Share Registry
Security Transfer Registrars
770 Canning Highway
Applecross WA 6153 AUSTRALIA
Telephone +61 0 9315 2333
Facsimile +61 8 9315 2233

Principal & Registered Office
Suite 3, 23 Belgravia Street
Belmont WA 6104 AUSTRALIA
Telephone +61 8 9477 3031
Facsimile +61 8 9475 0847

Solicitors
Optima Legal
Suite 16, 4 Ventnor Ave
West Perth WA 6005 AUSTRALIA

Bankers
National Australia Bank
Ground Floor
100 St Georges Terrace
Perth WA 6000 AUSTRALIA
Telephone +61 8 9441 9313

TUNGSTEN MINING NL
A.C.N. 152 084 403

Directors' Report

The directors of Tungsten Mining NL ("Tungsten Mining" or "the Company") present their consolidated financial report comprising the Company and the entity it controls ("the Group") for the period 13 July 2011 (date of incorporation) to 30 June 2012.

Directors

The name and details of the Company's directors in office during the financial period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Patrick McManus was appointed as Non-executive Chairman on 13 July 2011.

Paul Berndt was appointed as Managing Director on 5 June 2012.

Charlton William Kable was appointed as Non-executive Director on 22 May 2012.

Francis Loh was appointed as Non-executive Director on 13 July 2012.

Lindsay Cahill was appointed as director on 13 July 2011 and resigned on 30 September 2012.

Steve Millward was appointed as director on 13 July 2011 and resigned on 22 May 2012.

Names, qualifications, experience and special responsibilities

Patrick McManus Non-executive Chairman
Mr McManus has a degree in mineral processing and a MBA from Curtin University. He is a mining professional of over 30 years' standing whose work has taken him to many locations within Australia and overseas, including the Perth Basin and the Murray Basin in Australia, as well as Madagascar, Indonesia and the United States. During that time, he has worked in operational, technical and corporate roles for Rio Tinto, RGC Limited and Bemax Resources Limited. Mr McManus was founding director and, from January 2007 to March 2010, managing director of ASX listed Corvette Resources Limited. He is currently the Managing Director of ASX listed Potash West NL.

Mr McManus is a member of the audit committee and remuneration committee.

Paul Berndt Managing Director
Mr Berndt is a metallurgist by profession with 37 years' experience in the mining industry covering technical, operational, project development and corporate management roles in 4 states of Australia as well as in South Africa, Zimbabwe, Indonesia, China, Peru, Venezuela and Spain. His experience has included the process design, project implementation and operational management of industrial minerals, coal, base metals, gold, diamonds and tungsten projects. He was most recently employed as Managing Director/General Manager of a tungsten mining business in Spain for 4 years and turned that operation around from struggling performer with severe technical deficiencies into a successful profit-making enterprise.

Charlton William (Bill) Kable Non-executive Director
Mr Kable has consulted to the mining industry since 1994, as the principal of Kable Resource Associates, and as a senior associate to Behre Dolbear Australia. Prior to this, Mr Kable had experience as broking analyst and hard rock and petroleum geologist. Specialising in project valuation and project acquisition due diligence, he worked providing specialist financial consulting services to mining industry. Mr Kable was a founding shareholder and former director of CanAusta Resources Inc (now Woulfe Mining Corporation ("Woulfe")), a TSX-V listed company. He was most recently managing the redevelopment of Woulfe's mining projects in South Korea, with a feasibility study underway on the world class Sangdong tungsten-molybdenum brownfields mine.

Mr Kable is a member of the audit committee and remuneration committee.

Francis Loh Non-executive Director
Mr Loh is an accountant with a Level 2 Association of Chartered Certified Accountant (ACCA) qualification, he is experienced in South East Asian capital markets and has significant commercial experience with Singaporean companies. Mr Loh was the Group Accountant and subsequently the Finance Manager for Oriental Group Ltd, a Singaporean listed entity from 2005 to 2012. Mr Loh is now a director with a corporate advisory firm, providing personal investment planning and company restructuring services to a variety of clients.

Mr Loh is a member of the audit committee and remuneration committee.

Company Secretary

Farlee Walker is an experienced accountant with a Chartered Accountant and Chartered Secretaries qualification.

Meetings of directors

The number of meetings of the company's Board of Directors and of each board committee held during the period ended 30 June 2012, and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Attended	**Held**	**Attended**	**Held**
Patrick McManus	1	1	-	-
Paul Berndt	1	1	N/A	N/A
Charlton William Kable	1	1	-	-
Francis Loh	1	1	-	-

Shares under option

Unissued ordinary shares of Tungsten Mining NL under option after the date of this report are as follows:

Grant date	Expiry Date	Exercise Price	Number under option
11 July 2012	30 June 2016	$0.40	15,000,000

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by auditor.

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Dividends

No dividends have been paid or declared since the start of the financial period and the directors do not recommend the payment of dividend in respect of financial period.

Principal activities

The principal activity of the Group during the financial period was the exploration for minerals, namely tungsten.

Review of operations and activities

The Company entered into an agreement to issue 8,000,000 shares and $5,000 cash consideration on the settlement date to effectively acquire 100% of BRL Exploration Pty Ltd as its subsidiary. These shares and cash consideration have been accounted for in the consolidated financial report. The settlement date was on 13 March 2012.

The Company has been working on official listing on the ASX. A Prospectus has been issued, for the offer of 25,000,000 Shares as a minimum and up to 40,000,000 Shares as a maximum at an issue price of $0.20 each to raise $5,000,000 minimum and $8,000,000 maximum. As at the date of this financial report, the offer is still open and approximately $4.5 million has been raised.

REMUNERATION REPORT – AUDITED

This report outlines the remuneration arrangements in place for Key Management Personnel (KMP) of the Group.

KMP's Remuneration Policy

(a) The policy of the Group is to pay remuneration of KMP in line with employment market conditions relevant in the mining industry. Minor amounts of employee fringe benefits in the form of employee meals and entertainment are provided as part of the executives' way of conducting business.

(b) The Groups performance, and hence that of its KMP, is measured in terms of a combination of Group share price growth, cash raised, exploration carried out and farm in expenditure attracted.

Details of Remuneration

KMP's remuneration for the period ended 30 June 2012:

	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS		SHARE BASED		TOTAL
	Salary, Fees & Superannuation	Other Services	Non-Monetary	Superannuation	Retirement Benefits	Shares	Other Benefits	$
Paul Berndt – Managing Director (appointed 5 June 2012)								
	10,321	-	-	929	-	50,000	-	61,250
Patrick McManus – Non-executive Chairman (appointed 13 July 2011)								
	16,000	-	-	-	-	-	-	16,000
Charlton William Kable – Non-executive Director (appointed 22 May 2012)								
	-	-	-	-	-	-	-	-
Steve Millward – Director (appointed 12 July 2011, resigned on 22 May 2012)								
	-	-	-	-	-	-	-	-
Lindsay Cahill – Director (appointed 13 July 2011, resigned 30 September 2012)								
	-	-	-	-	-	50,000	-	50,000
Robert Van der Laan – Chief Financial Officer (appointed 13 July 2011)								
	-	-	-	-	-	-	-	-
Farlee Walker – Company Secretary (appointed 24 May 2012)								
	-	-	-	-	-	-	-	-
Total Remuneration								
	26,321	**-**	**-**	**929**	**-**	**100,000**	**-**	**127,250**

SHARE BASED PAYMENTS

1 million shares at a fair value of $0.05 per share were issued to Paul Berndt, the managing director, for services to the Group.

1 million shares at a fair value of $0.05 per share were issued to Lindsay Cahill, a director, for services to the Group.

SERVICE AGREEMENTS

There are no contracts in place with regard to the services provided by KMP unless otherwise stated.
Agreement with Managing Director

Mr Paul Berndt was appointed as Managing Director on 5 June 2012. Pursuant to an agreement dated 4 June 2012, his salary is set at $150,000 per annum inclusive of 9% superannuation prior to ASX Listing and will increase to $275,000 per annum inclusive of 9% superannuation post ASX Listing. The agreement can be terminated by either party by giving six months' notice or by payment of six months' salary in lieu of notice.

Agreement with Chief Financial Officer

Mr Robert Van der Laan was appointed as Chief Financial Officer, effective on 13 July 2011. On 26 June 2012, the Company entered into an agreement containing the terms and conditions under which the services of Chief Financial Officer are provided. In the event of termination, there is no notice period required.

The agreement involves the payment to a Company associated with Robert Van der Laan of an hourly fee of $120 and reimbursement of expenses.

USE OF REMUNERATION CONSULTANTS

The Group did not employ the services of any remuneration consultants during the period ended 30 June 2012.

SHARE OPTIONS

Options granted to KMP of the Group

During the period to 30 June 2012, no options were granted over issued or unissued shares of the Group to KMP as part of their remuneration.

End of Audited section

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 10 and forms part of this report.

The report is made in accordance with a resolution of directors.

Paul Berndt
Managing Director
Perth
Dated: 19 November 2012

SOMES
COOKE

1304 Hay St
West Perth
WA 6005

PO Box 709
West Perth
WA 6872

T 08 9426 4500 F 08 9481 5645
W somescooke.com.au
E info@somescooke.com.au

Chartered Accountants (Aus)
Business Consultants
Financial Advisors

AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Tungsten Mining NL Limited

As auditor for the audit of Tungsten Mining NL Limited for the period ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

a) No contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) No contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

Kevin Somes
Perth
19 November 2012

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 13 JULY 2011 TO 30 JUNE 2012

	Note	$
EXPENSES		
Administration expenses		69,118
Share based payment expense	14	150,000
Exploration expenses		150,336
Occupancy expenses		10,000
Remuneration expenses		57,416
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(436,870)
INCOME TAX	4	-
NET LOSS FOR THE PERIOD		(436,870)
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(436,870)
Basic and diluted loss per share (cents per share)	7	(1.3)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	$
CURRENT ASSETS		
Cash and cash equivalents	8	1,124,052
Trade and other receivables	9	64,925
Total Current Assets		1,188,977
NON CURRENT ASSETS		
Plant and equipment	10	4,023
Exploration and evaluation	11	710,079
Total Non Current Assets		714,102
TOTAL ASSETS		1,903,080
CURRENT LIABILITIES		
Trade and other payables	12	28,429
Total Current Liabilities		28,429
TOTAL LIABILITIES		28,429
NET ASSETS		1,874,651
EQUITY		
Issued capital	13	2,311,521
Accumulated losses	15	(436,870)
TOTAL EQUITY		1,874,651

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 13 JULY 2011 TO 30 JUNE 2012

	Note	Issued Capital $	Accumulated Losses $	Total $
Loss for the period		-	(436,870)	(436,870)
Other comprehensive income (net of tax)		-	-	-
Total comprehensive income for the period		-	(436,870)	(436,870)
Transactions with owners in their capacity as owners:				
Shares issued	13	3,552,521	-	3,552,521
Shares issue costs	13	(1,391,000)	-	(1,391,000)
Share based payments expense	14	150,000	-	150,000
Balance at 30 June 2012		2,311,521	(436,870)	1,874,651

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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STATEMENT OF CASH FLOWS
FOR THE PERIOD 13 JULY 2011 TO 30 JUNE 2012

	Note	$
OPERATING ACTIVITIES		
Payments to suppliers and employees		(296,902)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	19	(296,902)
INVESTING ACTIVITIES		
Purchase of office equipment	10	(4,044)
Option fees Paid	11	(100,000)
Loan payment made		(26,444)
Payment for acquisition of subsidiary, net of cash acquired	21	(4,656)
Acquisition of mineral rights		(47,902)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(182,596)
FINANCING ACTIVITIES		
Proceeds from issue of shares	13	1,700,000
Share issue costs	13	(96,000)
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,604,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,124,052
Cash and cash equivalents at the beginning of the period		-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8	1,124,052

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to Financial Statements

Note 1: Corporate Information

Tungsten Mining is a public no liability company and was incorporated on 13 July 2011 in Australia. The consolidated financial report of the Company from incorporation date to 30 June 2012 comprises the Company and its subsidiary (together referred to as the "consolidated entity"). The consolidated entity's principal activities are mineral exploration and production.

The nature of operations and principal activities of the consolidated entity are described in the directors' report.

Note 2: Statement of significant accounting policies

(a) Basis of preparation

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB.

The consolidated financial report has also been prepared on an accruals and historical cost basis. Cost is based on the fair values of the consideration given in exchange of assets.

The consolidated financial report is presented in Australian dollars.

The accounting policies detailed below have been consistently throughout the period presented unless otherwise stated.

(b) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

Note 2: Statement of significant accounting policies (continued)

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Company has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Note 2: Statement of significant accounting policies (continued)

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the Company.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009–11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees.

The Company has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either “joint operations” (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or “joint ventures” (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the “special purpose entity” concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities.

This Standard will affect disclosures only and is not expected to significantly impact the Company.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Company.

Note 2: Statement of significant accounting policies (continued)

AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are not expected to significantly impact the Company.

AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to Company items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Company.

AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011–8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Company does not have any defined benefit plans and so is not impacted by the amendment.

Note 2: Statement of significant accounting policies (continued)

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

(i) for an offer that may be withdrawn – when the employee accepts;
(ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
(iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Company has not yet been able to reasonably estimate the impact of these changes to AASB 119.

(c) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent form other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

Mineral acquisition costs

The consolidated entity capitalises and carries forward mineral acquisition costs that are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Note 2: Statement of significant accounting policies (continued)

(d) Going concern

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

(e) Exploration and evaluation expenditure

Exploration and evaluation costs are expensed in the period they are incurred apart from mineral acquisition costs, which are capitalised and carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated mineral acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and capitalised costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(f) Plant & Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impaired in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 2 to 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication exists of impairment and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

Note 2: Statement of significant accounting policies (continued)

(f) Plant & Equipment (continued)

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition
An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

(g) Income tax
Current tax assets and liabilities for the period is measured at amounts expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used for computations are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Notes to Financial Statements

Note 2: Statement of significant accounting policies (continued)

(g) Income tax (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.
Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(h) GST
Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Provisions and employee benefits
Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the consolidated entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Note 2: Statement of significant accounting policies (continued)

(i) Provisions and employee benefits (continued)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries including non-monetary benefits, annual leave and accumulating sick leave due to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

ii. Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(j) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Receivables

Receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any uncollectible amounts.

Collectability or receivables are reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the consolidated entity will not be able to collect the debt.

Notes to Financial Statements

Note 2: Statement of significant accounting policies (continued)

(l) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured.

(m) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services.

(o) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Company adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Options that are considered to be dilutive are taken into consideration when calculating the diluted earnings per share.

(p) Investments and other financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Note 2: Statement of significant accounting policies (continued)

(i) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit and loss when the investment are derecognised or impaired, as well as through the amortisation process.

(ii)Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(q) Impairment of financial assets
The Company assesses at each balance date whether a financial asset or group of financial assets is impaired.

Available-for-sale investments
If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in profit and loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit and loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(r) Leases
Operating Lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and the reduction of the liability.

Note 2: Statement of significant accounting policies (continued)

(s) Comparative Information
The company was incorporated on 13 July 2011. This financial report is for the period 13 July 2011 to 30 June 2012. Therefore, no comparative information is presented.

Note 3: Segment information

The consolidated entity has based its operating segment 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 consolidated entity 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 consolidated entity has only one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in note 2 for the computation of the Company's results presented in this set of financial statements

Note 4: Income Tax

	2012
(a) Income tax expense/(benefit)	**$**
Current tax	-
Deferred tax	-
Adjustments for current tax of prior years	-
Total tax expense/(benefit)	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable	
Loss from continuing operations before income tax expense	(436,870)
Prima facie tax benefit at the Australian tax rate of 30%	(131,061)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	
Share based payment	45,000
Capital raising costs deductible	(28,800)
Deferred tax assets not brought to account	114,861
Income tax expense/(benefit)	-

(c) Deferred tax assets	
Accrued expenses	3,375
Tax losses	111,486
	114,861
Deferred tax asset not recognised	(114,861)
	-
Offset against deferred tax liabilities	-
Net deferred tax assets	-

(d) Deferred tax liabilities	
Net deferred tax liabilities	-

Note 5: Key Management Personnel's remuneration

	Short-term		Post employment benefits		Share Based Payments		
Directors	**Directors' Fees**	**Salary and Consulting Fees**	**Superannuation Contribution**	**Termination Benefits**	**Shares**	**Options**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Paul Berndt	-	10,321	929	-	50,000	-	61,250
Patrick McManus	-	16,000	-	-	-	-	16,000
Charlton William Kable	-	-	-	-	-	-	-
Steve Millward	-	-	-	-	-	-	-
Francis Loh	-	-	-	-	-	-	-
Lindsay Cahill	-	-	-	-	50,000	-	50,000
	-	26,321	929	-	100,000	-	127,250

Paul Berndt was appointed managing director of the Company on 5 June 2012.
Patrick McManus was appointed non-executive chairman of the Company on 13 July 2011.
Charlton William Kable was appointed non-executive director of the Company on 22 May 2012.
Steve Millward was appointed as director of the Company on the 12 July 2011 and resigned on the 22 May 2012.
Francis Loh was appointed as director of the Company on the 13 July 2012, after the financial period, however has been included for full disclosure purpose.
Lindsay Cahill was appointed director of the Company on 13 July 2011, and resigned on 30 September 2012.

	Short-term		Post employment benefits		Share Based Payments		
Executives	**Directors' Fees**	**Salary and Consulting Fees**	**Superannuation Contribution**	**Termination Benefits**	**Shares**	**Options**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Robert Van der Laan	-	-	-	-	-	-	-
Farlee Walker	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Note 5: Directors' and executives' remuneration (continued)

(a) Shareholdings

Number of shares held by key management personnel

2012

	Number of Ordinary Shares		
	Held at 13 July 2011	**Net Change**	**Held at 30 June 2012**
Paul Berndt	-	1,000,000	1,000,000
Patrick McManus	-	650,000	650,000
Charlton William Kable	-	-	-
Francis Loh	-	-	-
Lindsay Cahill	-	1,250,000	1,250,000
Robert Van der Laan	-	1,550,000	1,550,000
Farlee Walker	-	-	-

Note 6: Auditor's remuneration

	2012 $
Remuneration of the auditor (Somes Cooke) of the Company for:	
- Auditing the financial report	7,500
- Other (Investigating Accountants' Report)	7,000
	14,500

Note 7: Earnings per share

	2012 $
Basic loss per share (cents)	1.3
Diluted loss per share (cents)	1.3
Net loss	(436,870)
Loss used in calculating basic and diluted loss per share	(436,870)
	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	33,250,000

During the period there were no options that were issued over ordinary share capital.

Notes to Financial Statements

Note 8: Cash and cash equivalents

	2012 $
Cash at bank	1,124,052

Cash at the end of the financial period as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:

Cash at bank	1,124,052

Note 9: Trade and other receivables

	2012 $
Current	
GST receivable	25,982
Seed capital receivable	12,500
Loan to SM3-W Pty Ltd	26,444
	64,925

Note 10: Plant and equipment

	Office Equipment $
Opening net carrying value	-
Additions	4,044
Depreciation charge for the period	(21)
Net carrying value at 30 June 2012	**4,023**

Note 11: Exploration and evaluation

	2012 $
Balance at beginning of period	-
Acquisition of mineral rights	196,500
Assets acquired on acquisition of subsidiary (BRL Exploration Pty Ltd – Note 21)	413,579
Option fees paid	100,000
Balance at end of period	710,079

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

Note 12: Trade and other payables

	2012 $
Current	
Trade Payables	9,679
Accrued Expenses	18,750
	28,429

Note 13: Issued capital

	2012 $
Ordinary shares fully paid	2,311,521

Effective 1 July 1998, the corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares. Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

Capital management
When managing capital, the Board's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company. As the equity market is constantly changing the Board may issue new shares to fund future exploration and development activity. The Company is not subject to any externally imposed capital requirements.

Movements in ordinary shares on issue of the legal parent are:

	Note	2012 Number
At the beginning of reporting period		
Ordinary Shares		
Issue of 1,000,000 shares to Paul Berndt (Note 5)	13.1	1,000,000
Issue of 1,950,000 shares to promoters	13.2	1,950,000
Issue of 4,900,000 shares for provision of services	13.3	4,900,000
Issue of 2,000,000 shares to external consultants	13.4	2,000,000
Issue of 8,000,000 shares for the purchase of BRL Exploration Pty Ltd (Note 21)	13.5	8,000,000
Issue of 1,000,000 shares for acquisition of mineral data	13.6	1,000,000
Issue of 150,000 shares for the purchase of MWYN Tenements	13.7	150,000
Issue of 2,000,000 shares for 20% interest in Callie Soak	13.8	2,000,000
2,000,000 shares issued as seed capital	13.9	2,000,000
4,000,000 shares issued as seed capital	13.10	4,000,000
8,000,000 shares issued as seed capital	13.11	8,000,000
10,500,000 shares issued for provision of services in raising seed capital	13.12	10,500,000
At the end of the reporting period		45,500,000

Note 13: Issued capital (continued)

	Note	2012 $
At the beginning of reporting period		-
Ordinary Shares		
Issue of 1,000,000 shares at $0.050001 for share based payments	13.1	50,001
1,950,000 shares issued to promoters at $0.000001	13.2	2
4,900,000 shares issued for provision of services at $0.050001	13.3	245,005
2,000,000 shares issued to external consultants at $0.050001	13.4	100,002
8,000,000 shares issued for the purchase of BRL Exploration Pty Ltd at $0.050001	13.5	400,008
1,000,000 shares issued for the acquisition of information data at $0.050001	13.6	50,001
150,000 shares issued for the purchase of MWYN Tenements at $0.050001	13.7	7,500
2,000,000 shares issued for 20% interest in Callie Soak at $0.050001	13.8	100,002
2,000,000 shares issued as seed capital at $0.05	13.9	100,000
4,000,000 shares issued as seed capital at $0.10	13.10	400,000
8,000,000 shares issued as seed capital at $0.15	13.11	1,200,000
10,500,000 shares issued at $0.10 for provision of services in raising seed capital	13.12	1,050,000
Equity raising costs	13.13	(1,391,000)
At the end of the reporting period		2,311,521

13.1 The issue of 1,000,000 shares at fair value of $0.050001 per share to Paul Berndt, the managing director, for services to the Company.

13.2 The issue of 1,950,000 shares at fair value of $0.000001 per share for unspecified services related to promotion of the Company.

13.3 The issue of 4,900,000 shares at fair value of $0.05001 per share for services provided to the Company, including legal services and preparing prospectus

13.4 The issue of 2,000,000 shares at fair value of $0.050001 per share for services provided to the Company by external consultants, including 1,000,000 shares to Lindsay Cahill, a director.

13.5 The issue of 8,000,000 shares at fair value of $0.050001 per share for the purchase of BRL Exploration Pty Ltd.

13.6 The issue of 1,000,000 shares at fair value of $0.050001 per share for acquisition of mineral data.

13.7 The issue of 150,000 shares at fair value of $0.05001 per share for the purchase of MWYN Tenements.

13.8 The issue of 2,000,000 shares at fair value of $0.050001 per share for the acquisition of 20% interest in Callie Soak.

13.9 The issue of 2,000,000 shares at fair value of $0.05 per share as seed capital.

13.10 The issue of 2,000,000 shares at fair value of $0.10 per share as seed capital.

13.11 The issue of 2,000,000 shares at fair value of $0.15 per share as seed capital.

13.12 The issue of 10,500,000 shares at fair value of $0.10 per share for the provision of services in raising seed capital.

13.13 The costs incurred by the Company in relation to equity raising of $1,391,000 were settled by cash ($96,000) and the issues of shares (Notes 13.12 and 13.3).

Note 14: Share based payments

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	2012 $
Shares issued in consideration of services. See note 13.1 and 13.4 for details	150,000
	150,000

Note 15: Accumulated losses

	2012 $
Net loss for the reporting period	(463,870)
Accumulated losses at the end of the financial period	(463,870)

Note 16: Commitments

(i) Exploration
The consolidated entity had minimum obligations pursuant to the terms and conditions of the exploration licences and mineral rights of $460,000 in the forthcoming year. These obligations are being capable of being varied from time to time in order to maintain current rights of tenure to mining tenements.

(ii) Native Title
The consolidated entity's mining tenements may be subject to native title applications in the future. At this stage, it is not possible to quantify the impact (if any) that native title may have on the operations of the Company.

(iii) Commercial property sub-lease
The consolidated entity has entered into a commercial property sub-lease. The head-lease and sub-lease expire on 1 July 2014. The lease commenced at $2,000 per month (pre ASX Listing) and will increase to $4,000 per month (post ASX Listing).

(iv) Mr Paul Berndt was appointed as Managing Director on 4 June 2012. Pursuant to an agreement dated 4 June 2012, his salary is set at $150,000 per annum inclusive of 9% superannuation prior to ASX Listing and will increase to $275,000 per annum inclusive of 9% superannuation post ASX Listing. The agreement can be terminated by either party by giving six months' notice or by payment of six months' salary in lieu of notice.

Note 17: Contingent liabilities

There are no contingent liabilities as at 30 June 2012.

Note 18: Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There are no related party transactions during the financial period, other than those noted in Notes 5 and 13.

Note 19: Cash flow information

	2012 $
Reconciliation of cash flow from operations with (loss)/profit from ordinary activities after income tax	
Loss from ordinary activities after income tax	(436,870)
Depreciation	21
Share based payment expense	150,000
Changes in assets and liabilities	
(Increase) in receivables	(38,482)
Increase in payables	28,429
Cash flow from operations	(296,902)

Non-cash investing and financing activities are detailed in Note 13.

Note 20: Financial risk management objectives and policies

The consolidated entity's principal financial instrument is cash. The main purpose of the financial instruments is to finance the consolidated entity's operations. The consolidated entity also has other financial instruments such as trade debtors and creditors which arise directly from its operations.

The main risks arising from the consolidated entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The consolidate entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is currently not significant as its cash and cash assets are currently held in non-interest bearing accounts.

The consolidated entity has not entered into any hedging activities to manage interest rate risk. In regard to its interest rate risk, the consolidated entity continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

Note 20: Financial risk management objectives and policies (continued)

	Weighted Average Effective Interest Rate %	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
2012					
Financial Assets					
Cash	-	-	-	1,124,052	1,124,052
Trade and other receivables	-	-	-	64,925	64,925
Total Financial Assets	-	-	-	1,188,977	1,188,977
Financial Liabilities					
Trade and other creditors	-	-	-	28,429	28,429
Total Financial Liabilities	-	-	-	28,429	28,429

(b) Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities required to meet the current exploration and administration commitments, through the continuous monitoring of actual cash flows.

All payables are due within 30 days.

(c) Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

(d) Credit Risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The consolidated entity is exposed to credit risk from its operating activities, financing activities including deposits with banks. The credit risk control procedures adopted by the consolidated entity is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

The maximum exposure to credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position is generally limited to the carrying amount.

Cash is maintained with National Australia Bank.

Note 21: Controlled entities

Tungsten Mining NL is the ultimate parent entity of the consolidated group.

The following was a controlled entity at balance date and has been included in the consolidated financial statements. All shares held are ordinary shares

Name	Country of Incorporation	Percentage Interest Held % 2012	Date Acquired/ Incorporated
Subsidiaries of Tungsten Mining NL			
BRL Exploration Pty Ltd (i)	Australia	100	13/03/2012

(i) On the 13 March 2012, Tungsten Mining NL acquired 100% of share capital of BRL Exploration Pty Ltd ("BRL Exploration") for a total consideration of $405,008. The consideration was paid through the issue of 8,000,000 ordinary shares in Tungsten Mining valued at $400,008 and $5,000 in cash at settlement.

	($)
Purchase Consideration:	
Shares issued, at fair value	400,008
Cash paid at settlement	5,000
	405,008
Fair value of net assets acquired:	
Exploration asset	413,587
Unsecured loan	(8,923)
Cash at bank	344
	405,008

Note 22: Parent entity

	Parent 2012 $
Assets	
Current assets	1,201,960
Non current assets	705,523
Total Assets	**1,907,483**
Liabilities	
Current liabilities	28,428
Total Liabilities	**28,428**
Net Assets	**1,879,055**
Equity	
Issued capital	2,311,521
Accumulated losses	(432,466)
Total Equity	**1,879,055**

	Parent 2012 $
Loss for the period	**(432,466)**
Other comprehensive income	-
Total comprehensive income for the financial period	**(432,466)**

Note 23: Subsequent events

After the reporting date, 24,500,000 shares at $0.10 per share and 15,000,000 options (exercise price $0.40, expiry date 30 June 2016) were approved for issue during the board meeting on 11 July 2012. The shares and options have been issued.

Since the reporting date, the Company has been working on official listing on the ASX. A Prospectus has been issued, for the offer of 25,000,000 Shares as a minimum and up to 40,000,000 Shares as a maximum at an issue price of $0.20 each to raise $5,000,000 minimum and $8,000,000 maximum. As at the date of this financial report, the offer is still open and approximately $4.5 million has been raised.

Other than these there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in the future financial year.

TUNGSTEN MINING NL
A.C.N. 152 084 403

Directors' Declaration

In the opinion of the directors of Tungsten Mining NL :

(a) the financial statements and notes set out on pages 11 to 37 are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the financial position of the Company and the consolidated entity as at 30 June 2012 and of its performance, for the period ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financing Reporting Standards as disclosed in Note 2(a); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the period ending 30 June 2012.
This declaration is made in accordance with a resolution of the directors.

Paul Berndt
Managing Director
Perth
Dated: 19 November 2012

SOMES COOKE

1304 Hay St
West Perth
WA 6005

PO Box 709
West Perth
WA 6872

T 08 9426 4500 F 08 9481 5645
W somescooke.com.au
E info@somescooke.com.au

Chartered Accountants (Aus)
Business Consultants
Financial Advisors

Independent Auditor's Report
To the members of Tungsten Mining NL

Report on the Financial Report

We have audited the accompanying financial report of Tungsten Mining NL, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the period's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

(a) the financial report of Tungsten Mining NL is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the period ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 8 of the directors' report for the period ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Tungsten Mining NL for the period ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

Somes Cooke

Kevin Somes
19 November 2012
Perth