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**TUNGSTEN MINING NL**

**ABN 67 152 084 403**

**Half-Year Financial Report**

**31 December 2013**

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## **TUNGSTEN MINING NL**

**ABN 67 152 084 403**

### **DIRECTORS' REPORT**

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#### **Directors**

Patrick Bernard McManus  
Paul John Berndt  
Francis Loh

#### **Company Secretaries**

Farlee Walker (resigned 13 August 2013)  
Amanda Wilton-Heald (appointed 13 August 2013)  
Belinda Ting

#### **Registered and Principal Office**

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23 Belgravia Street  
Belmont WA 6104 AUSTRALIA  
Telephone (+61 8) 9477 3031  
Facsimile (+61 8) 9475 0847  
Website [www.tungstenmining.com](http://www.tungstenmining.com)  
Email [info@tungstenmining.com](mailto:info@tungstenmining.com)

#### **Share Registry**

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

#### **Auditor**

Somes Cooke Chartered Accountants  
Level 2  
35 Outram Street  
West Perth WA 6005 AUSTRALIA

#### **Stock Exchange Listing**

Tungsten Mining NL shares are listed on the Australian Securities Exchange (ASX code: TGN).

## TUNGSTEN MINING NL

ABN 67 152 084 403

### DIRECTORS' REPORT

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Your Directors submit their report for the half-year ended 31 December 2013.

#### **Directors**

The names of the Company's Directors in the 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.

#### ***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.

#### ***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.

# **TUNGSTEN MINING NL**

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## **DIRECTORS' REPORT**

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### **Company Secretary**

Farlee Walker (resigned 13 August 2013)

Amanda Wilton-Heald (appointed 13 August 2013)

Mrs Wilton-Heald is a Chartered Accountant with over 14 years experience in Australia and the UK. Mrs Wilton-Heald is currently also Company Secretary of Jacka Resources Limited, Potash West NL, Cobre Montana NL and UK AIM listed Empryrean Energy Plc.

Belinda Ting is an experienced accountant with a Chartered Accountant qualification.

### **RESULTS OF OPERATIONS**

The net loss of the Group for the half year to 31 December 2013 was \$1,922,746 (31 December 2012: \$1,622,306). The net loss was largely due to expenditure on mineral exploration and evaluation.

### **REVIEW OF OPERATIONS**

#### **Kilba Project, Gascoyne region, Western Australia**

- No field activities were carried out on the Kilba Project during the Half Year to December 31, 2013.
- Work on the Kilba Project centered on analyzing the results of the Scoping Study that was completed in June, 2013, and in planning the definitive engineering phase of the Kilba Project, including further resource definition drilling.
- Analysis of the Scoping Study results showed that a significant enhancement to the Kilba Project is possible by applying a Dense Medium Separation (DMS) pre-treatment step to the Run-of-Mine ore (ROM).
- The purpose of such a DMS scalping unit is to reject a significant proportion of the ROM as a barren waste stream at a relatively coarse size prior to delivering a tungsten-enriched "accepts" stream to the conventional gravity separation plant. In the case of Kilba, the mass rejection possible in such a DMS plant, at nominally 6mm treatment size, is 55% of the ROM, meaning that the main plant need only be designed to treat less than one-half of the ROM. This will reduce the overall capital cost of the project significantly, and also reduce the overall operating cost.
- Detailed planning for the next phase of drilling at Kilba was carried out in the half-year to December 31, 2013.
- The objective of the proposed drilling programme is to upgrade the Kilba Mineral Resource (Zones 8 and 11 only) from an Indicated and Inferred Mineral Resource to Indicated status or better, to be consistent with the requirements of a Definitive Engineering Study.
- The weighted mean weekly tungsten price (Metal Bulletin APT quotations) averaged US\$406 per metric tonne unit during the 6 months, and ranged from \$382 to \$425.
- Gross proceeds of \$600,000 were raised during December for working capital.

# TUNGSTEN MINING NL

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## DIRECTORS' REPORT

### REVIEW OF OPERATIONS (continued)

#### Other Projects

- Evaluation of tungsten mining projects continued.

#### Kilba Project

The next phase of drilling was planned in detail, and subject to funding, can be commenced during March, 2014, with the aim of improving the category of the Kilba Mineral Resource (Zones 8 and 11 only) from Indicated and Inferred Mineral Resource (30% is in the Indicated category and 70% in Inferred), to all-Indicated status or better.

This planned level of resource assessment is commensurate with the next development phase of the project, which is to produce a Definitive Feasibility Study and mine commitment decision by 3Q 2014.

The current resource statement for zones 8 and 11 at Kilba, as reported in TGN's May 28, 2013, ASX announcement, is reproduced hereunder:

Table 1: Kilba Mineral resource estimate based on a 0.10% WO<sub>3</sub> cut-off grade.

Zone	Category	Tonnes '000 t	WO <sub>3</sub> %	WO <sub>3</sub> t
8	Inferred	230	0.56	1,300
	<b>Total</b>	<b>230</b>	<b>0.56</b>	<b>1,300</b>
11	Indicated	1,300	0.30	4,000
	Inferred	3,500	0.24	8,500
	<b>Total</b>	<b>4,800</b>	<b>0.26</b>	<b>13,000</b>
<b>Total</b>	Indicated	1,300	0.30	4,000
	Inferred	3,700	0.26	9,800
	<b>Total</b>	<b>5,000</b>	<b>0.27</b>	<b>14,000</b>

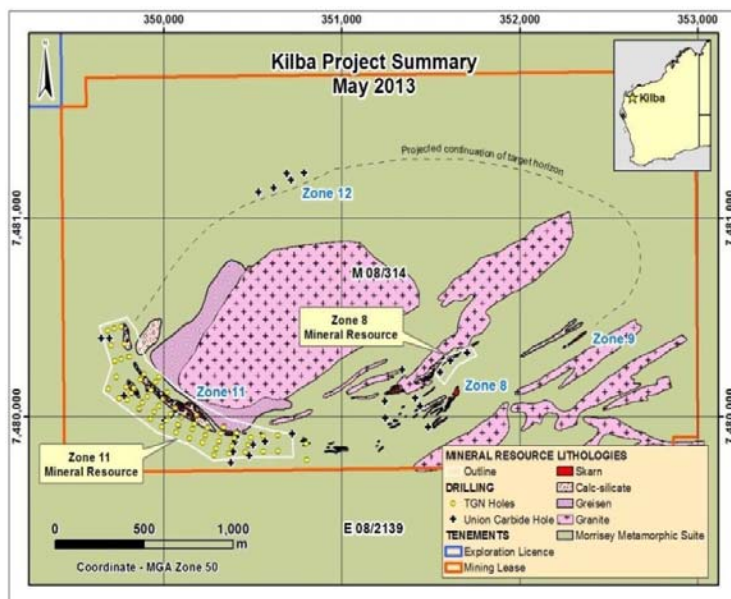
*The information in Table 1 is extracted from the report entitled "Maiden JORC Resource at Kilba Project" released on 28 May 2013 and is available to view on the ASX website ([www.asx.com.au](http://www.asx.com.au)) The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

At Zone 11, tungsten mineralization dips from surface at 25 to 65 degrees toward the south to southwest and is associated with skarns and calc-silicate units. Typically, high-grade mineralization is associated with retrograde skarn units which are often surrounded by low to medium grade disseminated scheelite mineralization in calc-silicate and sedimentary units.

**REVIEW OF OPERATIONS (continued)**

Toward the east of the prospect, tungsten mineralization tends to occur in a single high-grade zone. In the central and western domains mineralization is associated with multiple shallow dipping low to medium-grade units, and in Zone 8, skarn mineralization dips steeply towards the north-northwest. Surface mapping has identified numerous skarn units at Zone 8 that have not been adequately drill-tested and future exploration will focus on evaluating these targets, as indicated in the following figure 1:

*Figure 1: Kilba Project, showing projected zones of mineralization*



The drilling carried out to date by Tungsten Mining has demonstrated remarkably good continuity of the skarn mineralization, and the Company is confident that further in-fill drilling on 40m x 40m spacing will prove-up the resource to higher category levels consistent with more detailed levels of study. A 6,000m program of mainly Reverse Circulation (RC) holes is planned to be completed.

**Scoping Study**

The Kilba Scoping Study ("Study") was based on the Maiden JORC-2012 compliant Resource estimate as per Table 1 above that the Company released on May 29, 2013. The Company confirms it is not aware of any new information or data that materially affects the information and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the relevant market announcement continue to apply and have not materially changed.

The prime Study objective was to propose a likely project scenario and establish whether it would be in the interests of the Company to pursue such a project. Details of the Study were released on 12 and 19 June 2013, and indicate that progression to final feasibility study is warranted, to allow more detailed analysis.

**REVIEW OF OPERATIONS (continued)**

Recent analysis of data indicate that upgrading of the ore, without grinding, by Dense Media Separation, would enhance project economics, by rejecting approximately 50% of the ore at low cost. This was reported on 24 and 30 October 2013.

**Other Project Opportunities**

Several tungsten projects both in Australia and overseas were brought to Tungsten Mining's attention and continue to be evaluated in detail. The Company recognizes that such opportunities may continue to arise within the tungsten sector, and that we may be able to add value by leveraging on our knowledge and expertise in tungsten mining. These opportunities will be evaluated on their individual merits, but with our primary focus likely to remain development of the Company's 100%-owned Kilba Project.

**Competent Persons' statement**

*The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Peter Bleakley, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bleakley is not a full-time employee of the Company. Mr Bleakley is a consultant to the mining industry.*

*The information in this report that relates to Mineral Resources is based on information compiled by Serikjan Urbisinov, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr Urbisinov is not a full-time employee of the Company. Mr Urbisinov is employed by the resource industry consultancy CSA Global Pty Ltd.*

*The information is extracted from the Company's announcement headed "Maiden JORC Resource of 1.5 million tonnes at 0.6% WO<sub>3</sub>, within 5.0 Mt Resources at Kilba Project" created on May 28, 2013 and is available to view on [www.tungstenmining.com](http://www.tungstenmining.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.*

**Events subsequent to balance date**

There have been no matters or circumstances that have arisen since 31 December 2013 that has 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 is set out on page 18.

Signed in accordance with a resolution of the Directors



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Paul Berndt

Director

Perth, 11 March 2014



**TUNGSTEN MINING NL**

**ABN 67 152 084 403**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

		<b>Half-year ended 31 December 2013 \$</b>	<b>Half-year ended 31 December 2012 \$</b>
	<b>Note</b>		
<b>REVENUE FROM CONTINUING ACTIVITIES</b>			
Other income		4,312	-
<b>TOTAL REVENUE</b>		<b>4,312</b>	<b>-</b>
<b>EXPENSES</b>			
Administration expenses		295,103	571,515
Share based payment expenses		185,080	-
Exploration expenses		200,725	1,039,990
Northern Minerals Mosquito Creek project written off	6	900,000	-
Occupancy expenses		31,500	20,400
Remuneration expenses		314,650	-
<b>LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX</b>		<b>(1,922,746)</b>	<b>(1,631,905)</b>
<b>INCOME TAX</b>		<b>-</b>	<b>-</b>
<b>NET LOSS FOR THE PERIOD</b>		<b>(1,922,746)</b>	<b>(1,631,905)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>9,599</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(1,922,746)</b>	<b>(1,622,306)</b>
Basic and diluted loss per share (cents per share)	3	(2.42)	(3.31)

*The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying condensed notes.*

**TUNGSTEN MINING NL**

**ABN 67 152 084 403**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2013**

		<b>As at 31 December 2013</b>	<b>As at 30 June 2013</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	580,016	673,988
Trade and other receivables		21,382	83,369
Other assets		10,571	4,180
Total Current Assets		<u>611,969</u>	<u>761,537</u>
<b>NON CURRENT ASSETS</b>			
Exploration and evaluation	6	1,610,079	2,560,079
Plant and equipment		110,103	115,827
Total Non Current Assets		<u>1,720,182</u>	<u>2,675,906</u>
<b>TOTAL ASSETS</b>		<u><b>2,332,151</b></u>	<u><b>3,437,443</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	224,481	223,577
Provisions		15,127	6,065
Total Current Liabilities		<u>239,608</u>	<u>229,642</u>
<b>TOTAL LIABILITIES</b>		<u><b>239,608</b></u>	<u><b>229,642</b></u>
<b>NET ASSETS</b>		<u><b>2,092,543</b></u>	<u><b>3,207,801</b></u>
<b>EQUITY</b>			
Issued capital	8	9,069,536	8,272,128
Reserves	9	235,080	225,000
Accumulated losses		(7,212,073)	(5,289,327)
<b>TOTAL EQUITY</b>		<u><b>2,092,543</b></u>	<u><b>3,207,801</b></u>

*The statement of financial position should be read in conjunction with the accompanying condensed notes.*

TUNGSTEN MINING NL

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STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Issued Capital	Reserves	Accumulated Losses	Total
	\$		\$	\$
<b>At 1 July 2012</b>				
Opening Balance	2,311,521	-	(436,870)	1,874,651
Loss for the year	-	-	(1,631,905)	(1,631,905)
Other comprehensive income (net of tax)	-	-	9,599	9,599
<b>Total comprehensive loss for the period (net of tax)</b>	<b>2,311,521</b>	<b>-</b>	<b>(2,059,176)</b>	<b>252,345</b>
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued	6,710,876	-	-	6,710,876
Share issued transaction costs	(442,149)	-	-	(442,149)
Share based payments expense	(225,000)	225,000	-	-
<b>Balance at 31 December 2012</b>	<b>8,355,248</b>	<b>225,000</b>	<b>(2,059,176)</b>	<b>6,521,072</b>
<b>Balance at 1 July 2013</b>	<b>8,272,128</b>	<b>225,000</b>	<b>(5,289,327)</b>	<b>3,207,801</b>
Loss for the period	-	-	(1,922,746)	(1,922,746)
Other comprehensive income (net of tax)	-	-	-	-
<b>Total comprehensive loss for the period (net of tax)</b>	<b>8,272,128</b>	<b>225,000</b>	<b>(7,212,073)</b>	<b>1,285,055</b>
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued	618,252	-	-	618,252
Share issued transaction costs refund	4,156	-	-	4,156
Share and option based payments	175,000	10,080	-	185,080
<b>Balance as at 31 December 2013</b>	<b>9,069,536</b>	<b>235,080</b>	<b>(7,212,073)</b>	<b>2,092,543</b>

*The statement of changes in equity should be read in conjunction with the accompanying condensed notes.*

**TUNGSTEN MINING NL**

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**STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

		<b>Half-year ended 31 December 2013</b>	<b>Half-year ended 31 December 2012</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(702,440)	(1,152,273)
Interest received		4,312	9,599
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>		<b>(698,128)</b>	<b>(1,142,674)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of office equipment		-	(92,056)
Payment for acquisition of subsidiary, net of cash acquired		-	(300,000)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>-</b>	<b>(392,056)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		600,000	5,110,876
Share issue costs refund		4,156	(442,149)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>604,156</b>	<b>4,668,727</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(93,972)</b>	<b>3,133,997</b>
Cash and cash equivalents at the beginning of the period		673,988	1,124,052
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>580,016</b>	<b>4,258,049</b>

*The statement of cash flows should be read in conjunction with the accompanying condensed notes.*

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

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**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 2013, which has been prepared in accordance with AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

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 2013 and considered with any public announcements made by Tungsten Mining NL during the half-year ended 31 December 2013 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 same accounting policies and methods of computation have been followed in this interim financial report as we applied in the most recent annual financial statements.

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been adopted early.

**Key Judgment - Going Concern**

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The company incurred an operating loss of \$1,922,746 for the period ended 31 December 2013 (31 December 2012: \$1,631,905) and a net cash outflow from operating activities amounting to \$698,128 (31 December 2012: \$1,142,674).

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

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**Note 1: Basis of preparation of the half-yearly financial report (continued)**

The ability of the Company to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional funds. The Directors have prepared a cash flow forecast which indicates that the company will have sufficient cash flow to meet all commitments and working capital requirements for the 12 months period from the date of signing this financial report.

**Note 2: Segment reporting**

The consolidated entity 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 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 1.

**Note 3: Loss per share**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Basic loss per share (cents per share)	2.42	3.31
Diluted loss per share (cents per share)	2.42	3.31
Net loss	(1,922,746)	(1,622,306)
Loss used in calculating basic and diluted loss per share	(1,922,746)	(1,622,306)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in the calculation of basic and diluted (loss)/earnings per share	79,565,559	48,983,788

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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013****Note 4: Cash and cash equivalents**

	<b>31-Dec-13</b>	<b>30-Jun-13</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	580,016	673,988
	<u>580,016</u>	<u>673,988</u>

## Reconciliation of cash and cash equivalents

Cash at the end of financial period is shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash and cash equivalents	<u>580,016</u>	<u>673,988</u>
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**Note 5: Contingent liabilities and contingent assets**

The consolidated entity does not have any contingent assets or liabilities as at 31 December 2013.

**Note 6: Exploration and evaluation**

	<b>31-Dec-13</b>	<b>30-Jun-13</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of period	2,560,079	710,079
Option fees paid	(50,000)	(50,000)
Acquisition of SM3-W Pty Ltd	-	1,000,000
Northern Minerals Mosquito Creek designated mineral rights	(900,000)	900,000
Balance at end of period	<u>1,610,079</u>	<u>2,560,079</u>

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

The option fees paid and the consideration for the acquisition of Northern Minerals Mosquito Creek designated mineral rights have been expensed during the half year as the Company has withdrawn from the designated mineral rights agreement.

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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

**Note 7: Trade and other payables**

	<b>31-Dec-13</b>	<b>30-Jun-13</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Unsecured liabilities		
Trade and other payables	224,481	223,577
	<b>224,481</b>	<b>223,577</b>

Due to short term nature of these payables, their carrying value is assumed to approximate their fair value.

Included in trade and other payables is an amount of \$5,984 which will be satisfied by the issue of shares pursuant to the director and senior management salary share sacrifice plan.

**Note 8: Issued capital**

	<b>31-Dec-13</b>	<b>30-Jun-13</b>
	<b>\$</b>	<b>\$</b>
Ordinary shares fully paid	9,069,536	8,272,128
<b>Ordinary Shares</b>	<b>Number</b>	<b>\$</b>
At 1 July 2012	45,500,000	2,311,521
Issue of 25,554,379 shares pursuant to initial public offerings	25,554,379	5,110,876
Acquisition of SM3-W Pty Ltd	4,000,000	800,000
Acquisition of Northern Minerals Mosquito Creek designated mineral rights	4,000,000	800,000
Equity raising costs		(750,269)
At 30 June 2013	79,054,379	8,272,128
At 1 July 2013		
Issue of 833,334 shares to Aaron Sim Kwang Liang and Wai Chuen Chew	833,334	100,000
Issue of 10,000,000 shares to existing shareholders via share placement	10,000,000	500,000
Issue of 351,000 shares for provision of services	351,000	18,252
Issue of 2,500,000 shares to Paul Berndt for remuneration	2,500,000	175,000
Equity raising refund		4,156
As at 31 December 2013	92,738,713	9,069,536

As at 31 December 2013 there was 16.8 million options on issue (Note 9).



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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013****Note 9: Reserves**

	<b>Number of options</b>	<b>\$</b>
At 1 July 2012		
Fair value of 15,000,000 unlisted options exercisable at \$0.40 on or before 30 June 2016 to issue to promoters of the company	15,000,000	225,000
As at 30 June 2013	<u>15,000,000</u>	<u>225,000</u>
At 1 July 2013		
Fair value of 1,800,000 unlisted options exercisable at \$0.25 on or before 4 December 2015 to issue to directors and contractors of the Company	1,800,000	10,080
As at 31 December 2013	<u>16,800,000</u>	<u>235,080</u>

**Note 10: 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.

<b>Name</b>	<b>Country of Incorporation</b>	<b>Percentage Interest Held 31 December 2013</b>	<b>Percentage Interest Held 30 June 2013</b>	<b>Date Acquired/ Incorporated</b>
<b>Subsidiaries of Tungsten Mining NL</b>				
BRL Exploration Pty Ltd	Australia	100	100	13/03/2012
SM3-W Pty Ltd	Australia	100	100	13/12/2012

**Note 11: Events subsequent to balance date**

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**

**ABN 67 152 084 403**

**DIRECTORS' DECLARATION**

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The Directors of Tungsten Mining NL declare that:

- (a) the consolidated financial statements and notes set out on page 8 to 16 are in accordance with the Corporations Act 2001 and:
- give a true and fair view of the financial position of the consolidated entity as at 31 December 2013 and of its performance for the half-year ended 31 December 2013; and
  - comply with AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

The declaration is made in accordance with a resolution of the Board of Directors.



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Paul Berndt

Director

Perth, 11 March 2014

## AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Tungsten Mining NL

As auditor for the review of Tungsten Mining NL for the period ended 31 December 2013, 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 review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.



Somes Cooke



Kevin Somes  
Perth  
11 March 2014

## Independent Auditor's Review Report

To the members of Tungsten Mining NL

### Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Tungsten Mining NL, which comprises the consolidated statement of financial position as at 31 December 2013, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Half-year 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 (including Australian Accounting Interpretations) 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Tungsten Mining NL's financial position as at 31 December 2013 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 Tungsten Mining NL, 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*.

## 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 Tungsten Mining NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Tungsten Mining NL's financial position as at 31 December 2013 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*.

### *Emphasis of matter - Inherent uncertainty regarding continuation as a going concern*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes that the ability of the company to continue as a going concern is dependent on the company's ability to raise capital in order for the company to pay its debts as and when they fall due. As a result there is material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



Somes Cooke



Kevin Somes

11 March 2014

Perth  
Western Australia