TUNGSTEN MINING NL

A.C.N. 152 084 403

Annual Report

For the year ended
30 June 2013

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 (Deceased)
Francis Loh

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

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TUNGSTEN MINING NL

A.C.N. 152 084 403

Chairman's Letter

Fellow Shareholders,

I am pleased to be able to report to you that Tungsten Mining NL successfully achieved its goals in the year under review. The company listed on the ASX in December 2012, -raising $5.1M in difficult market conditions. We have also achieved significant milestones in the development of our key Kilba tungsten project located in the Gascoyne region of WA.

The model for the company, is to reward our shareholders by adding to the value of their TGN portfolio, by developing viable mining projects from the tungsten assets we obtained through listing, and from actively seeking out other exceptional tungsten assets for acquisition.

Our primary focus has been the Kilba mining lease in WA, where earlier work had suggested a target of 1.3Mt @ 0.7% WO_3 which, if proven correct, would make an excellent basis for a tungsten mine. By May 2013 we had redrilled the same 1.5km strike-length of the original discovery in sufficient detail to be able to announce an independently-calculated maiden JORC-compliant resources of 5.1Mt @ 0.27% WO_3. This included 1.3Mt @ 0.6% WO_3 and was therefore closely in line with expectations, but we gained an additional 3.8Mt of near-surface resource, giving 73% more tungsten overall. Furthermore, there is still significant exploration upside at Kilba since the observed tungsten mineralisation at surface covers up to 7.5km of strike around the periphery of the host granite structure, and only this 1.5km section has been adequately explored so far.

Diagnostic metallurgical tests on core material confirmed that the tungsten is present as coarse-grained scheelite mineralisation as expected, and that it will be easy to treat, responding well to a conventional all-gravity process route to yield a saleable tungsten concentrate with better-than-average tungsten recovery.

A scoping study has been completed and shows that a project would technically and financially viable. No fatal flaws were found, and the revenue/cost margins are robust and commercially attractive.

So whilst negativity has pervaded the small cap mining sector of the share market throughout most of the year, it is testament to our outstanding project and team, and the support of our shareholders that we outperformed our peers in the tungsten sector as these difficult conditions persisted throughout 2013.

With respect to the tungsten market, demand is strong and the price has risen 66% in A$ terms from a low of $265 at listing to a high of $439 at fiscal year-end[i]. Consensus from the market is that prices are sustainable in the US$460 to $500/mtu range.

Patrick McManus

Chairman

[(i)] *Metal Bulletin: Low price quote week of 17 Dec 2012 US$280; high price quote week of 01 July 2013 US$401*
AUD/USD on 17 Dec 2012 1.0546; AUD/USD on 30 June 0.9132

Directors' Report

The directors of Tungsten Mining NL ("Tungsten Mining" or "the Company") present their consolidated financial report comprising the Company and the entities it controls ("the Group") for the year ended 30 June 2013.

Directors

The name and details of the Company's directors in office during the financial year 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 and resigned on 14 January 2013 (deceased)
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.

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. Patrick McManus held 20,000 ordinary shares and 75,000 options at 30 June 2013.

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. Paul Berndt held 1,169,000 ordinary shares and nil options at 30 June 2013.

Charlton William (Bill) Kable Non-executive Director (deceased)

Mr Kable had 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

Directors' Report (continued)

Charlton William (Bill) Kable Non-executive Director (deceased) (continued)

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 was 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. Francis Loh held nil ordinary shares and nil options at 30 June 2013.

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

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, Midwinter Resources NL and UK AIM listed Empyrean Energy Plc.

Meetings of directors

The number of meetings of the company's Board of Directors and of each board committee held during the year ended 30 June 2013, and the number of meetings attended by each director were:

	Full Board		Audit Committee		Remuneration Committee	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**
Patrick McManus	3	3	-	-	-	-
Paul Berndt	3	3	N/A	N/A	-	-
Charlton William Kable (deceased)	1	3	-	-	-	-
Francis Loh	2	3	-	-	-	-

Shares under option

Unissued ordinary shares of Tungsten Mining NL under option as at the date of the Financial 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 year, 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 year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by auditor.

During the financial year, 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 year and the directors do not recommend the payment of dividend in respect of financial year.

Principal activities

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

Operating results for the year

The loss after income tax benefit for the year ended 30 June 2013 was $4,852,457 (2012: $436,870)

The financial position of the Company is presented in the attached Statement of Financial Position.

Kilba Project

1 Location

Kilba is located within the Gascoyne Region of Western Australia, 320 km northeast of the regional centre of Carnarvon, and 250km southwest of the town of Karratha. The principal access to the project area is provided by the Northwest Coastal Highway, a sealed dual-lane carriageway with direct links to ports at Dampier, Geraldton and Fremantle. Access into Kilba is gained via the Uaroo-Glen Florrie Road and then good quality station tracks and refurbished exploration tracks to the area of interest (Figure 1).

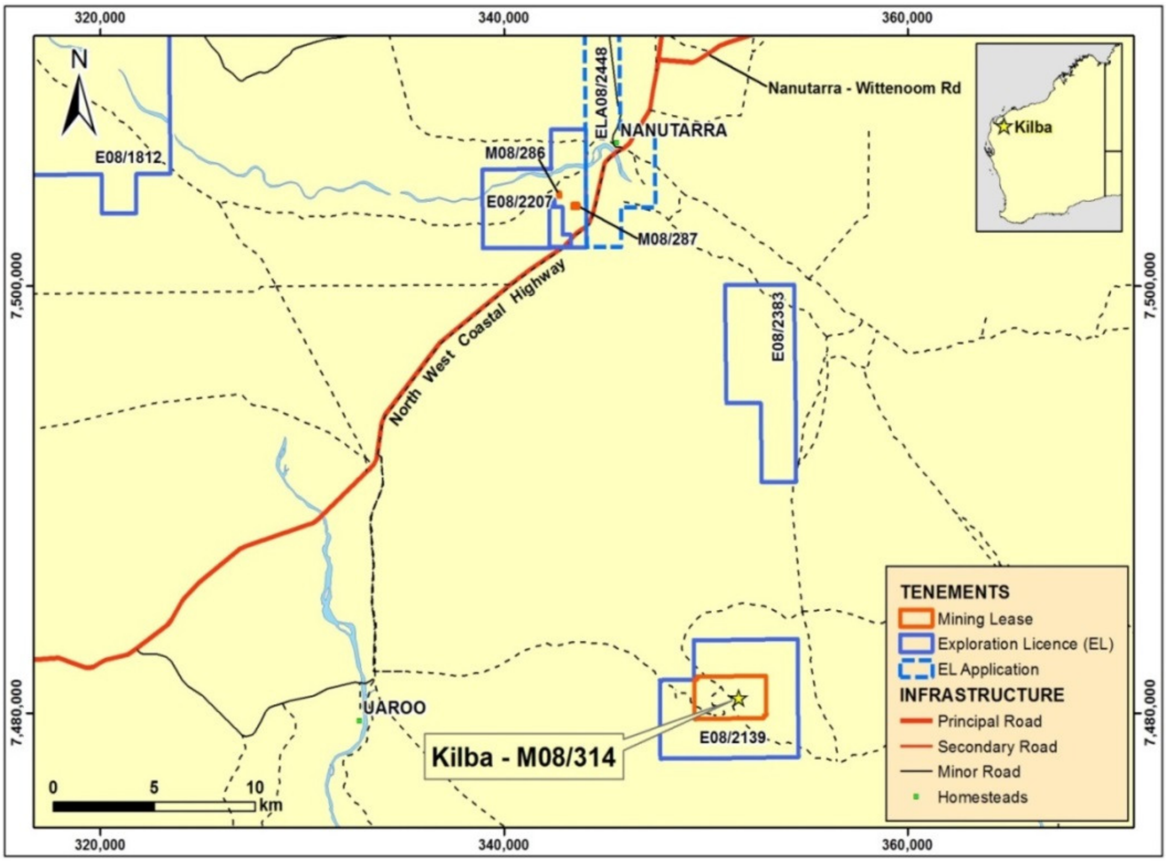

Figure 1: Location of Mining Licence ML 08/0314

2 Environmental

A combined Level 1 flora and vegetation assessment and targeted flora survey was carried out by Maia Environmental Consultancy (Maia) during August, 2012. The study was carried out at the Company's Kilba project, primarily on mining lease M08/314 and also over small areas on tenement E08/2139 and E08/1410. The assessment was also carried out along an existing track starting at the junction of the closest north-south main track and leading to the western end of M08/314.

A Level 1 Terrestrial Vertebrate Fauna Level 1 assessment of the Kilba Well Prospect was carried out by BIOSTAT Pty Ltd in September, 2012. The objectives of the Level 1 assessment were to collate an inventory of the vertebrate fauna species recorded during the site visit and likely species based on habitat preferences and geographical distribution. The study also undertook an assessment of the potential for rare, threatened or vulnerable species that may occur and recommendations for vertebrate fauna management and/or further work to undertake impact assessment.

2. Exploration Drilling

The Company commenced drilling at the Kilba project in November 2012 to confirm the presence of high-grade tungsten mineralisation indicated by historic drilling completed by Union Carbide Corporation in the 1970s/1980s. Since November 2012, the Company has drilled 24 diamond holes and 42 reverse circulation (RC) holes over 1200 metres of mineralised strike at Zone 11 on the 100% owned and granted Mining Lease 08/314.

Drilling has completed an 80 metre by 40 metre spaced drill pattern over the main 900 metres of outcropping mineralisation at Zone 11. Broader spaced drilling has also tested strike extensions on 80 to 160 metre spaced sections, for a further 300 metres. Collar locations are displayed in Figure 2.

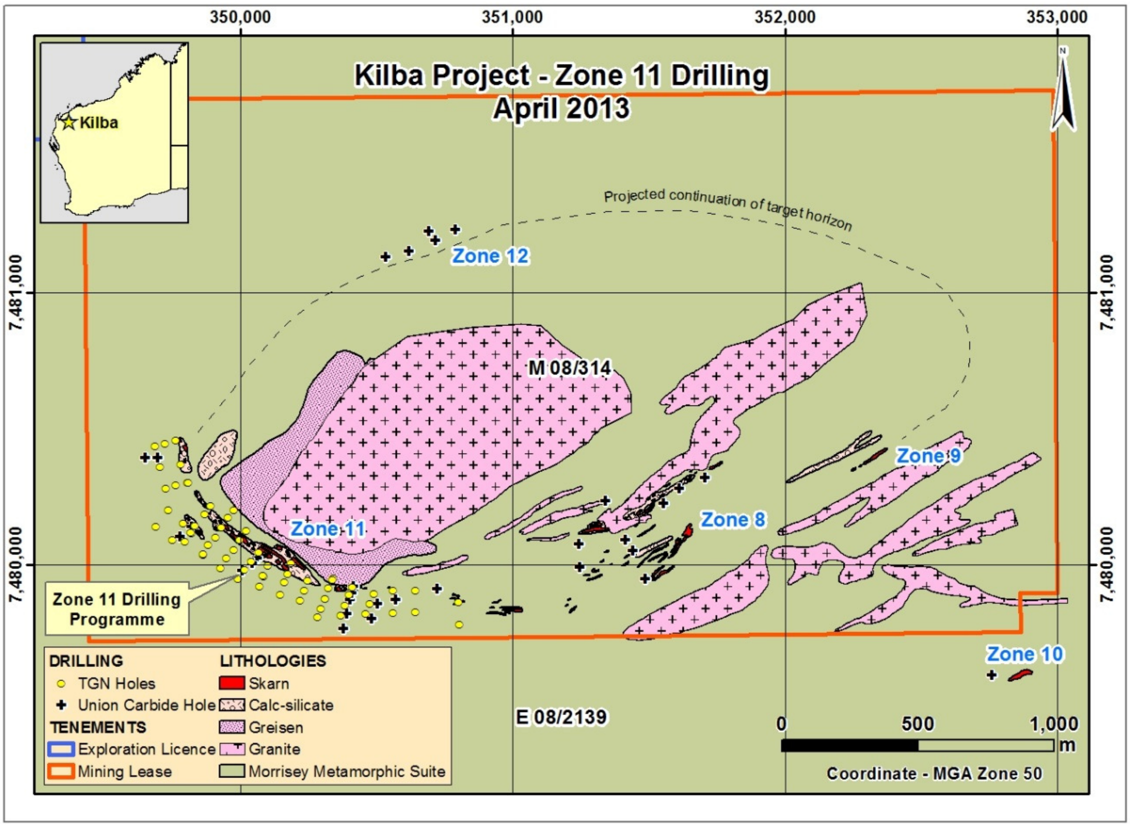

Figure 2 – plan displaying location recent drilling at Zone 11 and historic Union Carbide holes.

Results from this drilling confirmed the high-grade nature of coarse grained scheelite mineralisation present at Zone 11. Better results from drilling are displayed in Table 1 and 2 below. For a comprehensive list of intersections greater than 1.5 metres @ 0.10% Tungsten Oxide (WO_3) for diamond and RC drilling refer to Appendix 1.

Table 1: Better diamond drilling intersections.

Kilba Project, Zone 11 Prospect, Diamond Drilling– (>1.5m at 0.10 % WO_3)									
Hole No	**Easting (m)**	**Northing (m)**	**RL**	**Dip/ Azim**	**Depth (m)**	**From (m)**	**To (m)**	**Interval (m)**	**WO_3%**
KDD0006	349,842	7,480,149	140.0	-60/035	133.0	54.00	58.05	4.05	2.41
KDD0006						61.41	64.43	3.02	0.48
KDD0016	350,410	7,479,915	133.5	-90	65.8	23.50	26.93	3.43	0.58
KDD0016						36.55	43.75	7.20	0.38
KDD0019	349,907	7,480,103	136.4	-60/035	117.5	96.00	101.60	5.60	0.54
KDD0020	349,861	7,480,037	140.1	-60/035	165.5	134.00	137.80	3.80	0.89
KDD0020						143.10	145.20	2.10	1.22
KDD0022	349,821	7,480,114	140.0	-60/035	134.2	48.80	59.00	10.20	0.86
KDD0023	350,308	7,479,875	133.0	-60/020	102.0	76.50	85.20	8.70	0.41
KDD0023						90.70	93.40	2.70	1.00
KDD0025	350,475	7,479,858	133.1	-60/020	147.6	76.28	82.93	6.65	0.46
Half HQ core samples were analysed by XRF determination at Ultra Trace Laboratory, Perth. Weighted average intersections calculated using a 0.10% WO_3 lower cut-off, no upper cut and up to 3.0m of internal waste. True thickness of mineralization is 75 – 100% of drill intersect. Grid coordinates are MGA Zone 50. KDD0016 was a PQ metallurgical hole where the whole core was crushed and split to produce a 2 – 3 kilogram sample for analysis by XRF.									

Table 2: BetterrReverse circulation drilling intersections.

Kilba Project, Zone 11 Prospect, Reverse Circulation Drilling– (>1.5m at 0.10 % WO_3)									
Hole No	**Easting (m)**	**Northing (m)**	**RL**	**Dip/ Azim**	**Depth (m)**	**From (m)**	**To (m)**	**Interval (m)**	**WO_3%**
KRC0003	350,311	7,479,876	133	-60/020	110	80	87	7	0.71
KRC0006	350,086	7,479,958	136	-60/020	108	45	57	12	0.38
KRC0009	349,996	7,480,090	142	-60/035	84	59	62	3	0.98
KRC0014	349,819	7,480,116	140	-60/035	144	51	58	7	0.23
KRC0014						85	87	2	0.61
KRC0040	349,762	7,480,291	133.3	-60/075	90	34	39	5	0.32
KRC0042	349,779	7,480,368	133.5	-60/075	78	19	25	6	0.30
Riffle split 1m samples were analysed by XRF determination at Ultra Trace Laboratory, Perth. Intersections calculated using a 0.10% WO_3 lower cut-off, no upper cut and up to 3.0m of internal waste. True thickness of mineralization is 75 – 100% of drill intersect. Grid coordinates are MGA Zone 50.									

3. Mineral Resource

On 28 May 2013, the Company announced a Maiden JORC-2012 compliant Resource estimate for Zones 8 and 11 on the Kilba project (Figure 3). 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 Indicated and Inferred Mineral Resource estimate for Zones 8 and 11 of the Kilba project is 1.3 million tonnes at 0.57% WO_3, which is located within a much larger resource of 5.0 million tonnes at 0.27% WO_3 (Table 3). The Mineral Resource is located on the Company's 100% owned Mining Lease 08/314.

Directors' Report (continued)

Table 3: Kilba Mineral resource estimate based on a 0.10% WO3 cut-off grade.

Zone	Category	Tonnes '000 t	WO_3 %	WO_3 t
8	Inferred	230	0.56	1,300
	Total	**230**	**0.56**	**1,300**
11	Indicated	1,300	0.30	4,000
	Inferred	3,500	0.24	8,500
	Total	**4,800**	**0.26**	**13,000**
Total	Indicated	1,300	0.30	4,000
	Inferred	3,700	0.26	9,800
	Total	**5,000**	**0.27**	**14,000**

Note: Totals may differ from sum of individual numbers as numbers have been rounded to two significant figures in accordance with the Australian JORC code 2012 guidance on Mineral Resource reporting.

Directors' Report (continued)

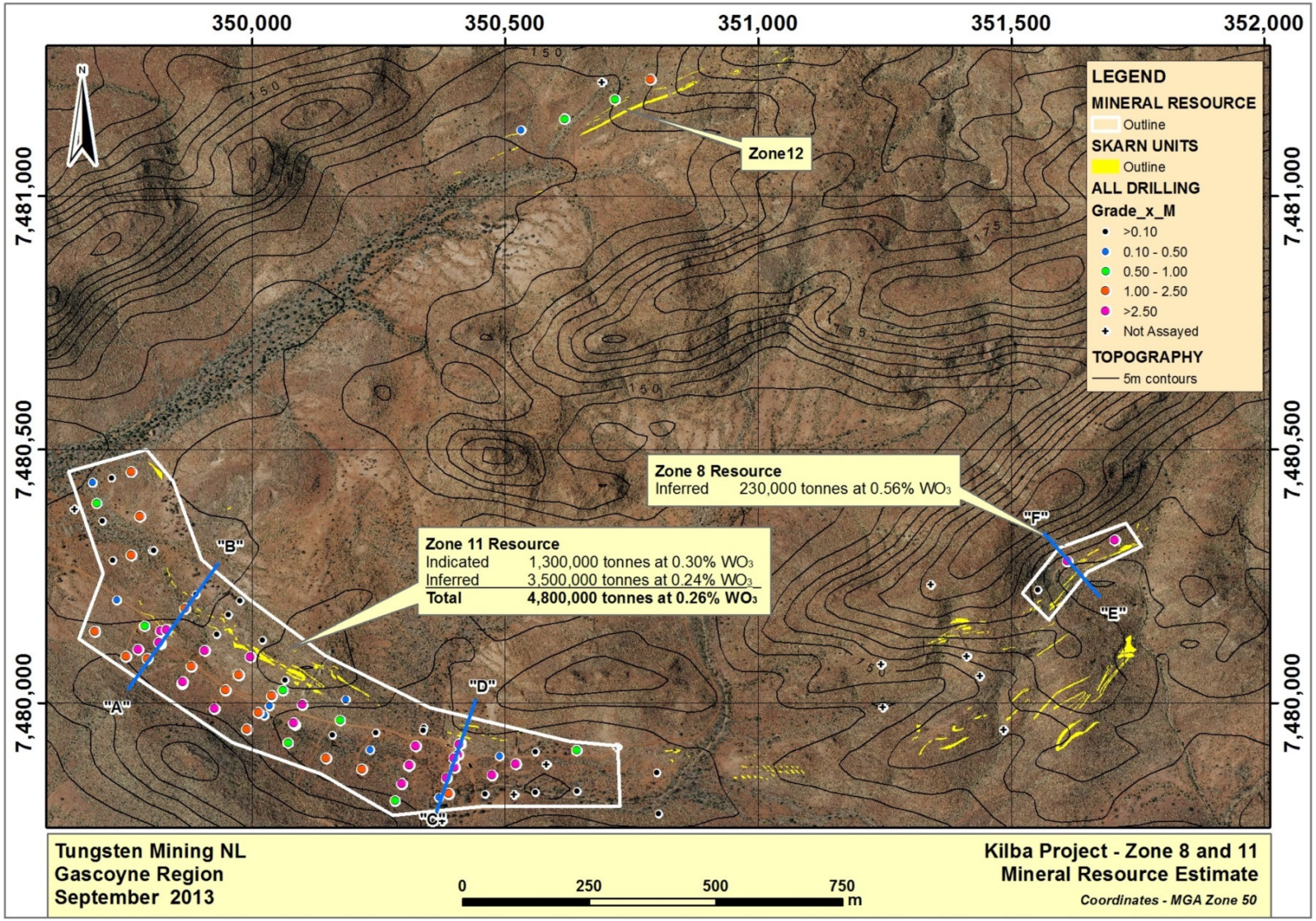

Figure 3 – plan showing location of Mineral Resource outlines, TGN drilling, skarn outcrops and historic Union Carbide drill holes. The cross section "A – B", "C – D" and "E – F" shown in blue are displayed in Figure 5, 6 and 7 below.

Directors' Report (continued)

The Mineral Resource estimate has been completed in accordance with the guidelines of the Joint Ore Reserve Committee (JORC) Code – 2012 Edition. CSA Global Pty Ltd ("CSA Global") was engaged to audit data integrity and conduct the resource model as detailed in the ASX release dated the 28 May 2013 – "Maiden JORC Resource at Kilba Project".

A range of lower cut-offs have been used to report grades and tonnages, as shown in Figure 4. This demonstrates that within the overall resource there are significant high-grade zones of tungsten mineralisation.

At Zone 11 tungsten mineralisation dips at 30 to 70 degrees toward the south to southwest and is associated with skarns and calc-silicate units. Typically high-grade mineralisation is associated with retrograde skarn units which are often surrounded by low to medium grade disseminated scheelite mineralisation in calc-silicate and sedimentary units.

Toward the east of Zone 11 tungsten mineralisation tends to occur in a single high-grade zone, as shown in Figure 5. In the central and western domains mineralisation is associated with multiple shallow dipping low to medium-grade units, as shown by Figure 6.

Union Carbide drilled diamond holes targeting high-grade tungsten mineralisation associated with skarns at Zone 8. Mineralisation dips steeply towards the north-northwest, as shown in Figure 7. A number of these holes have been used to estimate an Inferred Mineral Resource of 230,000 tonnes at 0.56% WO_3 at Zone 8.

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 and targets at Zone 12 to the north.

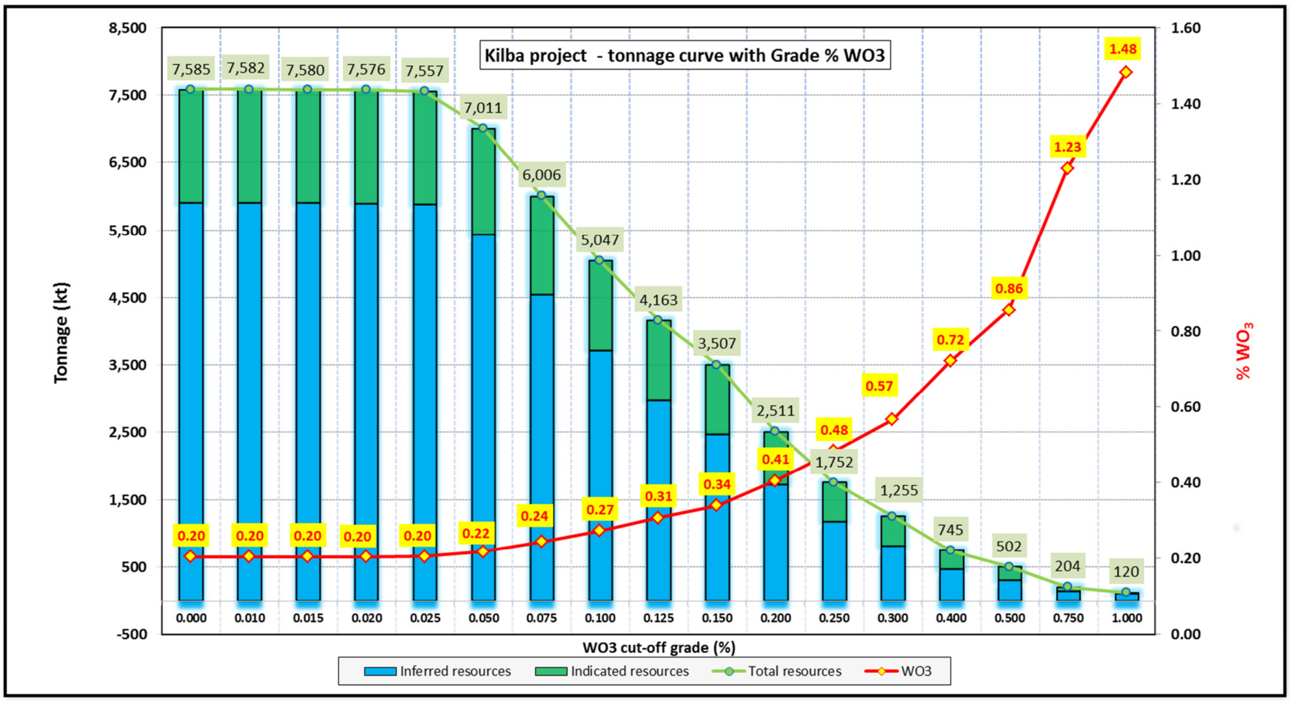

Figure 4 – Grade tonnage curve for Kilba Mineral Resource showing Indicated and Inferred tonnes and grade.

Directors' Report (continued)

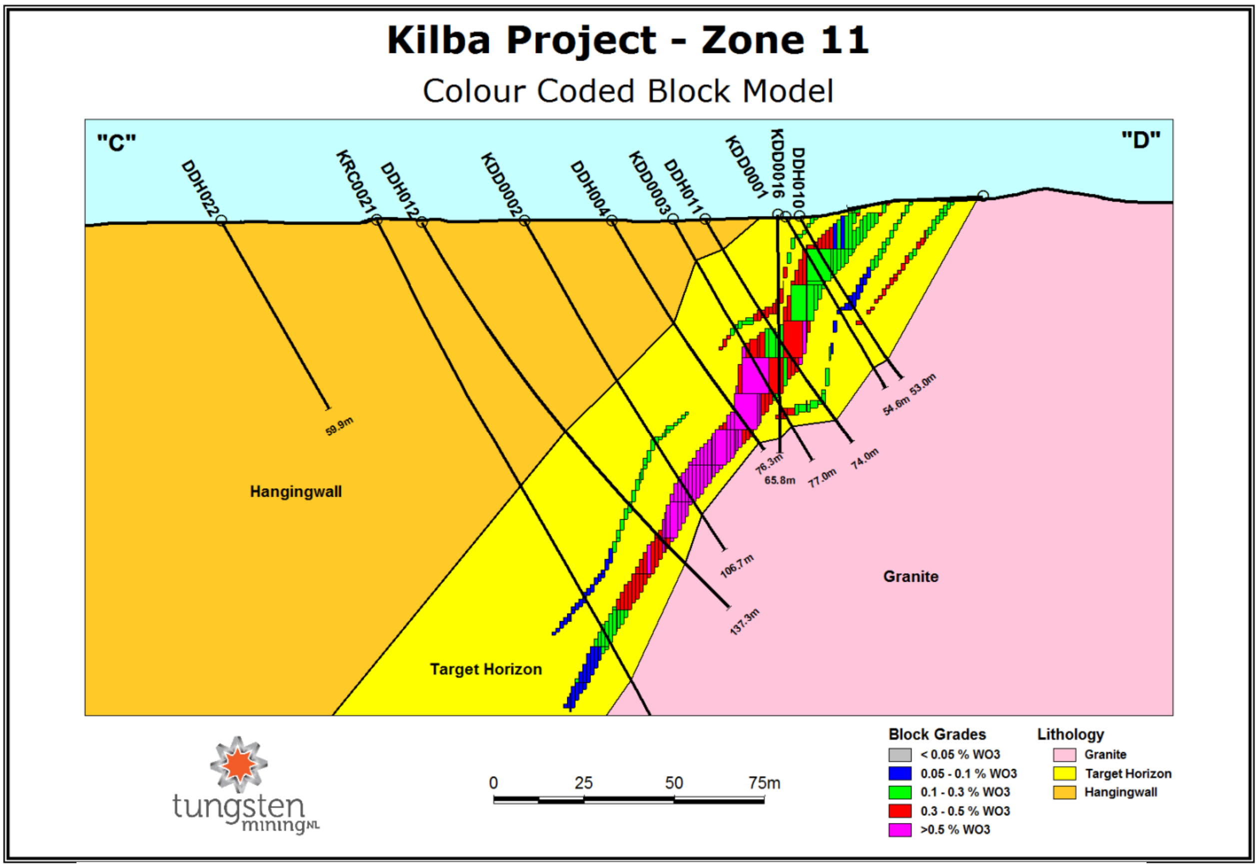

Figure 5 – cross section showing block model and drilling for Zone 11 at the Eastern

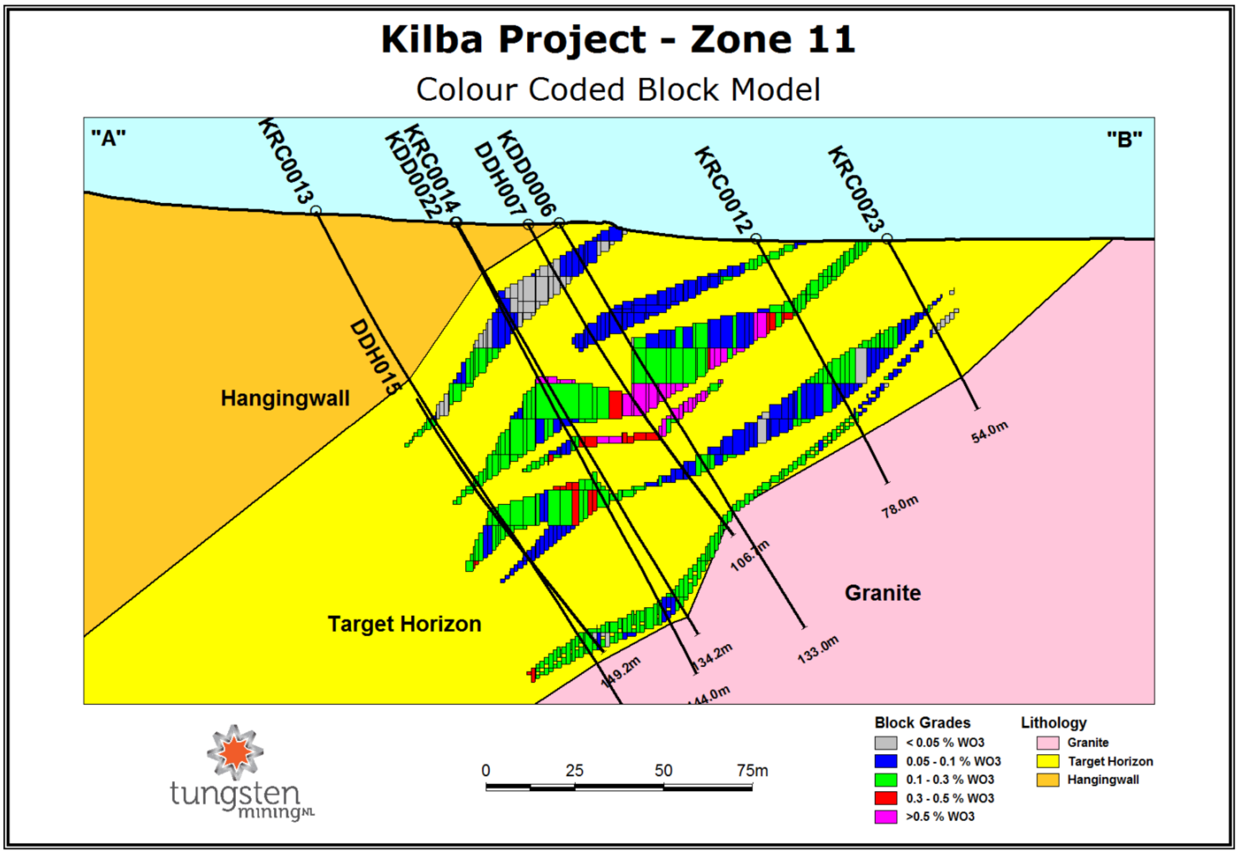

Figure 6 – cross section showing block model and drilling for Zone 11 at the Western domain.

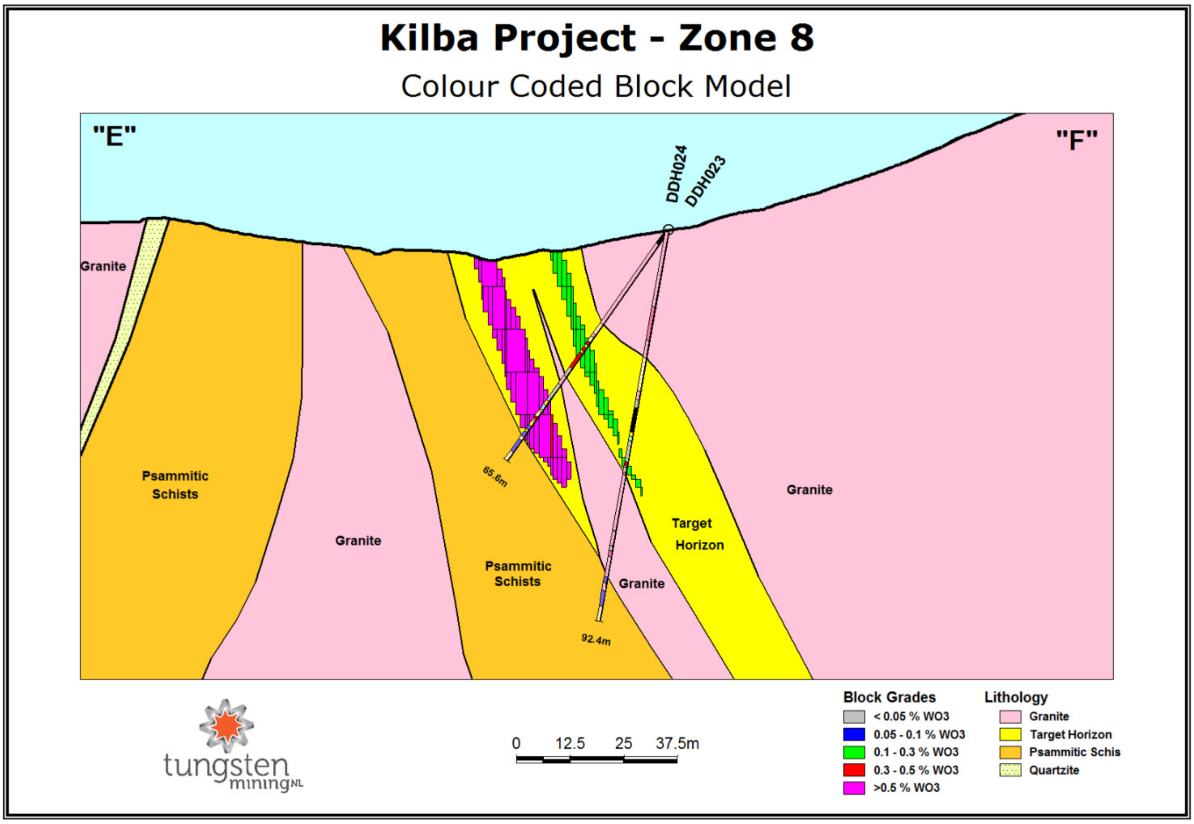

Figure 7 – cross section showing block model and drilling for Zone 8.

4. Scoping Study

The Company completed a Scoping Study based on a Maiden JORC-2012 compliant Resource estimate released in May, 2013 described above. 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 develop a likely project scenario and establish whether it would be in the interests of the Company to pursue such a project. The Company is pleased to report that the Study met this objective.

In compiling the Scoping Study, Tungsten Mining prepared:

- Preliminary pit optimisation and Strategic Planning Envelope;
- Broad-level mining and production schedules;
- Metallurgical process flowsheet;
- Major process equipment selection;
- assessment of infrastructural requirements, including access, power, water, communications, offices, workshops, shift rosters, transportation, product consignment and accommodation;
- Capital expenditure estimates;
- Operating cost estimates; and
- Operating Plan.

4.1 Scoping Study Results

A summary of the salient points from the Scoping Study for the Kilba Project is set out in table 4 below:

Table 4: Scoping Study Summary

Item	Outcome
Mining Program	**Open cut; truck-and-shovel**
Capital expenditure	**A$56 million**
Ore Feed rate to Process Plant	**750,000 tpa**
Average Weighted Operating Costs (LOM)	**US$212/mtu**
Initial Production (average, first 2 years)	**291,000 mtu pa of contained**
Average Production after year 2	**99,600 mtu pa of contained WO3**
Mine Life	**7 years**
First production	**4Q 2014**
IRR	**34%**
NPV at 7%	**$36 million**

4.3 Mining

The proposed mining method is conventional drill-and-blast, truck-and-shovel, load/haul/dump, open pit mining. The mining engineering unit of the consultancy, CSA Global, determined the Strategic Planning envelope and carried out the mine modelling and pit optimisation work used for the Scoping Study.

4.4 Pit Optimisation

Dilution and ore recovery factors were applied to the mineral inventory, resulting in a mineral resource used for mine planning, design and cash-flow analysis of 5.2M tonnes at an average grade of 0.25% WO3. This mineral resource within the pit shell includes dilution of 5% and 95% mining recovery. The bottom cut-off grade of 0.10% WO3 for the Kilba deposit was calculated from key economic parameters.

4.5 Mining Schedule

Various mining production scenarios were examined. The scenario that was adopted as the base case of the Study was to extract ore at the rate necessary to completely utilise a process plant with 750,000tpa capacity, but initially to treat only the higher grade portion of mined ore above a 0.3% cut- off limit. Pre-strip is not required, as the mineralized zones outcrop at surface.

The mining schedule is structured such that effectively seven (7) years of open cut ore production is mined in three years. The total production has been sourced from pits based on the optimisation studies.

The plant will process higher grade ore in the first three years and in later years process the lower grade stockpiled ore. This brings forward a large quantity of high-grade ore and maximises product output in the first 2 years with a positive effect on the project economics, allowing project payback in the first year. There is also scope that additional high grade mineralisation might be identified from further drilling at a later date along the line of strike of the tungsten mineralisation, thus potentially allowing this mode of production to be sustained for several more years.

This scenario resulted in mining taking place in only the first 3 years of the project, at a rate of 1.7Mt of ore per year (nominally 300,000 cubic metres of total material shifted per month).

High-grade ore only is processed at the rate of 750,000tpa for approximately 3½ years, and the lower- grade ore below 0.3% WO3 cut-off is stockpiled for later processing in the remaining 3½ years of the project.

During the course of the next phase of study, Tungsten Mining will test these assumptions by infill drilling to increase the confidence in the Resource outlined by the optimised pits. Geotechnical work will be undertaken to assist in the final open pit designs.

4.6 Pit Design

The main Kilba excavation, in zone 11, is a single elongated pit approximately 1.2km long, up to 300m wide and up to 120m deep (Figure 8). Fresh rock (non-weathered) extends almost to surface, and a realistic pit slope of 55^{o}, typical of other open cut mines in similar ground, with a 6m wide basal floor, was assumed.

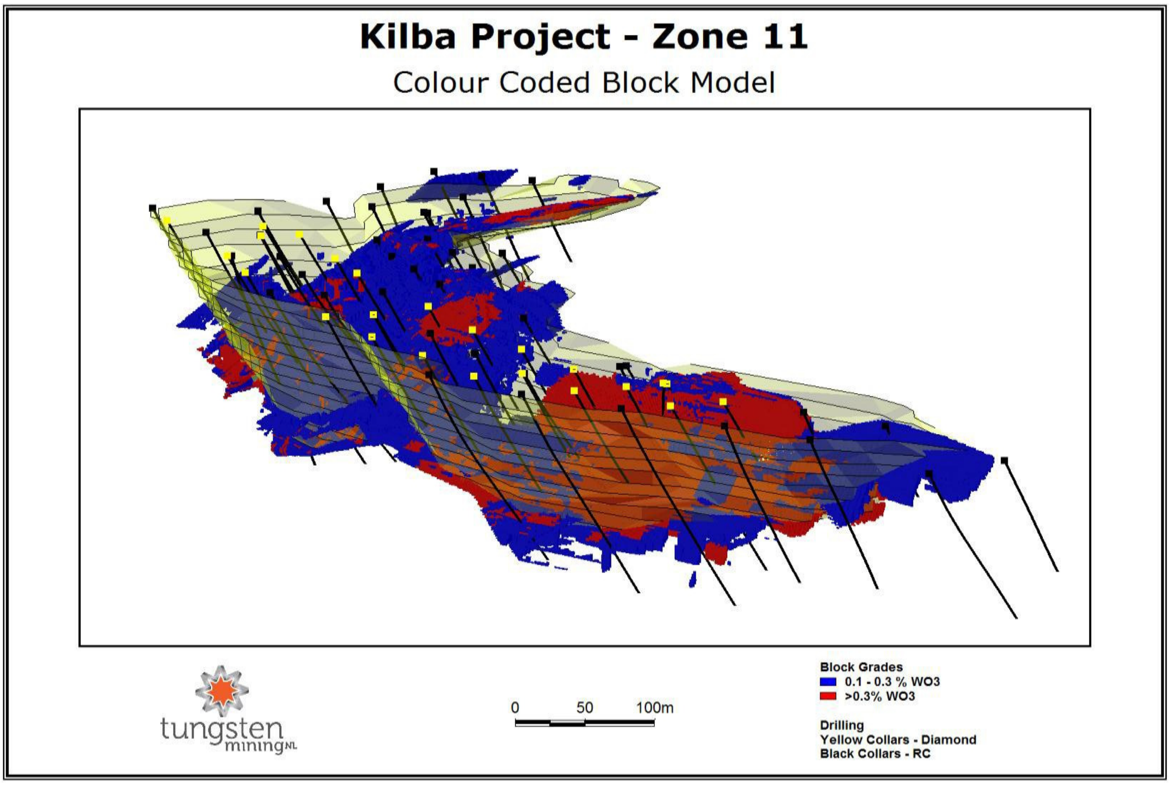

Figure 8: Schematic of Zone 11 pit outline

4.7 Processing

A process flowsheet was devised, based on the metallurgical testwork carried out. This resulted in a conventional tungsten plant with a circuit employing 2-stage crushing, rod-mill grinding and gravity separation in spirals and tables in parallel size streams.

A preliminary mass balance based on the sizing data and process response of the Kilba ore during the laboratory testwork was devised. All the major items of equipment to handle the duty of 750,000tpa of ore fed to the plant were sized, and up-to-date costs were used to factor an overall plant capital cost.

4.8 Metallurgical Testwork

Diagnostic metallurgical tests were carried using a composite sample from a large-diameter drill core to characterise the Kilba ore in terms of its gravity-release behaviour, and to give a prediction of the overall tungsten recovery achievable into a saleable concentrate.

The tests, mainly laboratory sink-float tests in heavy liquids of various densities separating different top-sizes of ore from 10mm to 0.25mm, indicated that the tungsten is present as coarse-grained scheelite, that the optimum liberation size of the tungsten is around 1 - 2mm, and that it should respond well to conventional gravity separation using, for example, spirals and shaking tables. An overall tungsten recovery of at least 80% was indicated.

Follow-up gravity separation testwork to verify the gravity response of the ore was conducted. These tests comprised shaking table trial separations, and further demonstrated that there should be no issues in producing a concentrate from the Kilba ore with a high tungsten recovery.

There was no magnetic or paramagnetic fraction in the sample tested, nor any sulphides. However, these may occur in practice and the process design does cater for their removal from the gravity concentrate.

4.9 Process Flowsheet

Mintrex derived the recommended processing circuit displayed below.

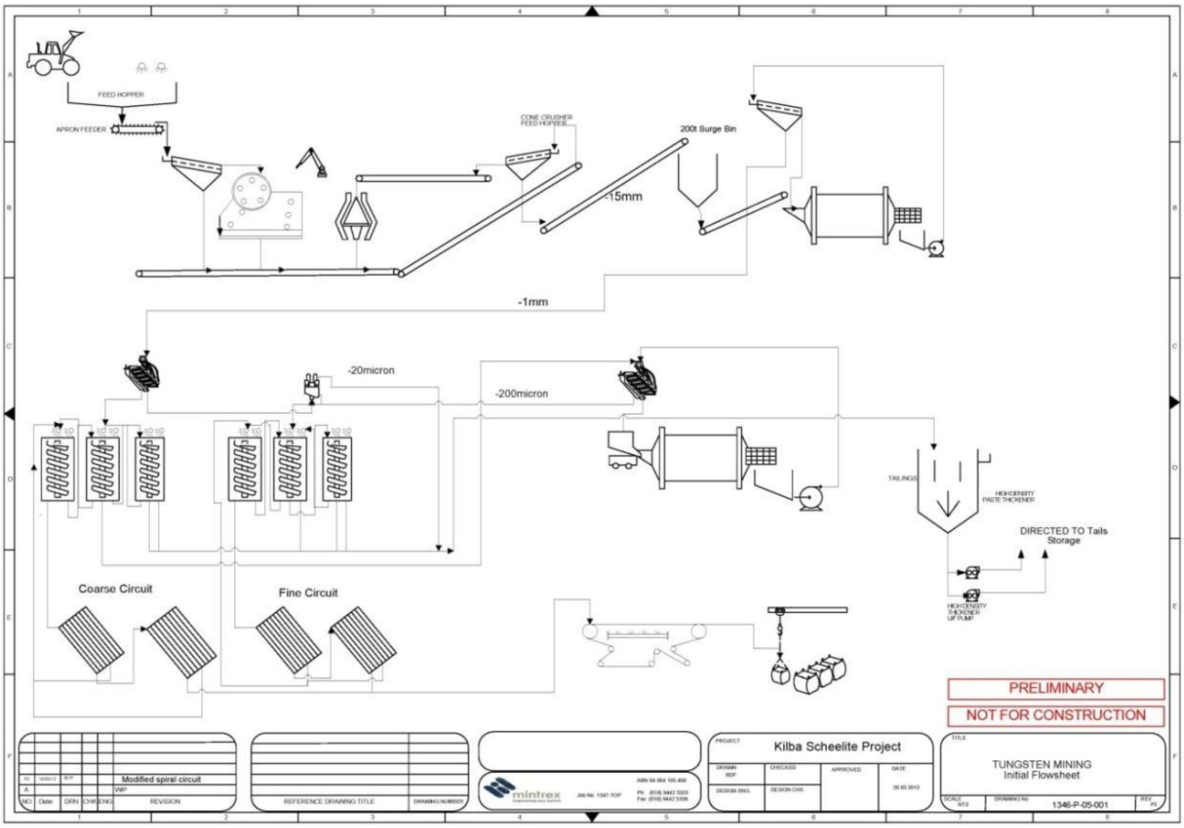

Figure 9: Proposed Block Flow Diagram for the Kilba Processing Plant

4.11 Capital Expenditure

A breakdown of the capital expenditure required to implement the Kilba project is as follows:

Table 5: Project Capital Expenditure

Item	Cost ($M)	Comment
Process plant	44	**750ktpa gravity plant**
Infrastructure	9	**Camp, buildings, water, airstrip**
Stores	3	**15% of capital equipment**
Total	**56**	**Includes 15% contingency**

The major capital component of the Project is the process plant. Mintrex estimated the plant capital cost by first deriving a viable process flowsheet based on the testwork results, then determining a major equipment list for the scale of operation envisaged (750,000t per annum) utilising industry standard plant availability and utilisation for this type of plant, based on a continuous working roster schedule.

4.11 Capital Expenditure (continued)

The capital cost of the processing plant to the following specification was estimated.

- Annual duty: 750,000tpa
- Utilisation: 7,500 hours per year
- Name plate capacity: 100t/h
- Two-stage crushing circuit
- 200t surge bin
- Open-circuit rod mill to 1.5mm
- 3-stage spirals
- Regrind ball mill
- 2-stage tables
- Classification by high-frequency screens
- Highrate thickener
- Concentrate dressing off-site
- Standard EPCM costs
- Contingency of 15%.

Total site power requirement is 3.8MW. This will be supplied from on-site diesel generators owned and installed by a service provider.

4.12 Operating Costs

Mintrex estimated process operating costs based on the proposed plant circuit and throughput as follows:

Table 6: Estimated Operating Costs

Operating Cost	Unit cost $/t [1]	$/mtu, average [2]
Mining	**2.20**	**70**
Processing	**22.00**	**104**
Administration	**8.00**	**38**
Total Operating Cost		**212**

Note 1 - Unit cost per tonne of feed
Note 2 - Unit cost per mtu of product

5 Other Projects

During the year, the Company completed the acquisition of assets as part of the IPO, including;

- the Gasgoyne assets, by issuing SM3-W Pty Ltd (SM3-W) 4 million shares and $200,000 to acquire the share capital of SM3-W,
- the Mosquito creek Tungsten Rights, by issuing Northern Mineral Ltd (NTU) 4 million shares and $100,000 in consideration,
- the Lake Seabrook information, by issuing Magnetic Resources NL 500,000 shares in consideration, and;
- the Koolyanobbing Tungsten Data, by issuing Emu Nickel NL 500,000 shares in consideration.

5.1 Gascoyne Projects

Love's Find

During January known occurrences of tungsten mineralisation at Love's Find were visited and found to be associated with calc-silicate units and garnet skarns. The Company intends to complete detailed geological mapping and surface sampling over the tungsten occurrences followed by broad spaced drill-testing of targets generated.

Mineralisation is hosted by carbonate units of the Morrissey Metamorphic suite and considered to be similar to that present at Kilba.

Whiskey Pool

The Whiskey Pool pit was also visited in January to assess the prospectivity of the tenement, style and controls on tungsten mineralisation present. Mineralisation was found to be associated with wolframite in tourmaline-bearing quartz- (feldspar) veins and potential exists for small high-grade shoots that would complement the Kilba project. Reconnaissance mapping is planned to assess these style of mineralisation.

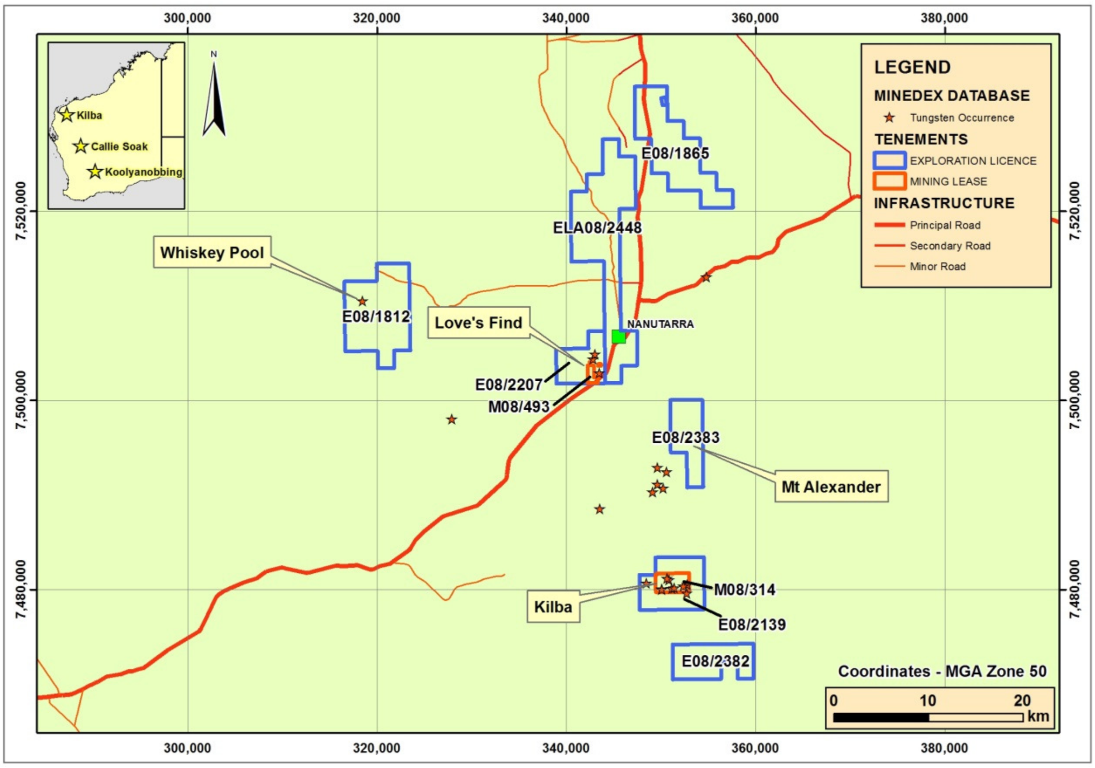

Figure 10: Known tungsten occurrences and the company's tenements in the Gascoyne region.

5.2 Koolyanobbing

During the reporting period a review of previous exploration was undertaken on the Koolyanobbing project near Southern Cross, including reconnaissance trips to evaluate historic exploration and tungsten mineralisation present.

Ultra violet lamping of trenches confirmed the presence of two mineralised structures that host high-grade quartz-scheelite veins that warrant further investigation. This work has allowed Tungsten Mining to identify the more prospective zones and work will focus on these areas.

Directors' Report (continued)

Competent Person's Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on, and fairly represents, information and supporting documentation prepared 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. Mr Bleakley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bleakley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1

A. Diamond drilling intersections greater than 1.5 metres at 0.10% Tungsten Oxide (WO_3).

Kilba Project, Zone 11 Prospect, Diamond Drilling– (>1.5m at 0.10 % WO_3)									
Hole No	**Easting (m)**	**Northing (m)**	**RL**	**Dip/ Azim**	**Depth (m)**	**From (m)**	**To (m)**	**Interval (m)**	**WO_3%**
KDD0001	350,406	7,479,911	133.6	-60/020	54.6	9.9	19.6	9.70	0.38
					Incl.	**9.9**	**13.15**	**3.25**	**0.95**
KDD0002	350,383	7,479,853	132.6	-60/020	106.7	**82.8**	**90.2**	**7.4**	**1.06**
					Incl.	**89.3**	**90.2**	**0.9**	**5.12**
KDD0003	351,439	7,480,053	133.1	-60/020	78.03	**42.5**	**57**	**14.5**	**0.80**
					Incl.	**42.9**	**50.5**	**7.6**	**1.24**
					Incl.	**54.5**	**55.15**	**0.65**	**1.90**
KDD0004	349,751	7,480,090	145.4	-60/035	179.2	120.45	125	4.55	0.38
					Incl.	**120.45**	**120.9**	**0.45**	**3.25**
KDD0005	349,797	7,480,155	139.5	-60/035	118.9	59.3	61	1.7	0.42
KDD0006	349,842	7,480,149	140.0	-60/035	133.0	31.63	34.00	2.37	0.16
KDD0006						**54.00**	**58.05**	**4.05**	**2.41**
KDD0006						**61.41**	**64.43**	**3.02**	**0.48**
KDD0006					Incl.	61.41	61.74	0.33	1.97
KDD0006					Incl.	64.00	64.43	0.43	1.07
KDD0007	350,222	7,479,866	134.7	-60/020	121.8	100.95	105	4.05	0.34
KDD0009	349,974	7,480,053	139.9	-60/035	106.9	38.00	42.70	4.70	0.20
KDD0009						73.40	75.70	2.30	0.76
KDD0010	349,927	7,479,991	142.6	-60/035	171.3	106.45	109.23	2.78	0.21
KDD0010						120.69	125.66	4.97	0.31
KDD0010						136.34	138.92	2.58	0.36
KDD0011	350,325	7,479,913	133.2	-60/020	84.3	**36.30**	**37.80**	**1.50**	**1.80**
KDD0011						**46.46**	**48.50**	**2.04**	**0.76**
KDD0011					Incl.	46.46	47.37	0.91	1.19
KDD0011						59.80	63.00	3.20	0.39
KDD0011					Incl.	60.55	61.00	0.45	1.08
KDD0012	350,297	7,479,838	133.1	-60/020	149.4	**105.00**	**107.60**	**2.60**	**0.48**
KDD0012					Incl.	107.00	107.60	0.60	1.26
KDD0012						**118.88**	**122.33**	**3.45**	**0.54**
KDD0012					Incl.	118.88	119.19	0.31	2.35
KDD0012						124.29	130.35	6.06	0.23
KDD0013	350,146	7,479,892	133.1	-60/020	132.5	87.76	89.10	1.34	0.44

Kilba Project, Zone 11 Prospect, Diamond Drilling– (>1.5m at 0.10 % WO_3)									
Hole No	**Easting (m)**	**Northing (m)**	**RL**	**Dip/ Azim**	**Depth (m)**	**From (m)**	**To (m)**	**Interval (m)**	**WO_3%**
KDD0013						96.77	98.73	1.96	0.31
KDD0013					Incl.	97.55	97.88	0.33	1.13
KDD0014	350,072	7,479,920	136.9	-60/020	135.7	90.54	93.57	3.03	0.19
KDD0015	350,488	7,479,896	133.5	-60/20	114.4	32.00	33.00	1.00	0.48
KDD0016	350,410	7,479,915	133.5	-90	65.8	**23.50**	**26.93**	**3.43**	**0.58**
KDD0016					Incl.	24.25	24.70	0.45	1.06
KDD0016						**36.55**	**43.75**	**7.20**	**0.38**
KDD0016					Incl.	39.60	40.00	0.40	1.07
KDD0017	350,174	7,479,968	136.8	-60/020	72.4	33.00	36.80	3.80	0.16
KDD0018	350,099	7,479,996	140.2	-60/020	87.4	**19.80**	**23.45**	**3.65**	**0.90**
KDD0019	349,907	7,480,103	136.4	-60/035	117.5	85.00	92.00	7.00	0.27
KDD0019						**96.00**	**101.60**	**5.60**	**0.54**
KDD0019					Incl.	100.90	101.60	0.70	2.02
KDD0020	349,861	7,480,037	140.1	-60/035	165.5	**134.00**	**137.80**	**3.80**	**0.89**
KDD0020						**143.10**	**145.20**	**2.10**	**1.22**
KDD0021	350,082	7,479,959	136.3	-60/020	108.7	**49.50**	**58.00**	**8.50**	**0.36**
KDD0021					Incl.	50.50	51.60	1.10	1.47
KDD0022	349,821	7,480,114	140.0	-60/035	134.2	**48.80**	**59.00**	**10.20**	**0.86**
KDD0022					Incl.	50.90	52.38	1.48	3.99
KDD0023	350,308	7,479,875	133.0	-60/020	102.0	**76.50**	**85.20**	**8.70**	**0.41**
KDD0023					Incl.	84.50	85.20	0.70	3.02
KDD0023						**90.70**	**93.40**	**2.70**	**1.00**
KDD0023					Incl.	90.70	91.70	1.00	2.17
KDD0025	350,475	7,479,858	133.1	-60/020	147.6	**76.28**	**82.93**	**6.65**	**0.46**
KDD0025					Incl.	78.19	78.52	0.33	1.14
KDD0025					Incl.	79.00	79.72	0.72	1.32
KDD0025					Incl.	81.67	82.16	0.49	1.57
Half HQ core samples were analysed by XRF determination at Ultra Trace Laboratory, Perth. Weighted average intersections calculated using a 0.10% WO_3 lower cut-off, no upper cut and up to 3.0m of internal waste. True thickness of mineralization is 75 – 100% of drill intersect. Grid coordinates are MGA Zone 50. KDD0016 was a PQ metallurgical hole where the whole core was crushed and split to produce a 2 – 3 kilogram sample for analysis by XRF.									

B. Reverse circulation drilling intersections greater than 1.5 metres at 0.10% Tungsten Oxide (WO_3).

Kilba Project, Zone 11 Prospect, Reverse Circulation Drilling– (>1.5m at 0.10 % WO_3)									
Hole No	**Easting (m)**	**Northing (m)**	**RL**	**Dip/ Azim**	**Depth (m)**	**From (m)**	**To (m)**	**Interval (m)**	**WO_3%**
KRC0003	350,311	7,479,876	133	-60/020	110	**80**	**87**	**7**	**0.71**
KRC0003					Incl.	80	81	1	3.60
KRC0005	350,185	7,480,006	141	-60/020	56	13	15	2	0.10
KRC0006	350,086	7,479,958	136	-60/020	108	**45**	**57**	**12**	**0.38**
KRC0006					Incl.	52	53	1	1.28
KRC0006					Incl.	54	55	1	1.06
KRC0006						78	81	3	0.35
KRC0007	350,015	7,479,978	138	-60/035	120	99	106	7	0.24
KRC0008	349,992	7,479,945	140	-60/035	156	105	108	3	0.16
KRC0008						132	135	3	0.34

Kilba Project, Zone 11 Prospect, Reverse Circulation Drilling– (>1.5m at 0.10 % WO_3)									
Hole No	**Easting (m)**	**Northing (m)**	**RL**	**Dip/ Azim**	**Depth (m)**	**From (m)**	**To (m)**	**Interval (m)**	**WO_3%**
KRC0009	349,996	7,480,090	142	-60/035	84	**59**	**62**	**3**	**0.98**
KRC0009					Incl.	59	61	2	1.32
KRC0010	349,950	7,480,024	139	-60/035	126	82	85	3	0.26
KRC0012	349,865	7,480,181	135	-60/035	78	22	24	2	0.12
KRC0012						41	43	2	0.26
KRC0012						48	50	2	0.18
KRC0013	349,796	7,480,083	142	-60/035	168	88	90	2	0.24
KRC0013						97	105	8	0.18
KRC0013						142	144	2	0.32
KRC0014	349,819	7,480,116	140	-60/035	144	51	58	7	0.23
KRC0014						**85**	**87**	**2**	**0.61**
KRC0014					Incl.	85	86	1	1.05
						122	125	3	0.12
KRC0015	349,884	7,480,070	138	-60/035	138	**72**	**74**	**2**	**0.58**
KRC0015						103	105	2	0.20
KRC0015						110	115	5	0.11
KRC0017	350,038	7,480,011	140	-60/035	90	66	70	4	0.36
KRC0019	349,731	7,480,201	135	-60/020	126	84	86	2	0.17
KRC0020	349,686	7,480,136	140	-60/020	168	**106**	**108**	**2**	**0.78**
KRC0021	350,369	7,479,813	132	-60/020	174	133	135	2	0.14
KRC0022	350,283	7,479,806	136	-60/020	168	133	135	2	0.40
KRC0027	350,640	7,479,905	134	-60/000	66	7	12	5	0.18
KRC0032	349,804	7,480,301	133.4	-60/075	30	20	22	2	0.12
KRC0034	349,762	7,480,456	132.9	-60/075	66	**24**	**26**	**2**	**0.56**
KRC0035	349,685	7,480,435	132.1	-60/075	100	10	12	2	0.11
KRC0038	349,863	7,480,040	140.6	-75/035	168	110	117	7	0.21
KRC0038						131	135	4	0.29
KRC0038						143	145	2	0.24
KRC0040	349,762	7,480,291	133.3	-60/075	90	34	39	5	0.32
KRC0042	349,779	7,480,368	133.5	-60/075	78	19	25	6	0.3
Riffle split 1m samples were analysed by XRF determination at Ultra Trace Laboratory, Perth. Intersections calculated using a 0.10% WO_3 lower cut-off, no upper cut and up to 3.0m of internal waste. True thickness of mineralization is 75 – 100% of drill intersect. Grid coordinates are MGA Zone 50.									

Directors' Report (continued)

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.

Relationship between Remuneration Policy and Company Performancce

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for Company, business team and individual performance;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Strructure

- At this time, the cash component of remuneration paid to the Executive director, the Company Secretary and other senior managers is not dependent upon the satisfaction of performance conditions.

- It is current policy that some executives be engaged by way of consultancy agreements with the Company, under which they receive a contract rate based upon the number of hours of service supplied to the Company. There is provision for yearly review and adjustment based on consumer price indices. Such remuneration is hence not dependent upon the achievement of specific performance conditions. This policy is considered to be appropriate for the Company, having regard to the current state of its development.

- Executive directors are encouraged by the Board to hold shares in the Company (purchased on market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for directors of a company to have a stake in that company. The Executive directors of the Company may also participate in the share and option plans as described in this report.

Directors' Report (continued)

Details of Remuneration

KMP's remuneration for the year ended 30 June 2013:

	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYEMENT BENEFITS		SHARE BASED		OTHER BENEFITS	TOTAL	Percentage of Salaires paid in Options
	Salary, Fees & Superannuation	Other services	Non-Monetary	Superannuation	Retirement Benefits	Shares	Options		$	
	Paul Berndt - Managing Director									
2013	211,133	-	-	19,002	-	-	-	-	230,135	-
2012	10,321	-	-	929	-	50,000	-	-	61,250	-
	Patrick McManus - Non Executive Chairman									
2013	32,500	-	-	-	-		75,000	-	107,500	-
2012	16,000	-	-	-	-	-		-	16,000	-
	Charlton William Kable - resigned 14 January 2013 (deceased)									
2013	-	-	-	-	-	-		-	-	-
2012	-	-	-	-	-	-		-	-	-
	Francis Loh (appointed 13 July 2012)									
2013	21,665	-	-	-	-	-		-	21,665	-
2012	-	-	-	-	-	-		-	-	-
	Lindsay Cahill (resigned 30 September 2012)									
2013	-	-	-	-	-	-		-	-	-
2012	-	-	-	-	-	50,000		-	50,000	-
	Robert Van der Laan - Chief Financial Officer									
2013	-	56,940	-	-	-	-	75,000	-	131,940	-
2012	-	-	-	-	-	-		-	-	-
	Farlee Walker - Company Secretary (resgined 13 August 2013)									
2013	-	13,280	-	-	-	-		-	13,280	-
2012	-	-	-	-	-	-		-	-	-
	Total Remuneration									
2013	265,298	70,220	-	19,002	-	-	150,000	-	504,520	-
2012	26,321	-	-	929	-	100,000	-	-	127,250	-

SHARE AND OPTION BASED PAYMENTS

5 million unlisted options exercisable at $0.40 on or before 30 June 2016 at a fair value of $0.015 per option were issued to Patrick McManus, the Non Executive Chairman, as one of the promoters of the Company.

5 million unlisted options exercisable at $0.40 on or before 30 June 2016 at a fair value of $0.015 per option were issued to Robert Van der Laan, the Chief Financial Officer, as one of the promoters of the Company.

The following were the parameters were applied: Volatility 60, Interest Rate 2.48, Days until expiration 1,460, Exercise Price .4 and Underlying Price .1.

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 superannuation requirement prior to ASX Listing and has increase to $275,000 per annum inclusive of superannuation requirement 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 2013.

SHARE OPTIONS

Options granted to KMP of the Group

During the year, 15,000,000 unlisted options exercisable at $0.40 on or before 30 June 2016 were issued to promoters of the Company. A total of 10,000,000 unlisted options were granted over issued shares of the Group to KMP as promoters of the Company.

During the year, 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 29 and forms part of this report.

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

Paul Berndt
Managing Director
Perth
Dated: 27 September 2013

Auditor's Independence Declaration

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

Corporate Governance Statement

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has considered the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations*.

In line with the above, the Board has set out the way forward for the Company in its implementation of its Principles of Good Corporate Governance and Recommendations. The approach taken by the board was to set a blueprint for the Company to follow as it introduces elements of the governance process. Due to the current size of the Company and the scale of its operations it is neither practical nor economic for the adoption of all of the recommendations approved via the board charter. Where the Company has not adhered to the recommendations it has stated that fact in this Corporate Governance Statement however has set out a mandate for future compliance when the size of the Company and the scale of its operations warrants the introduction of those recommendations.

1. Board of Directors

1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out those delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company. To assist the Board carry its functions, it has developed a Code of Conduct to guide the Directors. A copy of the Code of Conduct is available on the Company's website (tungstenmining.com).

1.2 Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge it responsibilities and duties. The names of the Directors and their qualifications and experience have been stated in the Directors' Report of the 2013 Annual Report along with the term of office held by each of the Directors. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment. The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. There are currently three Non-Executive Directors on the board of the Company who are also independent directors.

An Independent Director:

1. is a Non-Executive Director and;
2. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
3. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;

4. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
5. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
6. has no material contractual relationship with the Company or other group member other than as a Director of the Company;
7. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
8. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Materiality for the purposes of points 1 to 8 above is determined on the basis of both quantitative and qualitative aspects with regard to the independence of Directors. An amount over 5% of the Company's expenditure or 10% of the particular directors annual gross income is considered to be material. A period of more than six years as a Director would be considered material when assessing independence.

Mr Patrick McManus is a Non-Executive Director and Chairman of the Company and meets the Company's criteria for independence.

Mr Francis Loh is a Non-Executive Director of the Company and meets the Company's criteria for independence.

Mr Paul Berndt is an Executive Director of the Company and does not meet the Company's criteria for independence. However, his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

1. Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
2. Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
3. Overseeing Planning Activities: the development of the Company's strategic plan.
4. Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
5. Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.

6. Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
7. Human Resources: reviewing the performance of Executive Officers and monitoring the performance of senior management in their implementation of the Company's strategy.
8. Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
9. Delegation of Authority: delegating appropriate powers to the Managing Director to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter. A copy of the Board Charter is available on the Company's website (tungstenmining.com).

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules* the Company immediately notifies the ASX of information:

1. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

A copy of the Disclosure Strategy is available on the Company's website (tungstenmining.com).

1.4.5 Education and Induction

It is the policy of the Company that each new Director undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company;
- a copy of the Corporate Governance Statement, Charters, Policies and Memos; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. The Board will implement a formal Ongoing Education Framework this year.

1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.8 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

1. communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
2. giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
3. making it easy for shareholders to participate in general meetings of the Company; and
4. requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report of future Annual Reports.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. A copy of the Shareholder Communication Strategy is available on the Company's website (tungstenmining.com).

1.4.9 Trading in Company Shares

The Company has a Share Trading Policy which states that Directors, members of senior management, certain other employees and their associates likely to be in possession of unpublished price sensitive information may not trade in the Company's securities prior to that unpublished price sensitive information being released to the market via the ASX and which include restrictions on trading in closed periods, complying with the ASX Listing Rule requirements. A copy of the Share Trading Policy is available on the Company's website (tungstenmining.com). Unpublished price sensitive information is information regarding the Company, of which the market is not aware, that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

1.4.10 Performance Review / Evaluation

It is the policy of the Board to conduct evaluation of its performance. The objective of this evaluation is to provide best practice corporate governance to the Company. During the financial year an evaluation of the performance of the Board and its members was not formally carried out. However, a general review of the Board and executives occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place. A copy of the Board Performance Evaluation Policy is available on the Company's website (tungstenmining.com).

1.4.11 Attestations by Managing Director and CFO

It is the Board's policy that the Managing Director and the CFO make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing future Annual Reports.

1.4.12 Risk Management Policy

The Company's Risk Management Strategy states that the Board as a whole is responsible for the oversight of the Company's risk management and control framework. The objectives of the Company's Risk Management Strategy are to:

- identify risks to the Company;
- balance risk to reward;
- ensure regulatory compliance is achieved; and
- ensure senior executives, the Board and investors understand the risk profile of the Company.

The Board monitors risk through various arrangements including:

- regular Board meetings;
- share price monitoring;
- market monitoring; and
- regular review of financial position and operations.

The Company will develop a Risk Register this year in order to assist with the risk management of the Company. The Company's Risk Management Strategy was adopted by the Board and is considered a sound strategy for addressing and managing risk. A copy of the Risk Management Strategy is available on the Company's website (tungstenmining.com).

1.4.13 Diversity Policy
The Company recognises and respects the value of diversity at all levels of the organisation.
The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation.

The Diversity Policy was adopted by the Board and the Company set the following objectives for the employment of women:

- to the Board – no target set
- to senior management – 20% by 2013
- to the organisation as a whole – 20% by 2013

As at the date of this report, the Company has the following proportion of women appointed:

- to the Board – 0%
- to senior management – 25%
- to the organisation as a whole – 38%

The Company recognises that the mining and exploration industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills will be limited in some instances. Where possible, the Company will seek to identify suitable candidates for positions from a diverse pool. The Company's Diversity Policy is located on its website (tungstenmining.com).

2. Board Committees

2.1 Audit Committee

The Audit Committee consists of Non-Executive Directors Mr Francis Loh (Chairman) and Mr Patrick McManus and the Company Secretary. The Audit Committee met once during the financial year ended 30 June 2013 and all members were present at the meeting. A copy of the Audit Committee Charter is available on the Company's website (tungstenmining.com).

2.2 Remuneration Committee

2.2.1.1 Role
The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees. The Remuneration Committee consists of Non-Executive Directors Mr Francis Loh (Chairman) and Mr Patrick McManus and the Company Secretary. The Remuneration Committee didn't meet during the financial year ended 30 June 2013 but is scheduled to meet early in the next financial year with all members expected to be present at the meeting.

2.2.1.2 Responsibilities
The responsibilities of a Remuneration Committee include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors, recommendations for remuneration by gender and making recommendations on any proposed changes and undertaking reviews of the Managing Director's performance, including, setting with the Managing Director goals and reviewing progress in achieving those goals.

2.2.2 Remuneration Policy

2.2.2.1 Non-Executive Director Remuneration Policy

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors.

2.2.2.2 Executive Director Remuneration

Managing Director remuneration is set by the Board with the executive director in question not present.

2.2.3 Current Director Remuneration

Full details regarding the remuneration of Directors has been included in the Directors' Report of the 2013 Annual Report. A copy of the Remuneration Committee Charter is available on the Company's website (tungstenmining.com).

2.3 Nomination Committee

2.3.1.1 Role

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee.

2.3.1.1 Responsibilities

Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a nomination committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee.

2.3.2 Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's operations. The Company's current directors all have relevant experience in the operations. In addition, Directors should have the relevant blend of personal experience in:

- Accounting and financial management; and
- Director-level business experience.

The Nomination Committee (Board as a whole) is responsible for implementing a program to identify, assess and enhance director competencies. In addition, the Nomination Committee (Board as a whole) puts in place succession plans to ensure an appropriate mix of skills, experience, expertise and diversity are maintained on the Board.

3. Company Code of Conduct

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. The Code of Conduct was adopted by the Board. This Code of Conduct includes the following:

Responsibilities to Shareholders and the Financial Community Generally

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its financial statements fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

Responsibilities to Clients, Customers and Consumers

The Company has an obligation to use its best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers and is committed to providing clients, customers and consumers with fair value.

Employment Practices

The Company policy is to endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

Obligations Relative to Fair Trading and Dealing

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company strives to deal fairly with the Company's customers, suppliers and competitors.

Responsibilities to the Community

As part of the community the Company: is committed to conducting its business in accordance with applicable environmental laws and regulations

Responsibility to the Individual

The Company is committed to keeping private information from employees, clients, customers, consumers and investors confidential and protected from uses other than those for which it was provided.

Conflicts of Interest

Directors and Employees must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

Corporate Governance Policy (Continued)

How the Company Complies with Legislation Affecting its Operations

Within Australia, the Company strives to comply with the spirit and the letter of all legislation affecting its operations. Outside Australia, the Company will abide by local laws in all countries in which it operates. Where those laws are not as stringent as the Company's operating policies, particularly in relation to the environment, workplace practices, intellectual property and the giving of "gifts", Company policy will prevail.

How the Company Monitors and Ensures Compliance with its Code.

The Board of the Company is committed to implementing this Code of Conduct and each individual is accountable for such compliance. Disciplinary measures may be imposed for violating the Code of Conduct. A copy of the Code of Conduct is available on the Company's website (tungstenmining.com).

This Corporate Governance Statement sets out Tungsten Mining NL's current compliance with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Recommendations. The Recommendations are not mandatory.

Principle / Recommendation	**Requirement**	**Compliance**	**Reference**
Principle 1	**Lay Solid Foundations for Management and Oversight**		
Recommendation 1.1	Functions of the Board and Senior Executives	Yes	1.1, 1.2, 1.3 Website
Recommendation 1.2	Performance Evaluation of Senior Executives	Yes	1.4.10
Recommendation 1.3	Reporting on Principle 1	Yes	1.1, 1.2, 1.3, 1.4 Website
Principle 2	**Structure the Board to Add Value**		
Recommendation 2.1	Independent Directors	Yes	1.2
Recommendation 2.2	Independent Chair	Yes	1.2
Recommendation 2.3	Role of the Chair and CEO	Yes	1.1, 1.2 Website
Recommendation 2.4	Establishment of Nomination Committee	No	2.3
Recommendation 2.5	Performance Evaluation Process	Yes	1.4.10 Website
Recommendation 2.6	Reporting on Principle 2	Yes	1.1, 1.2, Website
Principle 3	**Promote Ethical and Responsible Decision Making**		
Recommendation 3.1	Directors' and Senior Executives' Code of Conduct	Yes	3 Website
Recommendation 3.2	Diversity Policy	Yes	1.4.13
Recommendation 3.3	Diversity Policy Objectives	Yes	1.4.13
Recommendation 3.4	Diversity Reporting	Yes	1.4.13
Recommendation 3.5	Reporting on Principle 3	Yes	3, 1.4.13 Website

Corporate Governance Policy (Continued)

Principle 3	**Promote Ethical and Responsible Decision Making**		
Recommendation 3.1	Directors' and Senior Executives' Code of Conduct	Yes	3 Website
Recommendation 3.2	Diversity Policy	Yes	1.4.13
Recommendation 3.3	Diversity Policy Objectives	Yes	1.4.13
Recommendation 3.4	Diversity Reporting	Yes	1.4.13
Recommendation 3.5	Reporting on Principle 3	Yes	3, 1.4.13 Website
Principle 4	**Safeguard Integrity in Financial Reporting**		
Recommendation 4.1	Establishment of Audit Committee	Yes	2.1
Recommendation 4.2	Structure of Audit Committee	Yes	2.1
Recommendation 4.3	Audit Committee Charter	Yes	2.1 Website
Recommendation 4.4	Reporting on Principle 4	Yes	2.1 Website
Principle 5	**Make Timely and Balanced Disclosure**		
Recommendation 5.1	Policy for Compliance with Continuous Disclosure	Yes	1.4.4 Website
Recommendation 5.2	Reporting on Principle 5	Yes	1.4.4 Website
Principle 6	**Respect the Rights of Shareholders**		
Recommendation 6.1	Communications Strategy	Yes	1.4.8 Website
Recommendation 6.2	Reporting on Principle 6	Yes	1.4.8 Website
Principle 7	**Recognise and Manage Risk**		
Recommendation 7.1	Policies on Risk Oversight and Management of Material Business Risks	Yes	1.4.12 Website
Recommendation 7.2	Attestations by CEO and CFO	Yes	1.4.11
Recommendation 7.3	Risk Management and Internal Control	Yes	1.4.12 Website
Recommendation 7.4	Reporting on Principle 7	Yes	1.4.12 Website
Principle 8	**Renumerate Fairly and Responsibly**		
Recommendation 8.1	Establishment of Remuneration Committee	Yes	2.2.1.1 Website
Recommendation 8.2	Structure of Remuneration Committee	Yes	2.2.1.1 Website
Recommendation 8.3	Executive and Non-Executive Director Remuneration	Yes	2.2.2 Website
Recommendation 8.4	Reporting on Principle 8	Yes	2.2.1.1, 2.2.2 Website

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	For the year ended 30 June 2013	For the period 13 July 2011 to 30 June 2012
		$	$
REVENUE FROM CONTINUING ACTIVITIES			
Fuel tax credit		27,302	-
Other Income		40,033	-
TOTAL REVENUE		**67,335**	**-**
EXPENSES			
Administration expenses		829,092	69,118
Share based payment expense	17	-	150,000
Exploration expense		3,513,458	150,336
Occupancy expense		44,000	10,000
Remuneration expense		533,241	57,416
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		**(4,852,457)**	**(436,870)**
INCOME TAX	4	-	-
NET LOSS FOR THE YEAR		**(4,852,457)**	**(436,870)**
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(4,852,457)**	**(436,870)**
Basic and diluted loss per share (cents per share)	7	(7.60)	(1.3)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $	2012 $
CURRENT ASSETS			
Cash and cash equivalents	8	673,988	1,124,052
Trade and other receivables	9	83,369	64,925
Other assets	10	4,180	-
Total Current Assets		**761,537**	**1,188,977**
NON CURRENT ASSETS			
Plant and equipment	11	115,827	4,023
Exploration and evaluation	12	2,560,079	710,079
Total Non Current Assets		**2,675,906**	**714,102**
TOTAL ASSETS		**3,437,443**	**1,903,079**
CURRENT LIABILITIES			
Trade and other payables	13	223,577	28,428
Provisions	14	6,065	-
Total Current Liabilities		**229,642**	**28,428**
TOTAL LIABILITIES		**229,642**	**28,428**
NET ASSETS		**3,207,801**	**1,874,651**
EQUITY			
Issued capital	15	8,272,128	2,311,521
Reserves	16	225,000	-
Accumulated losses	18	(5,289,327)	(436,870)
TOTAL EQUITY		**3,207,801**	**1,874,651**

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

TUNGSTEN MINING NL

A.C.N. 152 084 403

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital	Share Based Payment Reserves	Accumulated Losses	Total
	$	$	$	$
At 13 July 2011				
Opening Balance	-	-	-	-
Loss for the year	-	-	(436,870)	(436,870)
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive loss for the period (net of tax)	-	-	(436,870)	(436,870)
Transactions with owners in their capcity as owners:				
Shares issued	3,552,521	-	-	3,552,521
Share issued transaction costs	(1,391,000)	-	-	(1,391,000)
Share based payments expense	150,000	-	-	150,000
At 1 July 2012	2,311,521	-	(436,870)	1,874,651
Total comprehensiveprofit/(loss) for the year (net of tax)	**-**	**-**	**(4,852,457)**	**(4,852,457)**
Transactions with owners in their capcity as owners:				
Shares issued	6,710,876	-	-	6,710,876
Share issued transaction costs	(525,269)	-	-	(525,269)
Option based payments	(225,000)	225,000	-	-
Balance as at 30 June 2013	**8,272,128**	**225,000**	**(5,289,327)**	**3,207,801**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	For the year ended 30 June 2013	For the period 13 July 2011 to 30 June 2012
OPERATING ACTIVITIES			
Payments to suppliers		(838,300)	(126,314)
Payments for employee expenses		(328,406)	-
Payments for exploration expenses		(3,516,568)	(170,588)
Interest received		40,033	-
Fuel tax credits		27,302	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	22	**(4,615,939)**	**(296,902)**
INVESTING ACTIVITIES			
Purchase of office equipment	11	(119,732)	(4,044)
Payment for acqusition of subsidiary, net of cash acquired	24	(200,000)	(4,656)
Payment for acqusition of mineral rights	12	(100,000)	(47,902)
Option fees paid		-	(100,000)
Loan payment made		-	(26,444)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(419,732)**	**(183,046)**
FINANCING ACTIVITIES			
Proceeds from issue of shares	15,22	5,110,876	1,700,000
Share issue costs	15	(525,269)	(96,000)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**4,585,607**	**1,604,000**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(450,064)**	**1,124,052**
Cash and cash equivalents at the beginning of the year		1,124,052	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	**673,988**	**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 NL ("the Company") is a public no liability company and was incorporated on 13 July 2011 in Australia. The consolidated financial report of the Company for the year ended 30 June 2013 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.

Going Concern

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

As at 30 June 2013, the consolidated entity has approximately $673,988 in cash and cash equivalents. The directors recognise that the ability of the consolidated entity to continue as a going concern and to pay its debts as and when they fall due is dependent on the ability of the consolidated entity to secure additional funding.

The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the consolidated entity will achieve the matters set out above. As such, the directors believe that they will continue to be successful in securing additional funds as and when the need to raise working capital arises.

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

Note 2: Statement of significant accounting policies (continued)

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the consolidated entity be unable to continue as a going concern.

Comparative figures

The company was incorporated on 13 July 2011. Therefore, comparative figures for the period 13 July 2011 to 30 June 2012 are not necessarily comparable to figures for the current period.

(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 consolidated entity. The consolidated entity has decided not to early adopt any of the new and amended pronouncements. The consolidated entity's assessment of the new and amended pronouncements that are relevant to the consolidated entity 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 2015).

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.

Note 2: Statement of significant accounting policies (continued)

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

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.

AASB 10 is not expected to impact on the consolidated entity.

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 11 is not expected to impact on the consolidated entity.

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 consolidated entity.

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.

Note 2: Statement of significant accounting policies (continued)

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 consolidated entity.

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.

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.

This review of AASB 119 is not expected to impact on the consolidated entity.

(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.

Note 2: Statement of significant accounting policies (continued)

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.

(d) 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 it is deemed 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.

(e) 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)

(e) 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.

(f) 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.

Note 2: Statement of significant accounting policies (continued)

(f) 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.

(g) 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.

(h) 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)

(h) 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.

(i) 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.

(j) 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.

(k) 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.

Note 2: Statement of significant accounting policies (continued)

(l) 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.

(m) 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.

(n) Earnings/(Loss) per share
Basic earnings/(loss) per share is calculated as net profit attributable to members of the consolidated entity 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.

(o) 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.

(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.

Note 2: Statement of significant accounting policies (continued)

(p) 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.

(q) Leases
Operating Lease payments are recognised as an operating expense in the statement of profit or loss and other 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.

(r) Share Based Payments
Under AASB 2 Share Based Payments, the consolidated entity must recognise the fair value of options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

The consolidated entity provides benefits to employees (including directors) of the consolidated entity in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including direcotrs) is measured by reference to fair value at the date they are granted. The fair value is determined using the Black Scholes option pricing model.

Note 3: Segment information

The consolidated entity has based its operating segment on the internal reports that are reviewed and used by the chief operators decision makers (The Board) 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 The Board 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 evaluation and the segment operations and results are reported internally based on the accounting policies as described in note 2 for the computation of the controlled entity's results presented in this set of financial statements.

Note 4: Income Tax

(a) Prima facie income tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements

	CONSOLIDATED 30 JUNE 2013 $	COMPANY 30 JUNE 2012 $
Loss before income tax	(4,852,457)	(436,870)
Income tax calculated at 30%	(1,455,737)	(131,061)
Tax effect of;-		
Expenses not allowed	19,330	-
Share based payment	-	45,000
Capital raising costs deductible	(157,581)	(28,800)
Deferred exploration and evaluation expenditure	1,593,988	114,861
Income tax refund (payable) attributable to operating losses	**-**	**-**

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

The benefits will only be obtained if:

(i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
(ii) The Group continues to comply with the conditions in deductibility imposed by the Law; and
(iii) No change in tax legislation adversely affect the Group in realising the benefits from the deductions or the losses.

Note 5: Key Management Personnel's remuneration

Refer to the remuneration report contained in the directors' report for details of the remuneration paid of payable to each member of the controlled entity's key management personnel (KMP) for the year ended 30 June 2013.

	2013 $	2012 $
Short-term employee benefits	335,518	26,321
Post-employment benefits	19,002	929
Other long-term benefits	-	-
Share based payments	150,000	100,000
Total KMP compensation	504,520	127,250

(a) Shareholdings

Number of shares held by key management personnel

2013	Number of Ordinary Shares			
	Held at 1 July 2012	Net Change	Granted in lieu of remuneration	Held at 30 June 2013
Paul Berndt	1,000,000	115,000	-	1,115,000
Patrick McManus	650,000	(630,000)	-	20,000
Charlton William Kable	-	-	-	-
Francis Loh	-	-	-	-
Lindsay Cahill	1,250,000	50,000	-	1,300,000
Robert Van der Laan	1,550,000	-	-	1,550,000
Farlee Walker*	-	-	-	-

2012	Number of Ordinary Shares		
	Held at 13 July 2011	Other Changes	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	-	-	-

** Ms Walker resigned as Company Secretary on 13 August 2013.*

Note 6: Auditor's remuneration

	2013 $	2012 $
Remuneration of the auditor, Somes Cooke, of the Company:		
- auditing or reviewing the financial report	31,000	7,500
- investigating accountants report	-	7,000
	31,000	14,500

Note 7: Loss per share

	2013 $	2012
Basic loss per share	7.60	1.30
Diluted loss per share	7.60	1.30
Net loss	(4,852,457)	(436,870)
Loss used in calculating basic and diluted loss per share	(4,852,457)	(436,870)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	63,885,961	33,250,000

During the period there were 15,000,000 options that were issued over ordinary share capital.

Note 8: Cash and cash equivalents

	2013 $	2012 $
Cash at bank	673,988	1,124,052
Cash at the end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:		
Cash at bank	673,988	1,124,052

Note 9: Trade and other receivables

	2013 $	2012 $
Current		
GST receivable	83,369	25,982
Seed capital receivable	-	12,500
SM3-W Pty Ltd	-	26,444
Total receivable	**83,369**	**64,925**

(i) Non-trade debtors are non-interest bearing and are generally on 30-90 days terms. The carrying amounts of theses receivables represent fair value and are not considered to be impaired.

Note 10: Other assets

	2013	2012
	$	$
Prepayments	4,180	-

Note 11: Plant and equipment

	Office Equipment	Plant and Equipment	Computer Software	Total
	$	$	$	$
At 30 June 2013				
Cost	12,502	109,755	1,499	123,756
Accumulated depreciation	(3,085)	(4,540)	(304)	(7,929)
Closing net carrying value	**9,417**	**105,215**	**1,195**	**115,827**
Year ended 30 June 2013				
Opening net carrying value	4,024	-	-	4,024
Additions	8,478	109,755	1,499	119,732
Depreciation charge for the year	(3,085)	(4,540)	(304)	(7,929)
Closing net carrying value	**9,417**	**105,215**	**1,195**	**115,827**

Note 12: Exploration and evaluation

	2013	2012
	$	$
At 1 July	710,079	-
Option fees paid	(50,000)	100,000
Acquisition of BRL Exploration Pty Ltd		413,579
Acquisition of mineral rights		196,500
Acquisition of SM3-W Pty Ltd (i)	1,000,000	-
Acquisition of Northern Minerals Mosquito Creek designated mineral rights (ii)	900,000	-
As at 30 June	**2,560,079**	**710,079**

(i) Consideration for the acquisition was $200,000 cash and 4 million shares
(ii) Consideration for the acquisition was $100,000 cash and 4 million shares

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

Note 13: Trade and other payables

	2013 $	2012 $
Current		
Unsecured liabilities		
Trade Payables	149,451	9,678
Business credit card	9,923	-
Accrued expenses	64,203	18,750
	223,577	28,428

Note 14: Provisions

	2013 $	2012 $
Empoyee benefits	6,065	-

Note 15: Issued capital

	2013 $	2012 $
Ordinary shares fully paid	8,272,128	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 entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholder. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. As the equity market is constantly changing the Board may issue new shares to provide for future exploration and development activity. The company is not subject to any externally imposed capital requirements.

Note 15: Issued capital (continued)

Movements in ordinary shares on issue of the company are:

	Note	2013 Number	2012 Number
At the beginning of reporting period		45,500,000	-
Issue of 25,554,379 shares pursuant to initial public offerings	15.1	25,554,379	-
Acqusition of SM3-W Pty Ltd	15.2	4,000,000	-
Acqusition of Northern Minerals Mosquito Creek designated mineral rights	15.3	4,000,000	-
Issue of 1,000,000 shares to Paul Berndt	15.4	-	1,000,000
Issue of 1,950,000 shares to promoters	15.5	-	1,950,000
Issue of 4,900,000 shares for provision of services	15.6	-	4,900,000
Issue of 2,000,000 shares to external consultants	15.7	-	2,000,000
Issue of 8,000,000 shares for the purchase of BRL Exploration Pty Ltd	15.8	-	8,000,000
Issue of 1,000,000 shares for acquisition of information data	15.9	-	1,000,000
Issue of 150,000 shares for the purchase of MWYN Tenements	15.10	-	150,000
Issue of 2,000,000 shares for 20% interest in Callie Soak	15.11	-	2,000,000
2,000,000 shares issued as seed capital	15.12	-	2,000,000
4,000,000 shares issued as seed capital	15.13	-	4,000,000
8,000,000 shares issued as seed capital	15.14	-	8,000,000
10,500,000 shares issued for provision of services in raising seed capital	15.15	-	10,500,000
At the end of the reporting period		**79,054,379**	**45,500,000**

Notes to Financial Statements

Note 15: Issued capital (continued)

	Note	2013 $	2012 $
At the beginning of reporting period		2,311,521	-
Issue of 25,554,379 shares pursuant to initial public offerings at $0.20	15.1	5,110,876	-
4,000,000 shares issued for acqusition of SM3-W Pty Ltd	15.2	800,000	-
4,000,000 shares issued for acqusition of Northern Minerals Mosquito Creek designated mineral rights	15.3	800,000	-
Issue of 1,000,000 shares to P Berndt amd P McManus for services rendered at $0.050001	15.4	-	50,001
1,950,000 shares issued to promoters at $0.000001	15.5	-	2
4,900,000 shares issued for provision of services at $0.050001	15.6	-	245,005
2,000,000 shares issued to external consultants at $0.050001	15.7	-	100,002
8,000,000 shares issued for the pruchase of BRL Exploration Pty Ltd at $0.050001	15.8	-	400,008
1,000,000 shares issued for the acquisition of information data at $0.050001	15.9	-	50,001
150,000 shares issued for the purchase of MWYN Tenements at $0.050001	15.10	-	7,500
2,000,000 shares issue for 20% interest in Callie Soak at $0.050001	15.11	-	100,002
2,000,000 shares issued as seed capital at $0.05	15.12	-	100,000
4,000,000 shares issued as seed capital at $0.10	15.13	-	400,000
8,000,000 shares issued as seed capital at $0.15	15.14	-	1,200,000
10,500,000 shares issued for provision of services in raising seed capital at $0.10	15.15	-	1,050,000
Equity raising costs	15.16	(525,269)	(1,391,000)
At the end of the reporting period		**8,497,128**	**2,311,521**

Note 15: Issued capital (continued)

15.1	The issue of 25,554,379 shares at $0.20 per share pursuant to Public Offering raising $5,110,876 during the year ended 30 June 2013.
15.2	The issue of 4,000,000 shares at fair value of $0.20 per share to SM3-W Pty Ltd as part of the consideration for the acquisition.
15.3	The issue of 4,000,000 shares at fair value of $0.20 per share to Northern Minerals as part of the consideration for the acquisition of Mosquito Creek designated mineral rights.
15.4	The issue of 1,000,000 shares at fair value of $0.050001 per share to Paul Berndt, the managing director, for services.
15.5	The issue of 1,950,000 shares at fair value of $0.000001 per share for unspecified services related to promotion of the Company.
15.6	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.
15.7	The issue of 2,000,000 shares at fair value of $0.050001 per share for services provided to the Company by external consultants.
15.8	The issue of 8,000,000 shares at fair value of $0.050001 per share for the purchase of subsidiary company, BRL Exploration Pty Ltd.
15.9	The issue of 1,000,000 shares at fair value of $0.050001 per share for acquisition of information data.
15.10	The issue of 150,000 shares at fair value of $0.05001 per share for the purchase of MWYN Tenements.
15.11	The issue of 2,000,000 shares at fair value of $0.050001 per share for the acquisition of 20% interest in Callie Soak.
15.12	The issue of 2,000,000 shares at fair value of $0.05 per share as seed capital.
15.13	The issue of 4,000,000 shares at fair value of $0.10 per share as seed capital.
15.14	The issue of 8,000,000 shares at fair value of $0.15 per share as seed capital.
15.15	The issue of 10,500,000 shares at fair value of $0.10 per share for the provision of services in raising seed capital.
15.16	For the period ended 30 June 2013, the payment of costs incurred by the Company in relation to equity raising and listing of the Company's shares and of $525,269 (2012: $1,391,000).

As at 30 June 2013, there was 15 million options on issue, see note 16.

Note 16: Reserves

	Number of Options	$
At 1 July 2012		
Fair value of 15,000,000 unlisted options exercisable at $0.40 on or before 30 June 2016 to issued to promoters of the company	15,000,000	225,000
As at 30 June 2013	**15,000,000**	**225,000**

Note 17: 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:

	2013 $	2012 $
Shares issued in consideration of services. See note 15.4 and 15.7.	-	150,000
	-	**150,000**

Share based payments of $225,000 were made to KMP and other promoters of the company during the year, this amount was charged to the company's share capital and capital raising costs.

Note 18: Accumulated losses

	2013 $	2012 $
Opening balance	(436,870)	-
Net loss for the reporting period	(4,852,457)	(436,870)
Accumulated losses at the end of the financial year	**(5,289,327)**	**(436,870)**

Note 19: Commitments

(i) Exploration
The consolidated entity has minimum obligations pursuant to the terms and conditions of the exploration licences and mineral rights of $720,300 (2012: $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 controlled entity.

(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 is $4,000 per month.

Note 20: Contingent liabilities

There are no contingent liabilities as at 30 June 2013.

Note 21: 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 loans to subsidiaries and those noted in Notes 5 and 24.

Note 22: Cash flow information

	2013 $	2012 $
Reconciliation of cash flow from operations with (loss)/profit from ordinary activities after income tax		
Loss from ordinary activities after income tax	(4,852,457)	(436,870)
Depreciation	7,929	21
Share based payment expense	-	150,000
Option fees expenses	50,000	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	(22,623)	(38,482)
Increase/(decrease) in payables	201,212	28,429
Cash flow from operations	**(4,615,939)**	**(296,902)**

Non-Cash Financing and Investing Activities

(i) Share Issue:

During the year the controlled entity issued a total 8,000,000 ordinary shares with a total value of $1,600,000 in return for the acquisition of subsidiary and mineral rights.

Note 23: Financial risk management objectives and policies

The consolidated entity's principal financial instrument is cash and cash equivalents. 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 23: Financial risk management objectives and policies (continued)

	Weighted Average Effective Interest Rate %	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $	Interest Rate Risk Sensitivity -10% Profit $	-10% Equity $	10% Profit $	10% Equity $
2013									
Financial Assets									
Cash	2.75	598,033		55,955	653,988	(1,151)	(1,151)	1,151	1,151
Term Deposit	3.8		20,000		20,000	-	-	-	-
Receivables		-	-	83,369	83,369				
Total Financial Assets		598,033	20,000	139,324	757,357				
Financial Liabilities									
Trade and other payables		-	-	223,577	223,577				
Total Financial Liabilities		-	-	223,577	223,577				

	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	-	-	-	28,428	28,428
Total Financial Liabilities	-	-	-	28,428	28,428

Note 23: Financial risk management objectives and policies (continued)

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A -10% sensitivity would move short term interest rates at 30 June 2013 from around 2.75% to 2.475% representing a 27.5 basis points downwards shift, which is 19.25 basis points net of tax.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

(a) Liquidity Risk

The consolidated entity 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.

(b) 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.

(c) 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 24: Controlled entities

Acquistion of BRL Exploration Pty Ltd and SM3-W Pty Ltd

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

The following were controlled entities at balance date and has been included in the consolidated financial statements. All share held are ordinary shares.

Name	Country of Incorporation	Percentage Interest Held % 2013	Percentage Interest Held % 2012	Date Acquired/ Incorporated
Parent Entity:				
Tungsten Mining NL	Australia	-	-	13/07/2011
Subsidiaries of Tungsten Mining NL				
BRL Exploration Pty Ltd (i)	Australia	100	100	13/03/2012
SM3-W Pty Ltd (ii)	Australia	100	-	13/12/2012

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

(ii) On 13 December 2012, Tungsten Mining NL acquired 100% of the share capital of SM3-W Pty Ltd for a total consideration of $1,000,000. The consideration was 4,000,000 ordinary shares in Tungsten Mining valued at $800,000 (Note 15) and $200,000 in cash at settlement.

	$	$
	BRL Exploration Pty Ltd	**SM3-W Pty Ltd**
Purchase Consideration:		
Share issued, at fair value	400,008	800,000
Cash paid at settlement	5,000	200,000
	405,008	1,000,000
Fair vale of net assets acquired:		
Exploration and evaluation assets (Note 12)	413,587	1,000,000
Unsecured loan	(8,923)	-
Cash at bank	344	-
	405,008	1,000,000

Note 25: Parent entity

	Parent 2013 $	Parent 2012 $
Assets		
Current assets	761,536	1,201,960
Non current assets	6,095,759	705,523
Total Assets	**6,857,295**	**1,907,483**
Liabilities		
Current liabilities	229,641	28,428
Total Liabilities	**229,641**	**28,428**
Net Assets	**6,627,654**	**1,879,055**
Equity		
Issued capital	8,497,128	2,311,521
Accumulated losses	(1,869,474)	(432,466)
Total Equity	**6,627,654**	**1,879,055**

	Parent 2013 $	Parent 2012 $
Loss for the period	**(1,437,008)**	**(432,466)**
Other comprehensive income	-	-
Total comprehenseive loss for the financial period	**(1,437,008)**	**(432,466)**

Note 26: Subsequent events

After the reporting date, Farlee Walker has resigned and Amanda Wilton-Heald has been been appointed as company secretary for the controlled entity on 13 August 2013.

On the 2 September 2013, the controlled entity has annouched the execution of the non-binding Memorandum of Understanding which provides for proposed subscription and off-take agreements to be entered into with certain clients of a Chinese private investment group, under which they will invest up to A$15million in Tungsten Mining through their subscription for ordinary shares in the issued share capital of TGN. Execution of the definitive off-take agreement and subscription agreement is subject to due diligence, to Tungsten Mining Board approval and to the approval of its existing shareholders where applicable, and to all regulatory approvals being satisfied

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 40 to 67 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2013 and of its performance for the year 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 2013. This declaration is made in accordance with a resolution of the directors.

Paul Berndt
Managing Director
Perth
Dated: 27 September 2013

Independent Auditor's Report

Independent Auditor's Report (continued)

Shareholder Information

Distribution schedules of shareholders and statements of voting rights are set out in Table 1, whilst the Company's top twenty shareholders and option holders are shown in Table 2. Substantial shareholder notices that have been received by the Company are set out in Table 3.

Table 1
Shareholder spread

Ordinary shares, with right to attend meetings and vote personally or by proxy, through show of hands and, if required, by ballot (one vote for each share)

Spread of Holdings	No. Holders Shares
1-1,000	2
1,001-5,000	8
5,001-10,000	189
10,001-100,000	90
100,001 - and over	47
Total number of holders of securities	336
Total number of securities	79,054,379

Table 2
Top twenty shareholders

	Shareholder	No. Shares	Percentage
1	Poh Yeo Siak	6,000,000	7.59
2	JP Morgan Nominees Australia Limited	5,588,230	7.07
3	Northern Minerals Limited	4,000,000	5.06
4	SM3 Resources Pty Ltd	4,000,000	5.06
5	Ocean State Enterprises Limited	4,000,000	5.06
6	Hilux Resources Pty Ltd	3,500,000	4.43
7	Mission Resources Pty Ltd	3,500,000	4.43
8	Dynamic Partners Pty Ltd	3,500,000	4.43
9	Elmar Global Investments Limited	3,000,000	3.79
10	Hossain MD Mukhtar	3,000,000	3.79
11	G & R Robinson Family Pty Ltd	2,520,000	3.19
12	Choy Yap Thai	2,500,000	3.16
13	Pilmer Angus Claymore	2,400,000	3.04
14	Yu Lu Shao	2,382,314	3.01
15	Richmond Resources Pty Ltd	2,000,000	2.53
16	HSBC Custody Nominees (Australia) Limited	1,783,300	2.26
17	Ross Keith Dennis	1,740,000	2.20
18	Robert Peter Van der Laan	1,556,500	1.97
19	Neil Douglas Bowie & TC	1,540,000	1.95
20	Meng Choo Woon	1,500,000	1.90
		60,010,344	**75.92**

Shareholder Information (continued)

Table 3
Substantial shareholders

Shareholder	No. of shares	Percentage
Poh Yeo Siak	6,000,000	7.59
JP Morgan Nominees Australia Limited	5,588,230	7.07
Northern Minerals Limited	4,000,000	5.06
SM3 Resources Pty Ltd	4,000,000	5.06
Ocean State Enterprises Limited	4,000,000	5.06

Voting Rights

The voting rights attached to each class of equity securities are set out below.

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Restricted Securities

There are currently 40,850,000ordinary fully paid shares in escrow.
There are currently 15,000,000 $0.40 unlisted options expiring 30 June 2016 in escrow.

Unlisted options as at 30 June 2013

Details of unlisted option holders are as follow:

Class of Inlisted Options	No. Options
Options exercisable at $0.40 on or before 30 June 2016	15,000,000

TUNGSTEN MINING NL
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Tenement Register

Tenements (Australia)

Tenement Name	Ten IDproject	Holder	Details
WHISKEY POOL	E08/1812	BRL EXPLORATION	100% Mineral Rights all Minerals
MT MURRAY	E08/1865	BRL EXPLORATION	100% Mineral Rights all Minerals
MOODONG WELL	E08/2139	BRL EXPLORATION	100% Mineral Rights all Minerals
LOVES FIND	E08/2207	SMW-3 PTY LTD	100% Mineral Rights all Minerals
LOVES FIND	M08/286	SMW-3 PTY LTD	100% Mineral Rights all Minerals
LOVES FIND	M08/287	SMW-3 PTY LTD	100% Mineral Rights all Minerals
KILBA WELL	M08/314	SMW-3 PTY LTD	100% Mineral Rights all Minerals
GREEN GATE GRANITE	M08/493	SMW-3 PTY LTD	No Equity
GREEN GATE GRANITE	L08/82	SMW-3 PTY LTD	No Equity
GREEN GATE GRANITE	L08/83	SMW-3 PTY LTD	No Equity
GREEN GATE GRANITE	L08/84	SMW-3 PTY LTD	No Equity
WOODCOCK	E08/2382	TUNGSTEN MINING	100% Mineral Rights all Minerals
MT ALEXANDER	E08/2383	TUNGSTEN MINING	100% Mineral Rights all Minerals
MT MURRAY 2	E08/2448	TUNGSTEN MINING	PENDING
KOOLYANOBBING	E77/1823	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/1824	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/1852	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/1853	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/1854	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/1855	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/2021	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/2022	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/2023	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/2035	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/2042	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/2043	TUNGSTEN MINING	100% Mineral Rights all Minerals
KOOLYANOBBING	E77/2075	TUNGSTEN MINING	PENDING
KOOLYANOBBING	E77/2076	TUNGSTEN MINING	PENDING
CALLIE SOAK	E20/669	RICHMOND 20% NSE 80%	20% Equity
CALLIE SOAK	E20/812	TUNGSTEN MINING	PENDING
MOSQUITO CREEK	E29616	NORTHERN MINERALS	100% Mineral Rights for Tungsten
MOSQUITO CREEK	E29004	TUNGSTEN MINING	100% Mineral Rights all Minerals