



Half Year Financial Report 31 December 2021

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Corporate directory

Board of directors:

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

Chief executive officer:

Craig Ferrier

Company Secretaries:

Mark Pitts
Simon Borck

Principal and registered office:

Level 4, 46 Colin Street
West Perth WA 6005

Telephone: +61 8 9486 8492
Facsimile: +61 8 6117 4039
Email: info@tungstenmining.com
Website: www.tungstenmining.com

Postal address:

PO Box 452
West Perth WA 6872

Issued capital as at 31 December 2021:

Fully paid ordinary shares: 786,414,272

Stock exchange:

Australian Securities Exchange Limited

ASX company code:

TGN

Auditors:

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

Bankers:

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

Share registry:

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

Solicitors:

Bennett + Co
Ground Floor, BGC Centre
28 The Esplanade
Perth WA 6000
Telephone: +61 8 6316 2200
Facsimile: +61 8 6316 2211

ABN:

67 152 084 403

Parent entity:

Tungsten Mining NL

Directors' Report

Your directors submit their report for Tungsten Mining NL ('the Company' or 'the Parent') and for the Group, being the Company and its controlled entities, for the half year ended 31 December 2021.

Directors

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

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

Company Secretaries

Mark Pitts
Simon Borck

Dividends

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

Principal activities

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

Operating results

The Group's cash position as at 31 December 2021 was \$15,560,725 (Jun 2021: \$19,345,209). During the period net cash flow used in operating activities was \$3,493,928 (Dec 2020: \$2,531,810), with \$462,448 (Dec 2020: \$519,925) being received from R&D Tax & other government incentives. There were no proceeds (Dec 2020: \$704,000) from the issue of shares during the period.

The net loss of the Group for the half year to 31 December 2021 was \$3,555,284 (Dec 2020: \$2,411,679). This net loss includes a \$227,959 (Dec 2020: \$Nil) impairment expense to the carrying value of plant and equipment.

Review of operations

The Group continues to implement its strategy directed at building a tungsten business of scale, with a current resource inventory of 41 million MTU's (metric tonne units) of WO₃ (tungsten trioxide), 71,000 tonnes of Mo (molybdenum), 1 million ounces of Au (gold), 44 million ounces of Ag (silver) and 92,000 tonnes of Cu (copper).

The Mt Mulgine Project remained the highest priority development project for the Group, responsible for the majority of activities. Since reporting the successful maiden Ore Reserve and positive Pre-Feasibility Study for the Mt Mulgine Project, announced to the ASX market on 29 January 2021, the Company has continued to advance the feasibility studies for this Project and seek suitable partners capable of supporting the Project's development.

The Company announced to the ASX market, subsequent to period end, that a non-binding Memorandum of Understanding with MCC International Incorporation Ltd (MCCI), a major global engineering company, to establish a programme of collaboration between MCCI and the Company in respect to the completion of feasibility studies at Mt Mulgine.

Directors' Report

Events subsequent to balance date


There have been no other matters or circumstances that have arisen since 31 December 2021 that have significantly affected or may significantly affect:

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

Auditor's Independence Declaration

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

Signed in accordance with a resolution of the Directors.



Gary Lyons
Chairman
Perth, 9 March 2022

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2021

		Consolidated	
		December 2021	December 2020
	Note	\$	\$
Revenue			
Research & Development tax offset		462,448	452,231
Interest		20,214	70,381
Sale of tenements		-	118,763
Other		20,786	76,249
Total revenue		503,448	717,624
Expenses			
Loss on sale of plant & equipment	6	(175,638)	-
Impairment of plant & equipment	6	(227,959)	-
Administration expenses		(477,513)	(504,777)
Exploration expenses		(1,942,364)	(1,142,599)
Remuneration expenses		(1,235,258)	(1,481,927)
Loss before income tax		(3,555,284)	(2,411,679)
Income tax expense/benefit		-	-
Loss for the period		(3,555,284)	(2,411,679)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income after tax		-	-
Total comprehensive loss for the period after tax		(3,555,284)	(2,411,679)
Loss attributable to members of the Parent		(3,555,284)	(2,411,679)
Total comprehensive loss attributable to members of the Parent		(3,555,284)	(2,411,679)
Basic loss per share in cents		(0.45)	(0.31)

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

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

Consolidated statement of financial position

As at 31 December 2021

		Consolidated	
		December 2021	June 2021
	Note	\$	\$
Current assets			
Cash and cash equivalents	3	15,560,725	19,345,209
Trade and other receivables	4	674,700	58,206
Other financial assets		381,343	320,058
Total current assets		16,616,768	19,723,473
Non-current assets			
Exploration and evaluation	5	19,707,196	19,707,196
Plant and equipment	6	1,970,761	2,908,375
Right of use assets		425,113	533,715
Total non-current assets		22,103,070	23,149,286
Total assets		38,719,838	42,872,759
Current liabilities			
Trade and other payables	7	491,765	931,735
Lease Liabilities		267,809	245,879
Provisions	8	283,210	328,741
Total current liabilities		1,042,784	1,506,355
Non-current liabilities			
Lease Liabilities		270,066	410,458
Provisions	8	454,038	447,712
Total non-current liabilities		724,104	858,170
Total liabilities		1,766,888	2,364,525
Net assets		36,952,950	40,508,234
Equity			
Reserves	9	7,851,718	7,851,718
Issued capital	10	82,460,127	82,460,127
Accumulated losses		(53,358,895)	(49,803,611)
Total equity		36,952,950	40,508,234

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

Consolidated statement of changes in equity

For the half year ended 31 December 2021

	Issued Capital	Shares to be issued	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$	\$
At 1 July 2021	82,460,127	-	7,851,718	(49,803,611)	40,508,234
Loss for the period	-	-	-	(3,555,284)	(3,555,284)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(3,555,284)	(3,555,284)
At 31 December 2021	82,460,127	-	7,851,718	(53,358,895)	36,952,950
At 1 July 2020	81,760,889	-	7,851,718	(45,080,956)	44,531,651
Loss for the period	-	-	-	(2,411,679)	(2,411,679)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(2,411,679)	(2,411,679)
<i>Transactions with owners in their capacity as owners:</i>					
Shares to be issued on exercise of share options	-	704,000	-	-	704,000
At 31 December 2020	81,760,889	704,000	7,851,718	(47,492,635)	42,823,972

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

Consolidated statement of cash flows

For the half year ended 31 December 2021

	Consolidated	
	December 2021	December 2020
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(3,974,233)	(3,039,495)
R&D Tax & other government incentives received	462,448	519,925
Interest received	17,857	79,688
Other proceeds	-	25,347
Net cash used in operating activities	(3,493,928)	(2,531,810)
Cash flows from investing activities		
Payments for property, plant & equipment	(127,997)	(6,636)
Proceeds from the sale of tenements	-	125,000
Security deposits refunded	-	7,500
Net cash (used in)/from investing activities	(127,997)	125,864
Cash flows from financing activities		
Lease payments	(162,559)	(117,275)
Proceeds from shares to be issued	-	704,000
Net cash (used in)/from financing activities	(162,559)	586,725
Net increase/(decrease) in cash	(3,784,484)	(1,701,946)
Adjustment for restricted cash held at balance date	-	(704,000)
Cash and cash equivalents at the beginning of the period	19,345,209	22,956,290
Cash and cash equivalents at the end of the period	15,560,725	20,550,344

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

Condensed notes to the consolidated financial statements

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

The consolidated financial report is a general purpose condensed financial report for the half-year ended 31 December 2021, which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 and this financial report was authorised for issue in accordance with a resolution of the directors on 8 March 2022.

It is recommended that the half-year consolidated financial statements be read in conjunction with the annual financial report for the year ended 30 June 2021 and considered with any public announcements made by Tungsten Mining NL during and subsequent to the half-year ended 31 December 2021 in accordance with continuous disclosure obligations of the *ASX Listing Rules*.

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

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

Changes in accounting standards

The Group has considered the implications of new and amended Accounting Standards effective for annual reporting periods beginning on or after 1 July 2021 but determined that their application to the financial statements is either not relevant or not material.

NOTE 2: SEGMENT REPORTING

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

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

Based on these criteria the Group has only one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in the annual financial report for the year ended 30 June 2021 on a whole of entity basis.

NOTE 3: CASH AND CASH EQUIVALENTS

	Consolidated	
	December 2021	June 2021
	\$	\$
Cash at bank	2,364,251	2,154,831
Term deposits	13,196,474	17,190,378
	<u>15,560,725</u>	<u>19,345,209</u>

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

Condensed notes to the consolidated financial statements

NOTE 4: TRADE & OTHER RECEIVABLES

	Consolidated	
	December 2021	June 2021
	\$	\$
Trade receivables	638,000	-
Trade receivables – associate entity	3,960	-
GST receivable	22,066	26,262
Interest receivable	6,674	4,318
Other receivables	4,000	27,626
	674,700	58,206

Trade receivables

During the period, the Company executed an agreement for the sale of an item of plant and equipment, which included cash consideration of \$580,000 (\$638,000 GST inclusive) (see note 6). This amount was received subsequent to the period end. None of the receivables are past due or impaired

NOTE 5: EXPLORATION AND EVALUATION

	Consolidated	
	December 2021	June 2021
	\$	\$
Capitalised exploration and evaluation	19,707,196	19,707,196
	19,707,196	19,707,196

Mineral acquisition costs

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

NOTE 6: PLANT AND EQUIPMENT

	Consolidated	
	December 2021	June 2021
	\$	\$
Plant and equipment	1,970,761	2,908,375
	1,970,761	2,908,375

Condensed notes to the consolidated financial statements

NOTE 6: PLANT AND EQUIPMENT (CONTINUED)

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

	Processing Plant	Office Equipment	Exploration Equipment	Computer Software	Total
	\$	\$	\$	\$	\$
Opening net carrying value	2,667,347	61,167	163,746	16,115	2,908,375
Cost of additions	-	-	127,997	-	127,997
Disposals	(801,163)	(558)	-	-	(801,721)
Impairment	(227,959)	-	-	-	(227,959)
Depreciation charge	-	(15,500)	(15,064)	(5,367)	(35,931)
Closing net carrying value	1,638,225	45,109	276,679	10,748	1,970,761

Processing Plant

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

Disposal of Processing Plant

During the period the Company executed an agreement for the disposal of an unused x-ray ore sorter, with a carrying value of \$801,163 for total consideration of \$625,525. This consideration consisted of \$580,000 cash and the waiver of an amount owing of \$45,525 pursuant to the terms of the original acquisition agreement. This disposal resulted in a loss on sale of \$175,638.

Impairment of Processing Plant

In view of the sale transaction described above, the carrying values of plant and equipment were reviewed for impairment and written down to its estimated recoverable amount of \$1,638,225. The write down resulted in an impairment expense of \$227,959.

NOTE 7: TRADE AND OTHER PAYABLES

	Consolidated	
	December 2021	June 2021
	\$	\$
Trade payables	205,209	507,235
Accrued expenses	163,890	352,971
Other payables	122,666	71,529
	491,765	931,735

Nature of trade and other payables

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

Condensed notes to the consolidated financial statements

NOTE 8: PROVISIONS

	Consolidated	
	December 2021	June 2021
	\$	\$
Current		
Provision for rehabilitation	9,000	25,000
Provision for employee annual leave	193,249	226,690
Provision for employee long service leave	80,961	77,051
	283,210	328,741
Non-current		
Provision for rehabilitation	420,000	420,000
Provision for employee long service leave	34,038	27,712
	454,038	447,712
Total Provisions	737,248	776,453

Provision for rehabilitation

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

NOTE 9: RESERVES

	Consolidated	
	December 2021	June 2021
	\$	\$
Share option reserve	855,398	855,398
Loan-funded share scheme reserve	6,996,320	6,996,320
	7,851,718	7,851,718

Vested and exercisable options

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

NOTE 10: ISSUED CAPITAL

	Consolidated	
	December 2021	June 2021
	\$	\$
Ordinary shares fully paid	82,460,127	82,460,127
	82,460,127	82,460,127
<i>The following table illustrates the movement in ordinary shares</i>		
	\$	Number
Balance at the beginning of period	82,460,127	786,414,272
Movement during the period	-	-
Balance at the end of period	82,460,127	786,414,272

Condensed notes to the consolidated financial statements

NOTE 11: CONTROLLED ENTITIES

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

Subsidiaries	Country of Incorporation	Percentage Interest Held 31 Dec 2021	Percentage Interest Held 30 Jun 2021	Date Acquired/ Incorporated
SM3-W Pty Ltd	Australia	100	100	13/12/2012
Pilbara Tungsten Pty Ltd	Australia	100	100	30/11/2015
Mid-West Tungsten Pty Ltd	Australia	100	100	30/11/2015
North Queensland Tungsten Pty Ltd	Australia	100	100	09/08/2018
Territory Tungsten Pty Ltd	Australia	100	100	01/03/2019

NOTE 12: CONTINGENT LIABILITIES

A claim for unspecified damages was filed in the District Court of Western Australia in June 2021 in relation to alleged loss and damage suffered as a result of a drilling incident that occurred at the Mt Mulgine Project in July 2019. Mid-West Tungsten Pty Ltd, a wholly owned subsidiary of Tungsten Mining NL has been named as the second defendant and is defending the claim, at the date of this report it is not possible to estimate a contingent claim amount.

The Group is not aware of any other significant contingent liabilities since the last reporting date.

NOTE 13: EVENTS SUBSEQUENT TO BALANCE DATE

There have been no other matters or circumstances that have arisen since 31 December 2021 to the date of this report that have significantly affected or may significantly affect:

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

Directors' Declaration

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

In the opinion of the Directors:

- (a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the financial position as at 31 December 2021 and the performance for the half-year ended on that date of the Group; and
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Gary Lyons
Chairman
Perth, 9 March 2022

Auditor's independence declaration



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9 March 2022

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

Dear Sirs

RE: TUNGSTEN MINING NL

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

As Audit Director for the review of the financial statements of Tungsten Mining NL for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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

Samir T Tirodkar
Director

Liability limited by a scheme approved under Professional Standards Legislation



Stantons is a member of the Russell
Bedford International network of firms

Independent auditor's review report



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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Tungsten Mining NL, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of Tungsten Mining NL's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 9 March 2022.

Responsibility of the Directors for the Financial Report

The directors of Tungsten Mining NL are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Liability limited by a scheme approved under Professional Standards Legislation



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Independent auditor's review report



Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Stantons International Audit and Consulting Pty Ltd
Samir T Tirodkar

Samir T Tirodkar
Director

West Perth, Western Australia
9 March 2022