



Half Year Financial Report 31 December 2022

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Corporate directory

Board of directors:

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

Chief executive officer:

Teck Siong Wong

Company Secretaries:

Sonu Cheema
Simon Borck

Principal and registered office:

Level 4, 46 Colin Street
West Perth WA 6005

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

Postal address:

PO Box 452
West Perth WA 6872

Issued capital as at 31 December 2022:

Fully paid ordinary shares: 786,414,272

Stock exchange:

Australian Securities Exchange Limited

ASX company code:

TGN

Auditors:

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

Bankers:

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

Share registry:

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

Solicitors:

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

ABN:

67 152 084 403

Parent entity:

Tungsten Mining NL

Directors' Report

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

Directors

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

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

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

Company Secretaries

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

Dividends

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

Principal activities

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

Operating results

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

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

Review of operations

The Group continues to implement its strategy directed at building a tungsten business of scale, with a current resource inventory of 41 million MTU's (metric tonne units) of 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. The Company has continued to advance the feasibility studies for this Project and seek suitable partners capable of supporting the Project's development.

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

Directors' Report

Events subsequent to balance date

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

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

Auditor's Independence Declaration

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

Signed in accordance with a resolution of the Directors.



Gary Lyons
Chairman
Perth, 10 March 2023

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2022

| | Consolidated | |
|--|--------------------|--------------------|
| | December 2022 | December 2021 |
| Note | \$ | \$ |
| Revenue | | |
| Research & Development tax offset | - | 462,448 |
| Interest | 168,858 | 20,214 |
| Other | - | 20,786 |
| Total revenue | 168,858 | 503,448 |
| Expenses | | |
| Loss on sale of plant & equipment | - | (175,638) |
| Impairment of plant & equipment | - | (227,959) |
| Administration expenses | (580,932) | (477,513) |
| Exploration expenses | (612,569) | (1,942,364) |
| Remuneration expenses | (828,295) | (1,235,258) |
| (Loss) before income tax | (1,852,938) | (3,555,284) |
| Income tax expense/benefit | - | - |
| (Loss) for the period | (1,852,938) | (3,555,284) |
| 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 | (1,852,938) | (3,555,284) |
| (Loss) attributable to members of the Parent | (1,852,938) | (3,555,284) |
| Total comprehensive (loss) attributable to members of the Parent | (1,852,938) | (3,555,284) |
| Basic loss per share in cents | (0.24) | (0.45) |

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

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

Consolidated statement of financial position

As at 31 December 2022

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

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

Consolidated statement of changes in equity

For the half year ended 31 December 2022

| | Issued Capital | Reserves | Accumulated Losses | Total |
|---|-------------------|------------------|-----------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| At 1 July 2022 | 82,460,127 | 7,851,718 | (54,888,760) | 35,423,085 |
| Loss for the period | - | - | (1,852,938) | (1,852,938) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the period | - | - | (1,852,938) | (1,852,938) |
| At 31 December 2022 | 82,460,127 | 7,851,718 | (56,741,698) | 33,570,147 |
| | | | | |
| 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 |

Consolidated statement of cash flows

For the half year ended 31 December 2022

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

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

Condensed notes to the consolidated financial statements

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

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

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

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

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

Changes in accounting standards

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

NOTE 2: SEGMENT REPORTING

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

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

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

Condensed notes to the consolidated financial statements

NOTE 3: CASH AND CASH EQUIVALENTS

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

Nature of cash and cash equivalents

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

NOTE 4: TRADE & OTHER RECEIVABLES

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

Nature of trade receivables

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

NOTE 5: EXPLORATION AND EVALUATION

| | Consolidated | |
|--|---------------|------------|
| | December 2022 | June 2022 |
| | \$ | \$ |
| Capitalised exploration and evaluation | 19,707,196 | 19,707,196 |
| | 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.

Condensed notes to the consolidated financial statements

NOTE 6: PLANT AND EQUIPMENT

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

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

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

Nature of Processing Plant

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

NOTE 7: TRADE AND OTHER PAYABLES

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

Nature of trade and other payables

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

Condensed notes to the consolidated financial statements

NOTE 8: PROVISIONS

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

Provision for rehabilitation

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

NOTE 9: RESERVES

| | Consolidated | |
|----------------------------------|---------------|-----------|
| | December 2022 | June 2022 |
| | \$ | \$ |
| Share option reserve | 855,398 | 855,398 |
| Loan-funded share scheme reserve | 6,996,320 | 6,996,320 |
| | 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 2022 | June 2022 |
| | \$ | \$ |
| 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 2022 | Percentage Interest Held 30 Jun 2022 | Date Acquired/ Incorporated |
|-----------------------------------|--------------------------|--------------------------------------|--------------------------------------|-----------------------------|
| SM3-W Pty Ltd | Australia | 100 | 100 | 13/12/2012 |
| Pilbara Tungsten Pty Ltd | Australia | 100 | 100 | 30/11/2015 |
| Mid-West Tungsten Pty Ltd | Australia | 100 | 100 | 30/11/2015 |
| North Queensland Tungsten Pty Ltd | Australia | 100 | 100 | 09/08/2018 |
| Territory Tungsten Pty Ltd | Australia | 100 | 100 | 01/03/2019 |

NOTE 12: CONTINGENT LIABILITIES

Mulgine Drilling Incident

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

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

NOTE 13: EVENTS SUBSEQUENT TO BALANCE DATE

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

- (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 2022 and the performance for the half-year ended on that date of the Group; and
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Gary Lyons
Chairman
Perth, 10 March 2023

Auditor's independence declaration



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Australia
Level 2, 40 Kings Park Road
West Perth WA 6005
Australia
Tel: +61 8 9481 3188
Fax: +61 8 9321 1204
ABN: 84 144 581 519
www.stantons.com.au

10 March 2023

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

Dear Sirs

RE: TUNGSTEN MINING NL

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

As Audit Director for the review of the financial statements of Tungsten Mining NL for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

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

Samir Tirodkar
Director

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 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of Tungsten Mining NL's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

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

Responsibility of the Directors for the Financial Report

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



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



Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

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

Samir Tirotkar
Director

West Perth, Western Australia
10 March 2023