

**CHASE MINING CORPORATION LIMITED**  
(FORMERLY TOPTUNG LIMITED)

**HALF-YEAR REPORT**  
**31 DECEMBER 2018**

ABN 12 118 788 846



# CHASE MINING CORPORATION LIMITED

ABN 12 118 788 846

## HALF-YEAR REPORT - 31 DECEMBER 2018

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Chase Mining Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## Corporate directory

### Directors

Leon Pretorius	Executive Chairman
Martin Kavanagh	Non-Executive Director
Charles Thomas	Non-Executive Director
Marnus Bothma	Non-Executive Director

### Company Secretary

Suzanne Yeates

### Principal Registered Office

Level 8, 46 Edward Street  
Brisbane QLD 4000

### Share Registry

Link Market Services Limited  
Level 21, 10 Eagle Street  
Brisbane QLD 4000  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Auditors

BDO Audit Pty Ltd  
Level 10, 12 Creek Street  
Brisbane QLD 4000  
[www.bdo.com.au](http://www.bdo.com.au)

### Bankers

National Australia Bank

### Stock Exchange Listing

Australian Securities Exchange Ltd ("ASX")  
ASX code: CML

### Website

[www.chasemining.com.au](http://www.chasemining.com.au)

## **Directors' report**

Your directors present their report on Chase Mining Corporation Limited (formerly TopTung Limited)(referred to hereafter as the 'consolidated entity') for the half-year ended 31 December 2018.

### **Directors**

The following persons were directors of Chase Mining Corporation Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Leon Pretorius  
Martin Kavanagh  
Charles Thomas  
Marnus Bothma (Appointed 3 October 2018)

### **Principal Activities**

The principal activities of the Group during the half-year were:

- (a) the carrying out of mineral exploration activities on its mineral exploration tenements; and
- (b) assessing other business development and research opportunities associated with the minerals industry.

There were no significant changes in the principal activities during the half-year.

### **Review of Operations**

Subsequent to the review period end, following shareholder approval at the general meeting held on 9 January 2019 the Company's name was changed from TopTung Limited (ASX: TTW) to Chase Mining Corporation Limited with a new ASX code (ASX: CML).

Chase Mining Corporation Limited (the Company), through its wholly owned subsidiary Torrington Minerals Pty Ltd, holds contiguous ELs 8258 and 8355 in north-eastern New South Wales, which cover an area of approximately 51 square kilometre and comprise the Torrington Tungsten and Topaz Project. This Project was the sole focus of the Company until its acquisition of 100% of Zeus Minerals Ltd (Zeus), an advanced nickel-copper sulphide focused explorer with two principal project areas located in Quebec, Canada. This was approved by shareholders at a meeting on 3 October 2018 and heralds a new chapter in the Company's history and the name change better reflects the Company's exploration activities now.

Zeus had already arranged for diamond drilling to occur at its Alotta prospect (prior to the acquisition), which meant that it was possible for the Company to commence the programme on the 5<sup>th</sup> October.

The 30 September 2018 Quarterly included information and ASX announcements on the drilling progress to 16 October as listed below:

- 8 October 2018 High Grade Nickel-Copper Sulphide drilling commences at Alotta;

## CHASE MINING CORPORATION LIMITED (ABN 12 118 788 846)

- 9 October 2018 Extension Drilling Hits Massive Nickel-Copper Sulphides at Alotta;
- 11 October Five holes completed all intersecting Massive sulphides at Alotta; and,
- 16 October 2018 Broad Zones of Massive Sulphide intersected in extension drilling at Alotta.

Samples were subsequently dispatched to an analytical laboratory and as announced to the ASX the assays of the core confirmed the visually reported successful programme.

The PowerPoint (TopTung's New Nickel-Copper Sulphide Focus Presentation) contained in the ASX announcement on 1 November is a complete summary at that time of the Company's Canadian activities and the Zeus project area's prospectivity.

On 13 November the Company released the excellent Alotta assay results to the ASX (Thick High-Grade Nickel-Copper Drill Results at Alotta) which included the following highlights:

The best high-grade massive sulphide Nickel-Copper intersections returned include:

- ZA-18-08: **9.20m at 2.59% Ni, 2.79% Cu, 3.37g/t PGE and 0.11% Co** from 85.20m;
- ZA-18-05: **11.28m at 2.17% Ni, 2.15% Cu, 2.94g/t PGE and 0.11% Co** from 61.15m;
- ZA-18-04: **3.27m at 2.06% Ni, 3.77% Cu, 3.09g/t PGE and 0.12% Co** from 53.10m  
and  
**7.10m at 2.38% Ni, 1.87% Cu, 1.90g/t PGE and 0.11% Co** from 70.17m;
- ZA-18-06: **8.13m at 1.74% Ni, 2.06% Cu, 1.59g/t PGE and 0.11% Co** from 43.17m;  
and,  
**5.30m at 3.04% Ni, 0.84% Cu, 1.96g/t PGE and 0.13% Co** from 63.30m.

**Broad mixed style mineralisation intersects include:**

- ZA-18-03: **20.80m at 1.18% Ni and 1.50% Cu** from 40.70m; and,
- ZA-18-04: **24.17m at 1.23% Ni and 2.31% Cu** from 53.10m.

On 19 November 2018 the Company announced it had reached agreement subject to the successful outcome of its 60-day Due Diligence study, to acquire three advanced Nickel-Copper Sulphide projects in the same mineral belt as the Company's exciting Alotta Project. Regretfully, as announced on 7 January 2019 (TTW withdraws resolutions 1 and 2 from general meeting) the Company decided not to proceed with this acquisition and the vendors were informed accordingly.

The Board agreed it would be better for the Company to utilise its financial and technical resources to advance its already 100% owned Zeus projects. This decision was expanded on in two subsequent ASX Announcements on 8 January (Alotta Prospect Quebec Canada – Update) and 9 January (Lorraine project and gold potential update Quebec Canada).

### **Torrington topaz research programme at the UNSW**

On 15 January 2019 the Company released an ASX Announcement (Quantifiable results in conversion of NSW topaz into mullite) which contained an update on major processing

## CHASE MINING CORPORATION LIMITED (ABN 12 118 788 846)

breakthroughs in the production of mullite fibre from Torrington sourced topaz concentrate as highlighted below:

- Separable mullite fibre is being produced (Ultimate aim of the research programme)
- Topaz being fed into the furnace no longer requires grinding or pelletising (Cost saving)
- Lower furnace operating temperatures are now possible (Cost saving)

These results have been ignored or discounted by investors and the market but may prove to be an important event in the fortunes of the Company.

### Significant changes in the state of affairs

As noted above, during the financial half-year the Company acquired 100% of Zeus Minerals Ltd, an advanced nickel-copper sulphide focused explorer with two principal project areas that encompass three highly prospective sub-projects located in Quebec, Canada. The consideration paid for acquisition was the issue of 35,714,269 fully paid ordinary shares.

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

### Subsequent events occurring after balance sheet date

On 9 January 2019, TopTung Limited changed its name to Chase Mining Corporation Limited, following a special resolution of Shareholders at a General Meeting held on 9 January 2019.

No other matters or circumstances has arisen since 31 December 2018 that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

### Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of Directors.



Leon Pretorius

Executive Chairman

Brisbane

14 March 2019

**CHASE MINING CORPORATION LIMITED (ABN 12 118 788 846)**  
**AUDITOR'S INDEPENDENCE DECLARATION**



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Australia

**DECLARATION OF INDEPENDENCE BY A J WHYTE TO DIRECTORS OF CHASE MINING CORPORATION LIMITED**

As lead auditor of Chase Mining Corporation Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Chase Mining Corporation Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to be 'A J Whyte', written over a circular stamp or seal.

**A J Whyte**  
Director

**BDO Audit Pty Ltd**

Brisbane, 14 March 2019

## Consolidated statement of profit or loss and other Comprehensive income for the half-year ended 31 December 2018

	Notes	Half-year December 2018 \$	Half-year December 2017 \$
<b>Revenue</b>		30,486	41,260
<b>Expenses</b>			
Depreciation and amortisation expense		(5,513)	(6,732)
Employee benefits expense		(109,625)	(113,494)
Research and development expensed		(117,900)	(126,006)
Project generation		(80,811)	-
Corporate advisory fees		(60,000)	-
Administration expenses		(140,340)	(91,919)
		<hr/>	<hr/>
<b>Loss before income tax expense</b>		(483,703)	(296,891)
Income tax benefit		-	-
		<hr/>	<hr/>
<b>Loss from continuing operations</b>		(483,703)	(296,891)
<b>Other comprehensive income for the half-year, net of tax</b>		422	-
		<hr/>	<hr/>
<b>Total comprehensive income for the half-year</b>		<u>(483,281)</u>	<u>(296,891)</u>
		<b>Cents</b>	Cents
<b>Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company:</b>			
Basic earnings per share		(0.27)	(0.19)
Diluted earnings per share		(0.27)	(0.19)

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



## Consolidated balance sheet

### As at 31 December 2018

	Notes	31 December 2018 \$	30 June 2018 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,241,040	1,147,110
Investments		2,103,367	2,404,979
Trade and other receivables		148,406	25,527
		<hr/>	<hr/>
Total current assets		3,492,813	3,577,616
		<hr/>	<hr/>
<b>Non-current assets</b>			
Plant and equipment		53,427	58,939
Exploration and evaluation assets		4,671,890	2,695,838
Trade and other receivables		36,100	36,100
		<hr/>	<hr/>
Total non-current assets		4,761,417	2,790,877
		<hr/>	<hr/>
<b>Total assets</b>		8,254,230	6,368,493
		<hr/>	<hr/>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		102,007	85,047
		<hr/>	<hr/>
Total current liabilities		102,007	85,047
		<hr/>	<hr/>
<b>Total liabilities</b>		102,007	85,047
		<hr/>	<hr/>
<b>Net assets</b>		8,152,223	6,283,446
		<hr/>	<hr/>
<b>EQUITY</b>			
Contributed equity		11,524,777	9,203,969
Reserves		866,473	834,801
Accumulates losses		(4,239,027)	(3,755,324)
		<hr/>	<hr/>
<b>Total equity</b>		8,152,223	6,283,446
		<hr/>	<hr/>

*The above consolidated balance sheet should be read in conjunction with the accompanying notes.*

## Consolidated statement of changes in equity

### For the half-year ended 31 December 2018

	Contributed equity	Accumulated losses	Reserves			Total
			Share based payments reserve	Contingent consideration reserve	Foreign currency translation reserve	
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	9,203,969	(3,042,616)	583,089	101,712	-	6,846,154
Loss for the year	-	(296,891)	-	-	-	(296,891)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	(296,891)	-	-	-	(296,891)
<b>Transactions with owners in their capacity as owners:</b>						
Contributions of equity, net of transaction costs	-	-	-	-	-	-
<b>Balance at 31 December 2017</b>	9,203,969	(3,339,507)	583,089	101,712	-	6,549,263
<b>Balance at 1 July 2018</b>	9,203,969	(3,755,324)	733,089	101,712	-	6,283,446
Loss for the year	-	(483,703)	-	-	-	(483,703)
Other comprehensive income	-	-	-	-	422	422
<b>Total comprehensive income</b>	-	(483,703)	-	-	422	(483,281)
<b>Transactions with owners in their capacity as owners:</b>						
Contributions of equity, net of transaction costs	2,320,808	-	-	-	-	2,320,808
Share based payments	-	-	31,250	-	-	31,250
<b>Balance at 31 December 2018</b>	11,524,777	(4,239,027)	764,339	101,712	422	8,152,223

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

## Consolidated statement of cash flows

### For the half-year ended 31 December 2018

	<b>Half-year December 2018 \$</b>	Half-year December 2017 \$
<b>Cash flows from operating activities</b>		
Receipts from customers (GST inclusive)	32,088	43,196
Payments to suppliers and employees (GST inclusive)	(496,873)	(373,385)
Interest received	33,503	46,988
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>(431,282)</b>	<b>(283,201)</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(369,006)	(432,003)
Cash acquired on acquisition of subsidiary	216,083	
Payment for security bonds	(100,000)	-
	<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>	<b>(252,923)</b>	<b>(432,003)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Proceeds on issue of shares	500,000	-
Payment of capital raising costs and listing expenses	(23,477)	-
	<hr/>	<hr/>
<b>Net cash inflow from financing activities</b>	<b>476,523</b>	<b>-</b>
	<hr/>	<hr/>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(207,682)</b>	<b>(715,204)</b>
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the half-year	3,552,089	4,665,424
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the half-year</b>	<b>3,344,407*</b>	<b>3,950,220*</b>

\* Includes cash and cash equivalents and short-term investments

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

# Notes to the financial statements for the half-year ended 31 December 2018

## Note 1 Corporate Information

Chase Mining Corporation Limited (the **Company**) is a company limited by shares, incorporated and domiciled in Australia. The Company's shares are listed on the Australian Securities Exchange.

The address of the registered office and principal place of business is set out in the Corporate Directory at the front of this report.

The financial statements are for the Group consisting of Chase Mining Corporation Limited and its subsidiaries (the **consolidated entity** or the **Group**).

## Note 2 Basis of Preparation of Half-Year Financial Statements

These general purpose interim financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit oriented entities.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **New and amended standards adopted by the group**

A number of new or amended standards became application for the current reporting period however there were no retrospective adjustments or current period adjustments resulting from adopting the following standards:

- AASB 9 *Financial Instruments*, and
- AASB 15 *Revenue from Contracts with Customers*

### **Impact of standards issued but not yet effective**

#### *AASB 16 Leases*

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are mining and exploration leases, short-term leases and low-value leases. The accounting for lessors will not significantly change.

## Notes to the financial statements for the half-year ended 31 December 2018

### Note 2 Basis of Preparation of Half-Year Financial Statements (continued)

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The group does not intend to adopt the standard before its effective date. As the consolidated entity does not have any leases covered by the standard there will be no impact of the financial statements from applying the new standard.

#### **Historical cost convention**

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

The half-year financial report of Chase Mining Corporation Limited for the six months ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 14 March 2019, as required by the Corporations Act 2001.

### Note 3 Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

#### *Exploration and evaluation costs*

Exploration and evaluation costs have been capitalised on the basis that the Group intend to commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

## Notes to the financial statements for the half-year ended 31 December 2018

### Note 3 Critical Accounting Estimates (continued)

#### *Share based payment transactions*

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either a binomial or Monte Carlo option pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions, including share price volatility, interest rates and vesting periods would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

#### *Asset acquisition*

The Group has accounted for the acquisition of Zeus Minerals Limited as an asset acquisition. The assets acquired, being mining exploration rights, is considered to be a group of assets that do not constitute a business as defined in AASB 3 Business Combinations.

Consideration for the acquisition of Zeus Minerals Limited was the issue of 35,714,269 fully paid ordinary shares in Chase Mining Corporation. As the fair value of the assets acquired was not able to be estimated reliably, the fair value of the consideration shares, on the day they were issued, has been used to determine fair value.

### Note 4 Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia and North America. Operating segments are determined on the basis of financial information reported to the Board, which is at the Group level. The Group does not have any products/services where it derives revenue.

In the current financial year, the board has identified two geographical segments being Australia and North America. In the prior financial year, there was only one geographical segment, being Australia.

## Notes to the financial statements for the half-year ended 31 December 2018

### Note 4 Segment information (continued)

#### Basis of accounting for purposes of reporting by operating segments

##### a. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

##### b. Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

##### c. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

##### d. Unallocated items

The following items for revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest income
- Administrative and other expenses
- Share based payments
- Marketing and project development expenses

## Notes to the financial statements for the half-year ended 31 December 2018

### Note 4 Segment information (continued)

#### *Segment performance*

	Australia	Canada	Unallocated	Total
2018	\$	\$	\$	\$
Segment revenue	-	-	-	-
Other revenue	-	-	-	-
Interest revenue	-	-	30,486	30,486
Total group revenue	-	-	30,486	30,486
Segment net profit / (loss) from continuing operations before tax	(117,900)	(5,017)	(360,786)	(483,703)

#### *Segment assets*

	Australia	Canada	Unallocated	Total
	\$	\$	\$	\$
31 December 2018	5,756,362	2,497,868	-	8,254,230

#### *Segment liabilities*

	Australia	Canada	Unallocated	Total
	\$	\$	\$	\$
31 December 2018	96,143	5,864	-	102,007

#### *Operating Segments*

For the purposes of segment reporting, all operating segment activities being exploration.



## Notes to the financial statements for the half-year ended 31 December 2018

### Note 5 Exploration and evaluation assets

	31 December 2018 \$	30 June 2018 \$
Exploration and evaluation assets – at cost	<u>4,671,890</u>	<u>2,695,838</u>

The capitalised exploration and evaluation assets carried forward above have been determined as follows:

Balance at the beginning of the year	2,695,838	2,140,615
Exploration areas acquired during the year	1,677,738	-
Expenditure incurred during the year	<u>298,314</u>	<u>555,223</u>
Balance at the end of the year	<u>4,671,890</u>	<u>2,695,838</u>

The recoverability of the carrying amount of the exploration and development expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

### Note 6 Contributed Equity

	31 Dec 2018 Shares	30 June 2018 Shares	31 Dec 2018 \$	30 June 2018 \$
<b>(a) Share capital</b>				
Fully paid ordinary shares	<u>206,961,921</u>	<u>153,247,653</u>	<u>11,524,777</u>	<u>9,203,969</u>

#### (b) Movements in ordinary share capital

Date	Details	Note	Number of Shares	Issue Price	\$
1 July 2017	Opening balance		153,247,653		9,203,969
3 October 2018	Placement shares	(c)	14,285,714	\$0.035	500,000
11 October 2018	Acquisition of Zeus Minerals Limited	(d)	35,714,269	\$0.048	1,714,285
18 October 2018	GTT shares	(e)	3,714,285	\$0.035	130,000
	Share issue expenses		-		(23,477)
31 December 2018	Closing balance		<u>206,961,921</u>		<u>11,524,777</u>

## Notes to the financial statements for the half-year ended 31 December 2018

### Note 6 Contributed Equity (continued)

#### (c) Issue to sophisticated investors

The issue of 14,285,714 fully paid ordinary shares to sophisticated investors at an issue price of \$0.035 cash.

#### (d) Zeus Minerals Limited acquisition

On 11 October 2018 35,714,269 fully paid ordinary shares were issued to vendors of Zeus Minerals Pty Ltd as consideration for the acquisition of 100% of Zeus Minerals Pty Ltd.

#### (e) Issue of shares to GTT

The issue of 3,714,285 fully paid ordinary shares to GTT as consideration for services performed relating to the acquisition of Zeus Minerals Limited.

### Note 7 Contingent assets and liabilities

There have been no changes in contingent liabilities or contingent assets since the last annual reporting date, 30 June 2018.

### Note 8 Commitments

The Group has secured funding from the Australian Research Council (ARC) to partially fund the Company's Topaz research project in collaboration with the University of New South Wales.

Under the ARC Linkage agreement the Group is committed to contribute \$195,000 in cash and \$290,000 in-kind towards a Topaz research project. The in-kind contribution is Dr Leon Pretorius' time and supply of raw material (topaz concentrate). To 31 December 2018, the Group has contributed \$195,699 of cash and in-kind contributions.

### Note 9 Events subsequent to reporting date

On 9 January 2019, TopTung Limited changed its name to Chase Mining Corporation Limited, following a special resolution of Shareholders at a General Meeting held on 9 January 2019.

No other matters or circumstances has arisen since 31 December 2018 that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

## Notes to the financial statements for the half-year ended 31 December 2018

### Note 10 Asset acquisition

On 3 October 2018, the Group acquired 100% of the shares and voting interests in Zeus Minerals Limited. This acquisition was made to extend the Group's portfolio of project areas.

Zeus Minerals Limited owns 100% of Zeus Minerals Corp and Zeus Olympus Sub Corp, two private companies incorporated in British Columbia, Canada. Zeus Olympus Sub Corp holds 100% of the mineral exploration rights over the Alotta, Delphi/Patry/Zullo, Laverlochere, and Lorraine projects consisting of 127 granted claims covering an area of 63.51km<sup>2</sup> (Zeus Project Area). The Project Area is prospective for nickel and copper mineralisation and is located approximately 80km south of Rouyn-Noranda, Quebec.

The details of the acquisition are as follows:

<b>Fair value of consideration transferred</b>	\$
Amount settled in CML shares	1,714,285
Acquisition costs	130,000
<b>Total purchase consideration</b>	<b>1,844,285</b>

The fair value of the shares consists of 35,714,269 shares issued on 11 October 2018 at a share price of \$0.05 per share.

#### *Acquisition costs*

Acquisition-related costs of \$130,000 represents fees paid to GTT Corporate Advisory for introducing the asset to the Group.

#### *Cash acquired*

The Group acquired \$216,083 cash through the Zeus acquisition.

## Notes to the financial statements for the half-year ended 31 December 2018

### Note 11 Related party transactions

During the half-year ended 31 December 2018, Chase Mining Corporation Limited paid the following fees to GTT Corporate Advisory, a company of which Charles Thomas is a shareholder and director:

- \$60,000 for corporate advisory services;
- \$23,477 for being lead manager for the \$500,000 capital raising that occurred during the half year period;
- \$130,000 for introducing the Zeus acquisition to the Group.

During the half year the Group paid \$6,000 of salary and wages to Ms L Osborne, who is the spouse of Dr L Pretorius.

During the half year the Group issued performance rights to Directors. 4,000,000 performance rights were issued to Leon Pretorius, 1,500,000 to Martin Kavanagh and 1,500,000 to Charles Thomas. 50% of the performance rights vest when the share price trades at a volume weighted average price of 7.5 cents per share or greater for a period of 10 consecutive days within 18 months of issue. The remaining 50% of the performance rights vest when the share price trades at a volume weighted average price of 10.0 cents per share or greater for a period of 10 consecutive days within 18 months of issue. All performance rights expire on 31 January 2020.

## Directors' Declaration

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated balance sheet, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



**Leon Pretorius**

Executive Chairman

Brisbane

14 March 2019

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Chase Mining Corporation Limited (formerly TopTung Limited)

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Chase Mining Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of 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 half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

- 1) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- 2) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company 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 is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### **Independence**

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### **BDO Audit Pty Ltd**



**Anthony Whyte**

Director

Brisbane, 14 March 2019