



2015 ANNUAL REPORT



TUNGSTEN MINING NL
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TUNGSTEN MINING NL

Corporate Directory

Directors

Gary Lyons (Non-executive chairman)
Kong Leng (Jimmy) Lee (Non-executive director)
Chew Wai Chuen (Non-executive director)

Company Secretary

Mark Pitts

Chief Executive Officer

Craig Ferrier

Auditor

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Bankers

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ABN: 67 152 084 403

ASX Code: TGN

Corporate Governance

The Company has adopted the 3rd Edition of the ASX Corporate Governance Recommendations. A summary statement which has been approved by the Board together with current policies and charters is available on the Company website at the following address www.tungstenmining.com/corporate-governance.

TUNGSTEN MINING NL

Chairman's Letter

Fellow Shareholders,

I am pleased to be able to report on the progress your Company has made over this past year following my appointment as chairman in January.

In presenting last year's annual report, the erstwhile chairman, Mr Patrick McManus, outlined the management changes that had been recently implemented and the successful completion of a capital raising to advance the Company's flagship, Kilba project in the Ashburton region of Western Australia.

In August 2014 we commenced a two phase drilling programme directed at increasing the confidence level in the Kilba Mineral Resource prior to progressing feasibility studies. At a cost of approximately \$1.9m (excluding exploration and site management) this programme completed 115 reverse circulation (RC) holes for 9,291 metres and 13 HQ and PQ diamond holes for 686 metres at Zone 8, 11 and 12 at Kilba. This completed a closed spaced drill pattern over the main outcropping mineralisation at Zone 11 and 320 metres of strike at Zone 8. In addition, Broader spaced drilling was completed at Zone 12, whilst diamond drilling was completed for geological control and collection of metallurgical sample.

Pleasingly, the objectives of the drilling programme were met with 86% of the entire Kilba Mineral Resource now classified in the Indicated category. Further details on the programme and results are set out in the accompanying review of operations.

Whilst our exploration and evaluation activities have progressed according to plan and within budget, the performance of the tungsten market has certainly failed to meet our expectations. The adopted "benchmark" price, European free market ammonium paratungstate (APT) has fallen from US\$360/MTU in August 2014 to circa US\$200/MTU today, a decline of some 44%. This has had a fundamental effect on project economics and given reason to pause and assess the outlook for the tungsten market and, in turn, the potential development timeline for the Kilba project.

In this regard your board are actively assessing options to create value for shareholders from our existing suite of projects and new opportunities. We have made every effort to reduce the Company's outgoings to ensure preservation of cash and will assess funding requirements having regard for the state of the tungsten sector and capital markets.

I would like to acknowledge the contribution of Patrick McManus, Paul Berndt and David Sanders for their contribution to the development of the Company, in their former roles as chairman, managing director and non-executive director respectively.

Finally, I would like to acknowledge the continued support and patience of our shareholders, for whom we are committed to making Tungsten Mining NL a success.



Gary Lyons
Chairman

TUNGSTEN MINING NL

Directors' Report

The directors of Tungsten Mining NL ("Tungsten Mining" or "the Company") present their report for Tungsten Mining NL, comprising the Company and the entities it controls ("the Group"), for the year ended 30 June 2015.

Directors

The names 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.

Names, qualifications, experience and special responsibilities

Gary Lyons Non-executive Chairman (appointed 16 July 2014)

Mr Lyons is a successful and well respected Perth based businessman; being a shareholder and the Managing Director of the Heiniger Group's Australasian operations for the last 25 years.

Mr Lyons was appointed a director on 16 July 2014 and elected non-executive chairman on 5 January 2015. Mr Lyons is a member of the audit committee and remuneration committee.

Present ASX company directorships: GWR Group Limited, West Peak Iron Limited
Previous ASX company directorships: Nil

Kong Leng (Jimmy) Lee Non-executive Director

Mr Lee is a mining engineer with more than 30 years of industry experience and is a member of AusIMM. He has successfully worked with a number of major Australian mining companies and has held senior positions with Hamersley Iron Ltd, Dominion Mining Ltd, Christmas Island Phosphates, North Ltd and Carey Mining Ltd.

Mr Lee provides mining and corporate advisory services to the mining industry and was formerly a founding director of Terrain Minerals Limited. In addition, he has a successful track record with contract negotiations and company investment strategies.

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

Present ASX company directorships: GWR Group Limited
Previous ASX company directorships: West Peak Iron Limited

Chew Wai Chuen Non-executive Director

Mr Chuen is a financial advisor with more than 15 years of industry experience, specialising in the provision of corporate and wealth management for ultra-high net worth individuals. He has experience in South East Asia capital market and extensive networks of clients based in Singapore and Malaysia.

Mr Chuen is also the Managing Partner with a financial advisory firm, providing personal investing planning and wealth management for high net worth individuals and has a good track record of investment into junior mining companies in Australia and South East Asia.

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

Present ASX company directorships: Potash West NL
Previous ASX company directorships: Nil

TUNGSTEN MINING NL
Directors' Report (continued)

Patrick McManus Non-executive Chairman (resigned 5 January 2015)

Mr McManus has a degree in mineral processing and a MBA from Curtin University. He is a mining professional of over 30 years' standing whose work has taken him to many locations within Australia and overseas, including the Perth Basin and the Murray Basin in Australia, as well as Madagascar, Indonesia and the United States. During that time, he has worked in operational, technical and corporate roles for Rio Tinto, RGC Limited and Bemax Resources Limited. Mr McManus was founding director and, from January 2007 to March 2010, managing director of ASX listed Corvette Resources Limited. He is currently the Managing Director of ASX listed Potash West NL.

Mr McManus was a member of the audit committee and remuneration committee and resigned as director on 5 January 2015.

David Grant Sanders Non-executive Director (resigned 31 March 2015)

Mr Sanders has extensive experience in corporate and resources law. He holds bachelor degrees in law and commerce from the University of Western Australia and a Graduate Diploma of Applied Finance and Investments from the Securities Institute of Australia. He advises numerous ASX listed companies and private companies on capital raising, mergers and acquisitions, Corporations Act and ASX Listing Rules compliance and corporate governance. He is a Non-Executive Director of Marenica Energy Ltd and Quickflix Ltd and Chairman of Murlpirmarra Connection Ltd.

Mr Sanders was a member of the audit committee and resigned as a director on 31 March 2015.

Paul Berndt Managing Director then Non-executive director from 1 August 2014 (resigned 21 November 2014)

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.

Company Secretary

Mark Pitts (appointed 12 December 2014)

Mr Pitts is a Fellow of the Institute of Chartered Accountants with more than 25 years' experience in statutory reporting and business administration. He has been directly involved with, and consulted to a number of public companies holding senior financial management positions.

He is a Partner in the corporate advisory firm Endeavour Corporate providing company secretarial support; corporate and compliance advice to a number of ASX listed public companies.

TUNGSTEN MINING NL
Directors' Report (continued)

Elizabeth Hunt (resigned 12 December 2014)

Ms Hunt has over fifteen years' corporate and accounting experience with a particular interest in governance. Her knowledge includes IPO management, governance & risk, company secretarial matters, ASX listing requirements, ASIC and other statutory reporting requirements, and financial accounting and reporting. She holds a BSc degree in Sustainable Development (Murdoch University) and has completed a Master of Accounting (Curtin University), the Governance Institute of Australia Certificate in Governance and Risk Management, and is a Graduate of the Australian Institute of Company Directors.

Belinda Ting (resigned 5 September 2014)

Ms Ting is a Chartered Accountant, experienced in taxation and financial management. She has worked for a range of private and public listed companies.

Interests in the shares and options of the Company and related bodies corporate

Directors	Ordinary shares	Options (unlisted)
Gary Lyons	-	-
Kong Leng (Jimmy) Lee	-	-
Chew Wai Chuen	416,667	-

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 2015, and the number of meetings attended by each director were:

	Full Board*		Audit Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Gary Lyons	10	10	1	1	-	-
Kong Leng (Jimmy) Lee	10	10	-	-	1	1
Chew Wai Chuen	10	10	NA	NA	NA	NA
David Grant Sanders	8	8	2	2	NA	NA
Patrick McManus	5	5	1	1	1	1
Paul Berndt	3	3	NA	NA	NA	NA

**Includes business conducted by circular resolution*

Shares under option

Unissued ordinary shares of Tungsten Mining NL under option as at the date of the Directors' Report are as follows:

Grant date	Expiry Date	Exercise Price	Number under option
11 July 2012	30 June 2016	\$0.40	15,000,000
27 November 2013	4 December 2015	\$0.25	1,800,000

TUNGSTEN MINING NL
Directors' Report (continued)

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 tungsten.

Operating results for the year

The loss after income tax benefit for the year ended 30 June 2015 was \$3,396,740 (2014: \$2,855,529).

Exploration expenditure of \$2,768,136 was expensed as incurred (2014: \$386,700) and related predominately to exploration and evaluation activities undertaken to advance the Kilba project.

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

Review of Operations

Overview

The focus of activities during the 2014/15 financial year was the completion of a two phase drilling program and Mineral Resource update for the Company's flagship, Kilba Project in the Ashburton region of Western Australia. A program of metallurgical test-work and mining studies were also completed for the Kilba project. Elsewhere, the Company and Lithium Australia NL entered into the Seabrook Rare Metals Venture, which concerns arrangements for exploration and mineral rights on the Company's Koolyanobbing tenements. Limited exploration was also undertaken on the Loves Find and Whiskey Pool projects. A description of those activities and the status of the Company's mineral interests are described herein.

TUNGSTEN MINING NL

Directors' Report (continued)

Review of Operations (continued)

Kilba Project

1. Introduction

During the second half of 2014, the Company completed a phased drilling program to upgrade the confidence level of the Kilba Mineral Resource to an Indicated or better status. In January 2015, the Company announced an up-dated JORC Indicated and Inferred Mineral Resource for Zones 8, 11 and 12 of the Kilba Project on the 100% owned and granted mining lease 08/314. Infill drilling improved the confidence level to 86% of contained metal falling within the Indicated category.

Pit optimisation and mining studies were advanced during the year utilising the updated resource block model. This work has also supported further consultation with government departments and agencies in relation to regulatory approvals for future operations at Kilba.

2. Location

Kilba project is located within the Ashburton 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, which leaves the Northwest Coastal Highway approximately 20km south of Nanutarra Roadhouse. The project can then be accessed by refurbished exploration tracks to the area of interest (Figure 1).

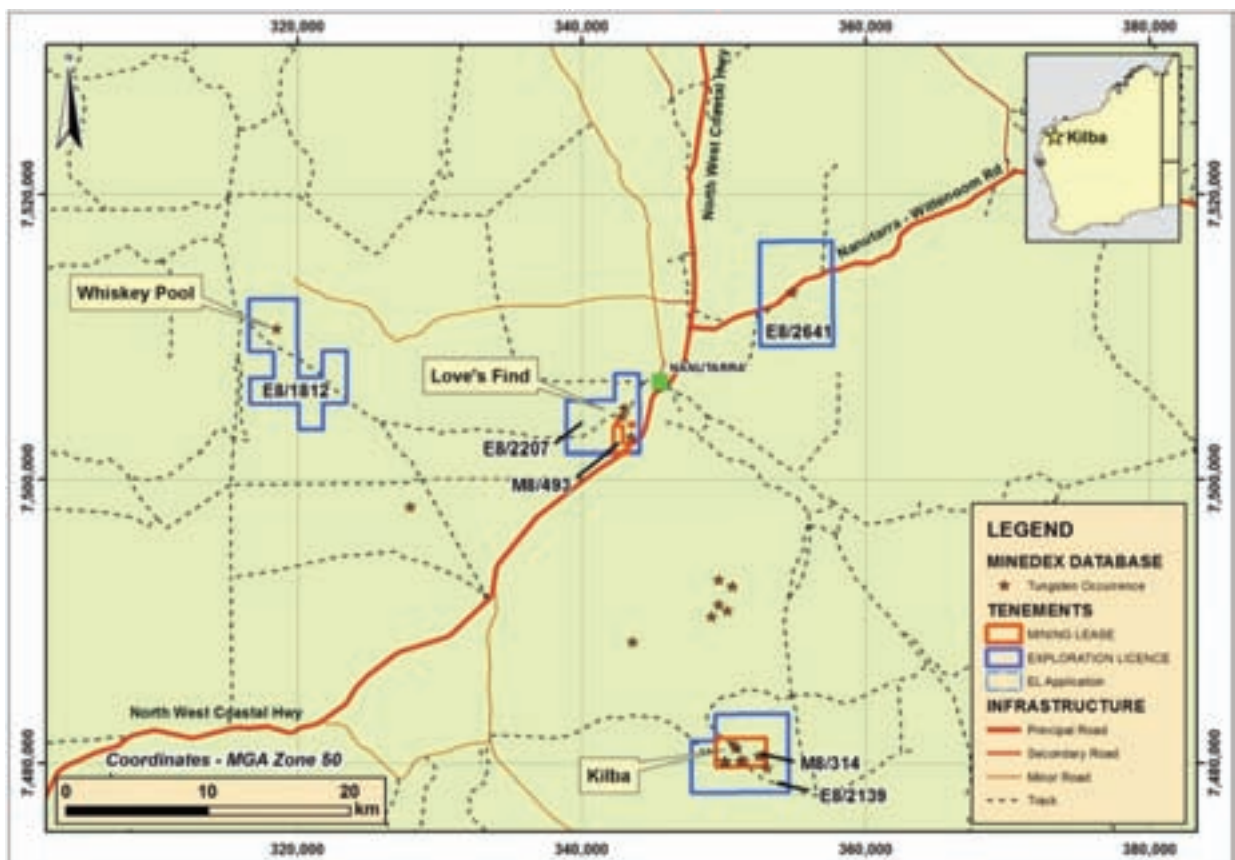


Figure 1: location of Mining Lease ML 08/314

TUNGSTEN MINING NL
Directors' Report (continued)

Review of Operations (continued)

3. 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 small areas on tenement E08/2139. 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 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.

4. Exploration Drilling

The Company commenced drilling at the Kilba project in November 2012 to confirm the presence of high-grade tungsten mineralisation identified. During the 2015 financial year, the Company completed 115 reverse circulation (RC) holes for 9,291 metres and 13 HQ and PQ diamond holes for 686 metres at Zone 8, 11 and 12 situated on the 100% owned and granted mining lease 08/314 (Figure 2).

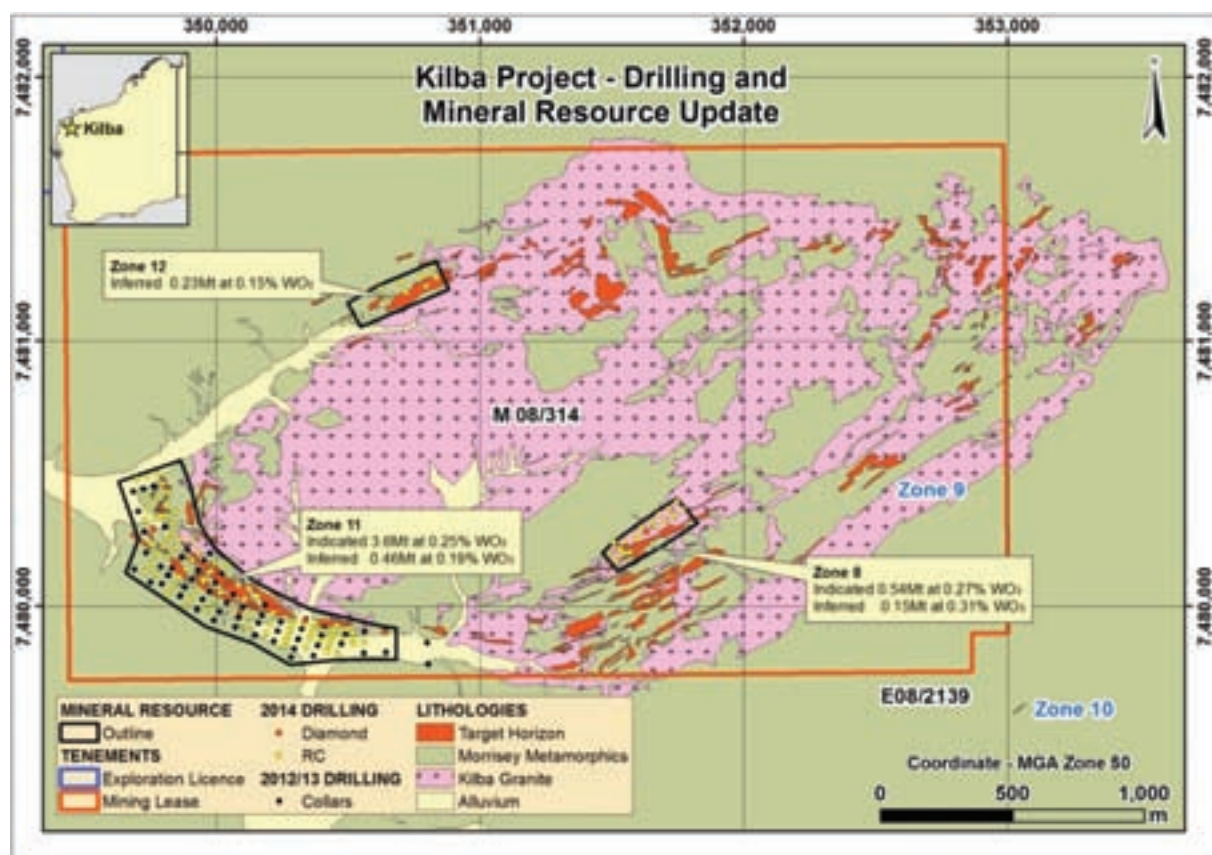


Figure 2 – plan displaying location of recent drilling at Zone 11 and historic Union Carbide holes.

TUNGSTEN MINING NL

Directors' Report (continued)

Review of Operations (continued)

Drilling has completed a close spaced drill pattern over the main outcropping mineralisation at Zone 11 and 320 metres of strike at Zone 8. Broader spaced drilling has also tested 300 metres of strike at Zone 12. Results from this drilling are discussed below.

4.1 Zone 11

During the year, 83 RC holes for 6,601 metres were completed at Zone 11 with the prospect now drilled out on a 40 metre line spacing over the entire length of the deposit (Figure 3). Diamond drilling was also undertaken with 5 HQ holes for 225 metres completed to twin RC drilling and 5 PQ holes for 285 metres drilled to collect metallurgical samples. Tungsten mineralisation at Zone 11 has been delineated over 1,200 metres of strike and is associated with skarns and calc-silicate units that wrap around the Kilba granite and dip towards the south to southwest.

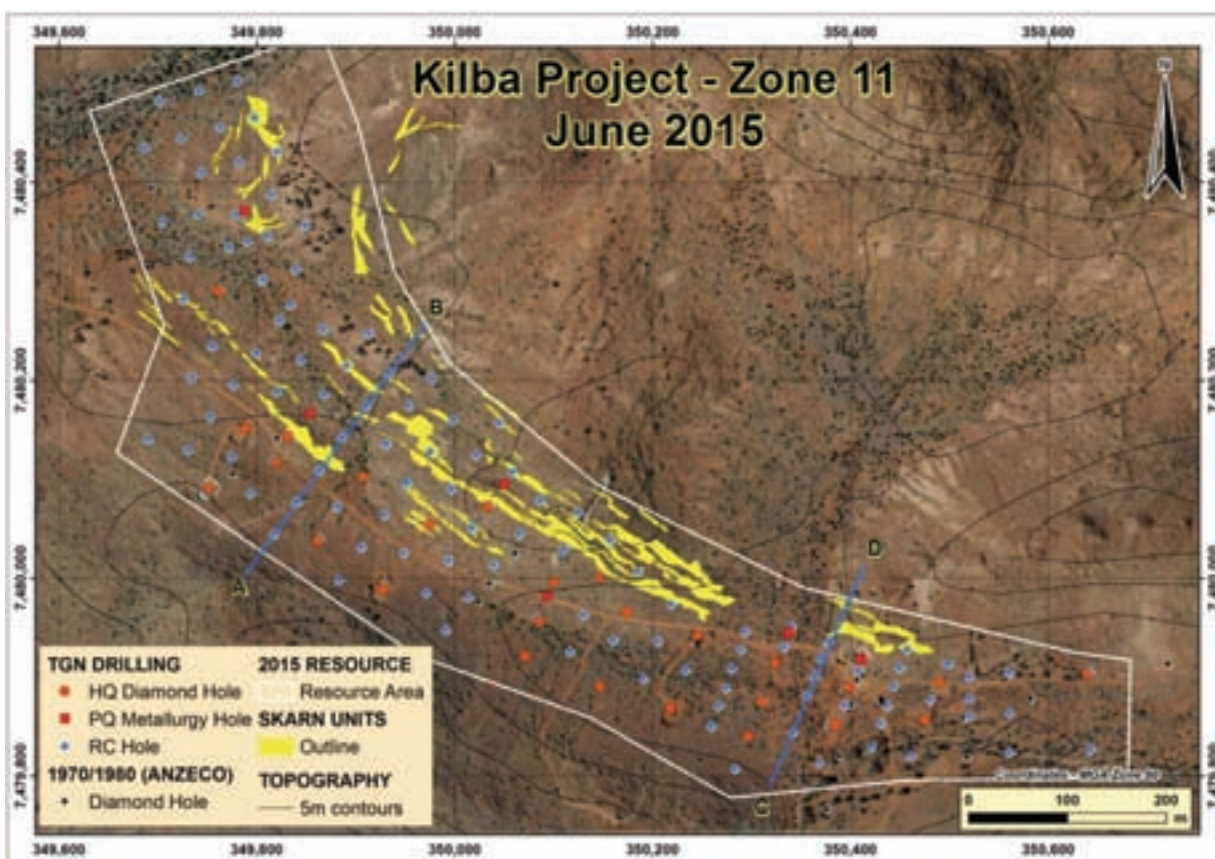


Figure 3 – plan displaying Tungsten Mining drilling (TGN) and locations of Sections A–B and C–D shown below.

Skarns and calc-silicate units are within a 40 to 100 metre wide carbonate-rich horizon of the Morrissey Metamorphic suite consisting of pelitic and psammitic schists, marble, calc-silicates and skarns. 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.

In the central and western domains mineralisation is associated with multiple low to medium-grade units, as shown by Figure 4.

Directors' Report (continued)

Review of Operations (continued)

These units dip shallowly ($25^{\circ} - 50^{\circ}$) towards the southwest to west as they fold around the Kilba granite. Toward the east of the prospect tungsten mineralisation merges into a single high-grade zone that dips steeply ($55^{\circ} - 70^{\circ}$) towards the south, as shown in Figure 5.

Better drill intersections are presented in Table 1. Refer to ASX releases dated 7 October and 19 December 2014 for a detailed breakdown of drilling results.

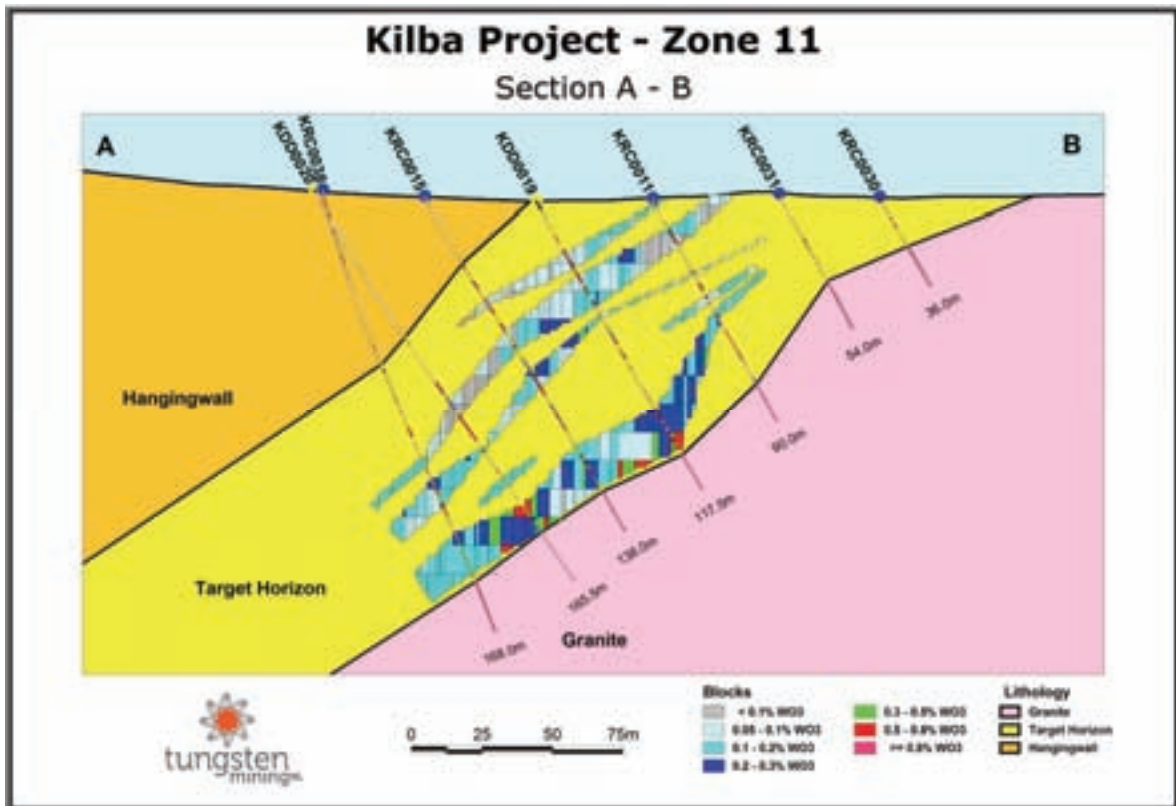


Figure 4 – cross section through Central domain of Zone 11 showing multiple low – medium grade zones of tungsten mineralisation within the 100m thick target horizon.

TUNGSTEN MINING NL
Directors' Report (continued)

Review of Operations (continued)

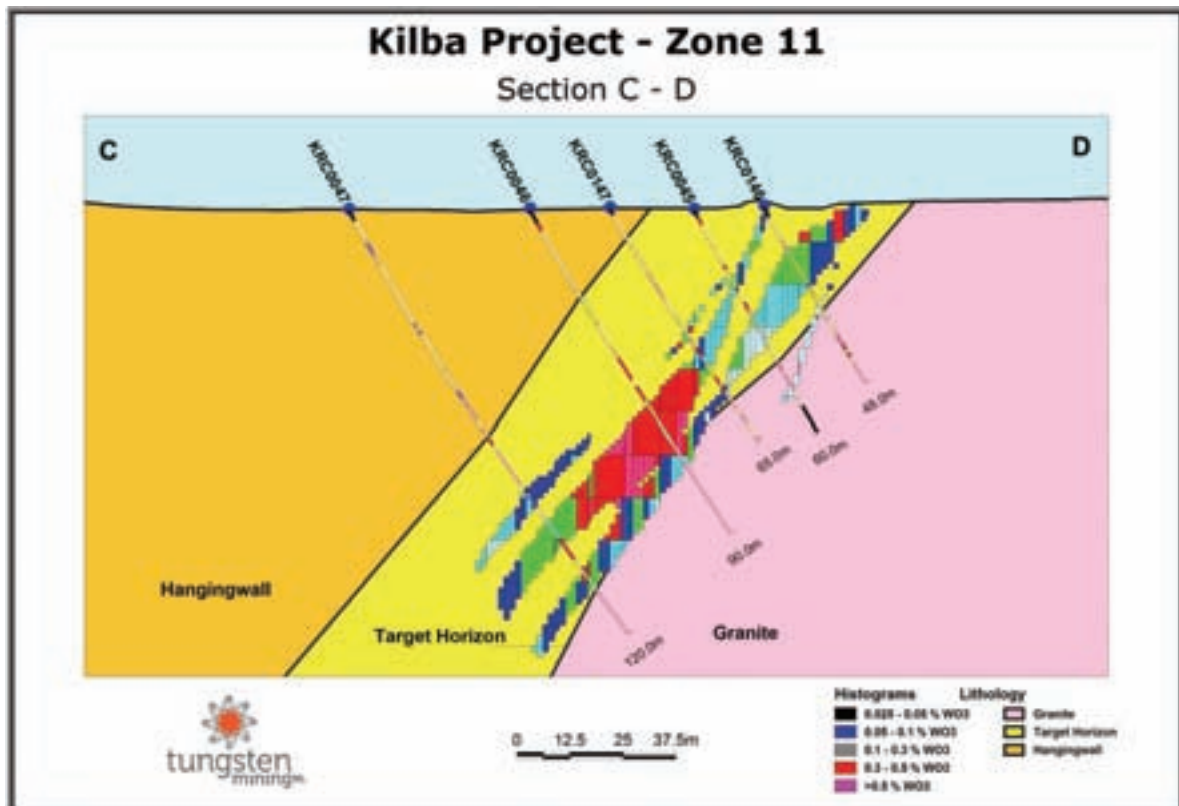


Figure 5 – cross section through Eastern domain of Zone 11 showing moderate to high-grade tungsten mineralisation merging into one moderate to steep dipping zone

TUNGSTEN MINING NL
Directors' Report (continued)

Review of Operations (continued)

Table 1 – Better intersection from Zone 11 RC drilling

Kilba Project, RC Drilling– (>0.10 % WO ₃)								
Hole No	MGA Coordinates				Intersections			
	Easting (m)	Northing (m)	Depth (m)	Dip/ Azim	From (m)	To (m)	Interval (m)	WO ₃ %
KRC0043	350,408	7,479,906	65	-60/020	23	36	13	0.33
KRC0046	350,355	7,479,881	90	-60/020	53	67	14	0.82
				Incl.	55	57	2	1.36
				Incl.	64	67	3	2.00
KRC0048	350,457	7,479,928	44	-60/020	1	6	5	0.51
				Incl.	3	4	1	1.90
KRC0050	350,430	7,479,853	102	-60/020	69	72	3	0.96
					78	93	15	0.76
				Incl.	85	91	6	1.45
KRC0067	350,035	7,480,074	66	-60/035	44	54	10	0.30
				Incl.	48	49	1	1.24
KRC0122	349,810	7,480,345	65	-60/075	7	17	10	0.59
KRC0122				Incl.	12	13	1	1.16
KRC0122				Incl.	15	16	1	1.84
KRC0141	350,436	7,479,824	140	-60/020	104	116	12	0.33
KRC0141				Incl.	108	109	1	1.69
KRC0144	350,259	7,479,851	130	-60/020	102	122	20	0.17
KRC0146	350,373	7,479,935	48	-60/020	11	21	10	0.48
KRC0146				Incl.	11	12	1	1.09
KRC0146				Incl.	14	15	1	1.68
1m riffle Split RC samples. Analysis is XRF determination, lower cut-off grade 0.10% WO ₃ , no top cut grade, up to 3.0m of internal waste. Grid coordinates are MGA Zone 50.								

4.2 Zone 8

During the reporting period, 23 RC holes and 3 diamond holes for 2,123 metres were drilled at Zone 8 to complete 40 metre spaced sections over 360 metres of strike (Figure 6). Drilling targeted the historical Zone 8b where Union Carbide drilling intersected high-grade scheelite in 1981. Results from recent drilling were extremely encouraging intersecting substantial thicknesses of moderate to strong tungsten mineralisation (Figure 7). Mineralisation is associated with a similar carbonate pack to that at Zone 11, but is truncated by granites at 60 to 80 metres vertical depth.

Geological mapping and UV lamping has identified strike extensions to Zone 8b and indicates excellent potential. Mineralisation is open to the west and future drilling will focus on joining Zone 8a to Zone 8b.

TUNGSTEN MINING NL
Directors' Report (continued)

Review of Operations (continued)

Two PQ diamond holes were drilled to collect metallurgical samples and one HQ diamond hole twinned an RC hole. Better drill intersections are presented in Table 2. Refer to ASX releases dated 7 October and 19 December 2014 for a detailed breakdown of drilling.

Table 2 – Better results from Zone 8 RC drilling

Kilba Project, RC Drilling– (>0.10 % WO ₃)								
Hole No	MGA Coordinates			Intersections				
	Easting (m)	Northing (m)	Depth (m)	Dip/ Azim	From (m)	To (m)	Interval (m)	WO ₃ %
KRC0070	351,631	7,480,282	100	-50/140	27	42	15	0.24
				Incl.	39	40	1	1.33
KRC0071	351,614	7,480,300	95	-55/140	51	60	9	0.47
				Incl.	51	52	1	1.08
KRC0072	351,703	7,480,320	100	-50/140	28	44	16	0.27
				Incl.	33	34	1	1.01
KRC0098	351,666	7,480,303	80	-60/140	34	37	3	0.31
KRC0098					41	48	7	0.90
KRC0098				Incl.	41	45	4	1.49
KRC0100	351,738	7,480,342	65	-60/140	19	25	6	0.40
KRC0100				Incl.	19	20	1	1.02
KRC0100					32	41	9	0.34
KRC0100				Incl.	33	34	1	1.62
KRC0104	351,531	7,480,215	72	-60/140	51	62	11	0.39
KRC0104				Incl.	52	53	1	2.11
KRC0155	351,735	7,480,345	66	-75/140	47	54	7	0.78
KRC0155				Incl.	50	52	2	1.77
KRC0155					58	61	3	1.24
KRC0155				Incl.	58	60	2	1.76
KRC0156	351,511	7,480,170	48	-60/140	10	21	11	0.33
KRC0157	351,487	7,480,203	84	-60/140	59	72	13	1.01
KRC0157				Incl.	68	69	1	8.24
1m riffle Split RC samples. Analysis is XRF determination, lower cut-off grade 0.10% WO ₃ , no top cut grade, up to 3.0m of internal waste. Grid coordinates are MGA Zone 50.								

4.3 Zone 12

A total of 9 RC holes for 841 metres were drilled at Zone 12 to complete 80 metre spaced sections over 240 metres of strike. The drilling tested where Union Carbide holes intersected significant tungsten mineralisation in the 1980s and intersected multiple zones of weak to moderate scheelite mineralisation (Figure 8).

TUNGSTEN MINING NL
Directors' Report (continued)

Review of Operations (continued)

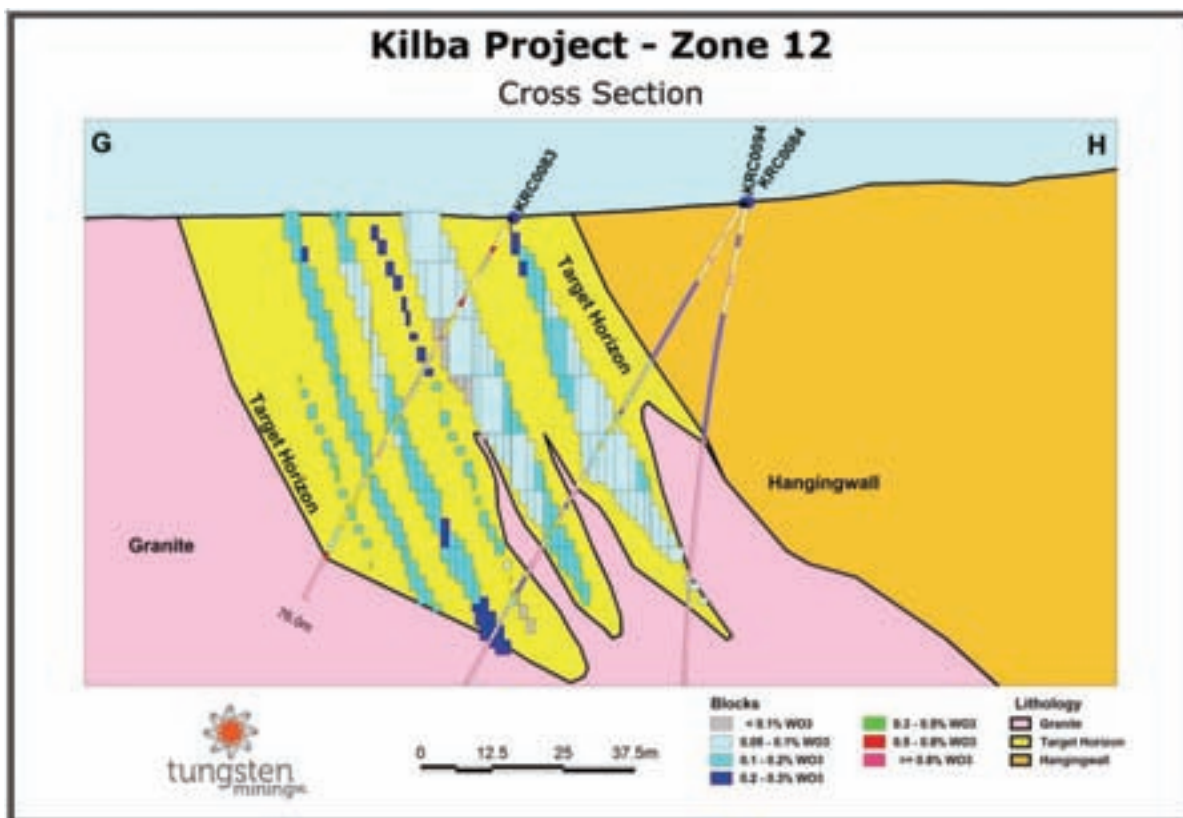


Figure 8 – cross section through Zone 12 showing multiple zones of low to medium-grade tungsten mineralisation

Geological mapping and UV lamping has identified extensions to Zone 12 and it is considered encouraging that drilling intersected multiple zones of tungsten mineralisation. The strongest mineralisation was intersected in the western-most sections and mineralisation is open to the west. Better drill intersections are presented in Table 3. Refer to ASX release dated 7 October 2014 for a detailed breakdown of drilling results.

Table 3 – Better results from Zone 12 RC drilling

Kilba Project, RC Drilling– (>0.10 % WO ₃)								
MGA Coordinates					Intersections			
Hole No	Easting (m)	Northing (m)	Depth (m)	Dip/ Azim	From (m)	To (m)	Interval (m)	WO ₃ %
KRC0077	350,835	7,481,239	80	-60/155	47	51	4	0.12
KRC0082	350,702	7,481,221	96	-60/155	53	59	6	0.15
					83	85	2	0.69
				Incl.	83	84	1	1.03
KRC0083	350,642	7,481,161	76	-60/155	50	53	3	0.17
KRC0084	350,625	7,481,198	119	-60/155	64	68	4	0.16
					87	89	2	0.40

1m riffle Split RC samples. Analysis is XRF determination, lower cut-off grade 0.10% WO₃, no top cut grade, up to 3.0m of internal waste. Grid coordinates are MGA Zone 50.

TUNGSTEN MINING NL
Directors' Report (continued)

Review of Operations (continued)

5. Mineral Resource

In May 2013, the Company announced a Maiden Indicated and Inferred Mineral Resource at Zone 8 and Zone 11 of the Kilba project (ASX announcement 31 May 2013). During the second half of 2014, the Company completed a phased drilling program to increase the confidence level of the Kilba Mineral Resource at Zones 8 and 11 to an Indicated status in support of future detailed feasibility studies. Drilling infilled sections to a 40 metre spacing over the entire May 2013 Mineral Resource.

During January 2015, the Company announced an updated JORC 2012 Indicated and Inferred Mineral Resource of 5.0 million tonnes at 0.24% WO₃ at Zones 8, 11 and 12 of the Kilba Project (Refer to Table 4 and Figure 9). The Mineral Resource is located on the Company's 100%-owned mining lease 08/314 situated in the Ashburton Region of Western Australia.

The Mineral Resource estimate has been completed by CSA Global Pty Ltd in accordance with the guidelines of the Joint Ore Reserve Committee (JORC) Code – 2012 Edition (refer to ASX announcement 30 January 2015). 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.

Table 4: Kilba Mineral Resource estimate based on a 0.10% WO₃ cut-off grade.

Prospect	Class	Tonnes	WO ₃	WO ₃
		'000 t	%	t
Zone 8	Indicated	540	0.27	1,500
	Inferred	150	0.31	500
	Total	700	0.28	1,900
Zone 11	Indicated	3,600	0.25	9,000
	Inferred	460	0.19	900
	Total	4,000	0.24	9,800
Zone 12	Inferred	230	0.15	400
	Total	230	0.15	400
Total	Indicated	4,100	0.25	10,400
	Inferred	830	0.20	1,700
	Total	5,000	0.24	12,100

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.

Mineralisation was interpreted in 3D and 0.025% WO₃ define grade envelopes. Hard boundaries between the grade envelopes were used to select sample populations for grade estimation by Multiple Indicator Kriging (MIK). The block model was constructed using a 20mE x 10mN x 10mRL parent block size, with subcelling to 2mE x 1mN x 1mRL for domain volume resolution. The search radii were determined by means of the evaluation of the semivariogram parameters, which determined the kriging weights to be applied to samples at specified distances.

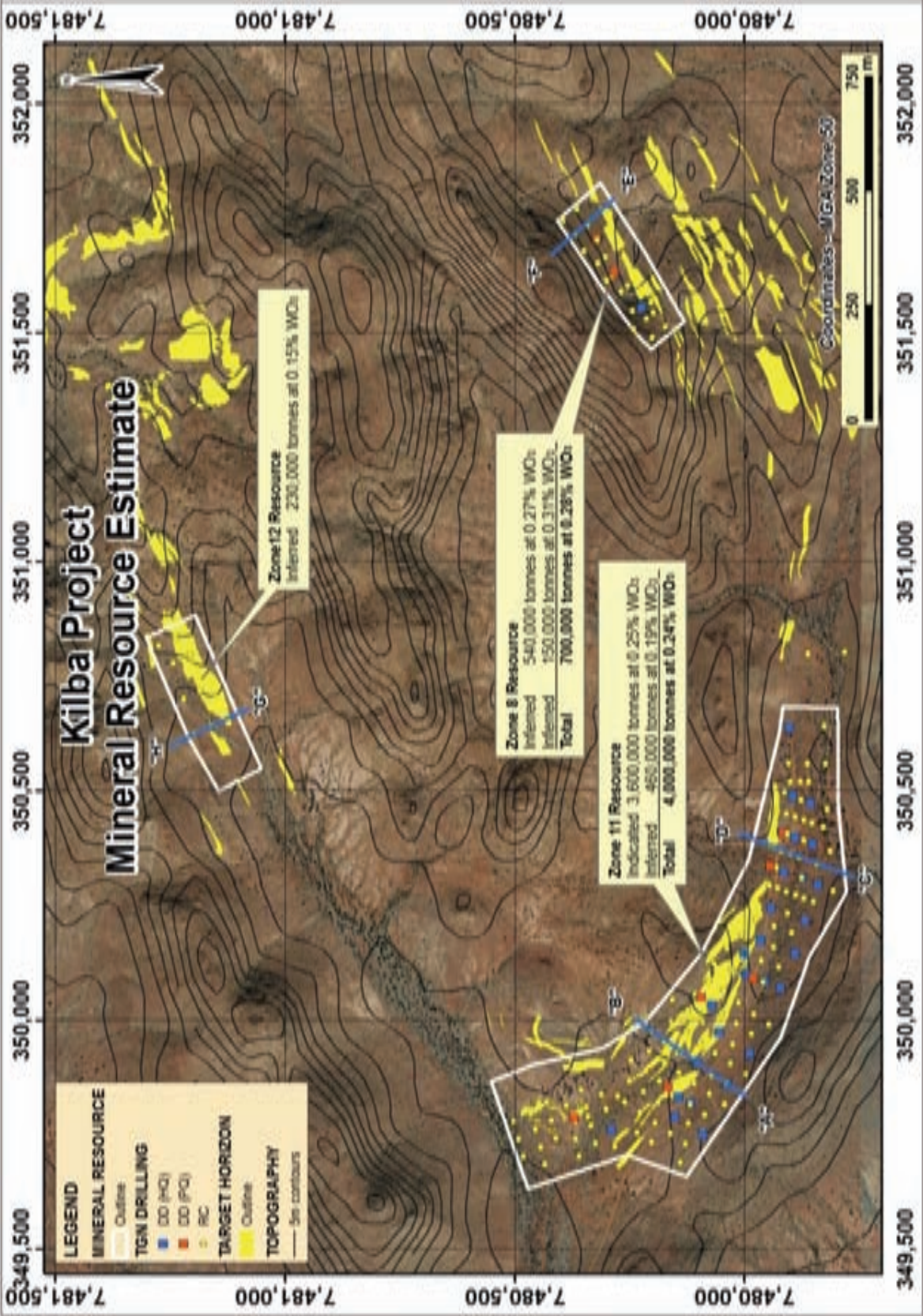


Figure 9 – plan showing location of Mineral Resource outlines, TGN drilling and the mineralised horizon. The cross section “A – B”, “C – D”, “E – F” and “G – H” shown in blue are displayed in Figure 4 – 8 above.

TUNGSTEN MINING NL

Directors' Report (continued)

Review of Operations (continued)

No grade cutting was applied as MIK was used for the grade interpolation. The median grade was used for the last bin defined for MIK, as this bin is likely to contain occasional very high values giving a more conservative value for positively skewed data than the mean.

6. Metallurgical Test work

A phase 2 investigative metallurgical test work program was completed at Nagrom's Test Laboratory in June 2015. The program builds on the findings and recommendations of the phase 1 test program (undertaken by Mintrex Pty Ltd in 2013), in particular to further investigate the potential of a pre-scalping stage to remove a significant proportion of the feed mass as waste prior to beneficiation. The remainder of the program was to determine the amenability of the sample to upgrading the WO₃ content using gravity, magnetic characterisation and flotation test work.

The sample used for the phase 2 program was largely the same as for phase 1. It consisted of phase 1 reserve samples and additional HQ diamond core intervals targeting a WO₃ resource estimate grade of 0.27% WO₃, as per the published resource estimate for Zones 11 and 8 (as at October 2014). The table below shows that the sample used for the phase 2 test work was representative of the Kilba deposit average.

Table 5: Average Grade and Composite Samples

Sample ID	WO ₃ %	Fe %	CaO %	SiO ₂ %	S %
Phase 1 sample	0.44	2.43	28.90	35.70	0.04
Phase 2 sample	0.27	5.35	19.74	47.46	0.31
Kilba Deposit Average ¹	0.27	5.76	18.07	48.88	0.35

1. This represents the Kilba Deposit Average based on the published Resource Estimate for zones 11 and 8 as at the date of preparing the sample – October 2014.

Both jigging and dense media separation (DMS) were tested as possible technologies for effectively removing waste material prior to beneficiation. DMS produced a better result than jigging with DMS technology able to recover 36% more WO₃ for the same concentrate grade.

The continuous DMS test circuit has been successful in removing 19% of the feed mass for a loss of only 1% WO₃. This mass rejection is lower than the outcome of the phase 1 test work, which found that for a particle size of 100% passing 5mm, up to 47% of the feed mass could be removed as gangue prior to beneficiation (but with a corresponding 10% loss of contained WO₃). However, those findings were a result of bench scale heavy liquid separation tests, and not obtained from a continuous DMS circuit.

Subsequent beneficiation test work has upgraded the WO₃ from a calculated head grade of 0.3% to 70.6%, with an overall circuit recovery of 37%. Magnetic separation has shown to be an effective method for cleaning this gravity concentrate, with high intensity magnetic separation increasing the gravity concentrate grade from 58.9% to 76.6% WO₃ at a recovery of 96.5%.

Middlings flotation test work produced a WO₃ recovery >90%, however the grade was well below expectations. It is suspected that insufficient WO₃ liberation is the cause of the poor grade and it is recommended that future metallurgical test work programs invest in mineralogical analysis of the middlings and tailings streams to better understand the minerals present and particle liberation size. The test work has produced no significant grades of any valuable by-products.

TUNGSTEN MINING NL

Directors' Report (continued)

Review of Operations (continued)

Bismuth (Bi) assay in the gravity concentrate composite was 0.08% and is well within the general specification requirement for ammonium paratungstate (APT) production (<0.15%) whereby no price penalty is incurred.

As described in section 4, in late 2014 the Company completed a diamond drilling program and produced PQ core for a pre-feasibility/feasibility metallurgical test work program. Further metallurgical test work programs have been put on hold pending further evaluation of the resource given the decline in the price for tungsten concentrates over the past year.

Future metallurgical test work programs will focus on;

- Metallurgical test work on PQ diamond core from Zone 8.
- Establishing a full set of physical characteristics, including hardness (UCS), crushability (CWi), grindability (RWi and BWi) and abrasion (Ai) indices that will feed into a process design. Specific gravity (SG) determinations (both dry solid and bulk) should also be obtained at the relevant stages of processing.
- Increasing the recovery of WO₃ from the middlings and tailings. At the conclusion of this phase of test work, 63% of the circuit WO₃ was still contained in the middlings/tailings. This can be achieved by;
 - Mineralogical assessment of the middlings flotation composite to determine the optimum liberation grind size.
 - Targeting increased depression of silica (Si) and calcium oxide (CaO) that is not associated with the Scheelite in the middlings to improve the WO₃ concentrate grade during flotation.
 - Optimisation of WO₃ collector and other reagents in the middlings to maximise WO₃ recovery during flotation.
 - Developing a test work plan aimed at recovering WO₃ from the tailings streams.
- Evaluation of ore sorting technology as a pre-concentration step (for example by capitalising on the blue fluorescence of Scheelite under UV light).
- Recovery of a large enough concentrate mass for marketing purposes, filtration, thickening and tailings rheology test work.

7. Mining, Pit Optimisation and Other Studies

During the year the Company conducted pit shape optimisations using Whittle software, to assess the viability of the Kilba Project using the updated Kilba Mineral Resource model and current market pricing and other economic input factors. The Whittle optimisation results have been used to assess project economics and opportunities to mitigate risk such as the use of staged pits. Whilst the work completed was generally positive, despite the substantial decline in the market price for tungsten concentrates, an improvement in market pricing would be necessary to ensure sufficient project cash flow for payback of capital and an adequate return on investment.

Upon completion of the optimisations, design work was also undertaken on a number of project elements. Pit parameters have been explored, allowing mining pit and waste dump designs. Site infrastructure layout options have also been explored, with infrastructure specialists visiting the Kilba site and assisting in layout design. This information and past studies have been used in consultation with government departments and agencies during the year, including the Office of Environmental Protection Authority and the Department of Mines and Petroleum.

TUNGSTEN MINING NL
Directors' Report (continued)

Review of Operations (continued)

After compiling a site layout design, total disturbance footprint estimations were possible. Disturbance footprints are an estimation of the impact mining activities and the associated infrastructure will have on the natural surface and topography. The Company plans to minimise disturbance where possible at the Kilba site. The footprint estimations are a key element of discussions with regulatory agencies.

8 Exploration

Geological mapping was completed around the Kilba granite identifying numerous targets associated with mineralised skarns. In May 2015, an orientation soil sampling program was completed across known mineralisation at Zone 8 and Zone 11 to establish that this technique could be used to prioritise drill targets identified by geological mapping. Sampling returned anomalous tungsten to 1375 ppm W plus anomalous pathfinder elements associated with significant scheelite mineralisation at both prospects. This indicates that soil surveys used in conjunction with UV lamping of mapped skarns will help prioritise future exploration drilling at Kilba.

9 Other Projects

9.1 Ashburton projects

Loves Find Project

The Loves Find project is located 4 kilometres southeast of Nanutarra and 25 kilometres north of the Kilba project in the Ashburton Region of Western Australia (Figure 1). A number of tungsten occurrences are known to exist within the project area and the Company intends to evaluate these targets in the near future.

Compilation and evaluation of historical data from exploration carried out at Loves Find in the 1970s and 1980s has been completed. In 1981 Amax Iron Ore Corporation (Amax) completed geological mapping and rock chip sampling across skarns located 3 kilometres southwest of the Nanutarra Roadhouse. This work identified significant tungsten mineralisation over 300 metres of strike that assayed up to 2.77% WO₃ in rock chip sampling.

During 2014 the Company completed geological mapping, UV lamping and selective rock chip sampling of these skarns. This work identified significant tungsten mineralisation associated with garnet-epidote-clinozoisite-diopside skarns. Two rock chip samples from these skarns were collected and returned assays of 4.2% WO₃ and 5.6 WO₃.

Whiskey Pool Project

The Whiskey Pool project is located 25 km east of the Nanutarra Roadhouse in the Ashburton Region of Western Australia (Figure 1). A tungsten occurrence was discovered and briefly worked by a prospector in the 1980's and 1990's that targeted vein hosted wolframite in the Morrisey Metamorphics suite, south of the Ashburton River.

During May 2015, geological mapping was completed over Low's tungsten pit and possible strike extensions. The Low's tungsten pit targeted tungsten mineralisation associated with quartz-feldspar-wolframite-scheelite veining at the contact between a pegmatite and a felsic intrusive. Most of the project area is covered by floodplains of the Ashburton River with the exception of small areas of outcrop, colluvium and residual soils adjacent to the tungsten occurrence.

A total of 180 soil samples were collected from these areas of residual soils and outcrop that cover possible strike extensions to the tungsten occurrence. Results from work was disappointing with only 5 samples assaying greater than 20 ppm WO₃ immediately adjacent to the Low Pit indicating target size is small.

TUNGSTEN MINING NL
Directors' Report (continued)

Review of Operations (continued)

9.2 Koolyanobbing – Seabrook Rare Metals Venture

In November 2014, the Company entered into a binding agreement with Lithium Australia NL (ASX: LIT) (formerly Cobra Montana NL - CXB) that provides for LIT to explore for lithium and other metals, on the shores of Lake Seabrook, approximately 60km north-east of Southern Cross, Western Australia. The agreement concerns tenements comprising Tungsten Mining's Koolyanobbing Project and extends to an area of influence of 20km outside of the Company's tenements. The Seabrook Rare Metals Venture provides LIT with a right to earn an 80% interest to all metals other than tungsten, the rights of which remain or are vested in Tungsten Mining. The Company's 20% interest in non-tungsten mineralisation is free carried to the commencement of a definitive feasibility study.

LIT is trialling a new geochemical technique designed for easier identification of potential buried pegmatites of the lithium, caesium, and tantalum (LCT) class. As part of this work LIT collected soil samples over 7km of strike on the Seabrook Rare Metals Venture. These samples were analysed by field-portable XRF analytical equipment and a geochemical algorithm was used to display results as a 'heat map' of prospectivity. The heat-map indicates the relative intensity of certain geochemical indicators, which can be used to locate LCT pegmatites and the alteration halos associated with, or mineralising fluids emanating from them.

From this LIT identified an area of high prospectivity, which is about 3km long and 500 - 600m wide, remains open across the Koolyanobbing Shear, transgressing the boundary between a sequence of mafic and acid lithologies.

Significant alteration of the host lithologies – observed in areas of outcrop and tungsten mineralisation (as marked on Figure 10) – exists on the flanks of the target area. The tungsten mineralisation is interpreted to be a skarn and is probably associated with late-stage magmatic fluids, which create the target areas shown on the heat map.

On 20 October 2014, LIT announced lodging an exploration licence application for prospective ground at Lake Seabrook, covering pegmatites which contain lithium mica, beryl and tourmaline. Subsequent to the end of June 2015, LIT announced that it had been granted Exploration Licence 77/2279, and that this tenement now includes further prospective ground which had been the subject of relinquishments subsequent to the original application. This ground forms part of the Seabrook Rare Metals Venture. In late August 2015 LIT announced to ASX that it had achieved outstanding geochemical results from the recently expanded tenement area of the Seabrook Rare Metals Venture (refer LIT ASX Announcement dated 26 August 2015).

TUNGSTEN MINING NL
Directors' Report (continued)

Review of Operations (continued)

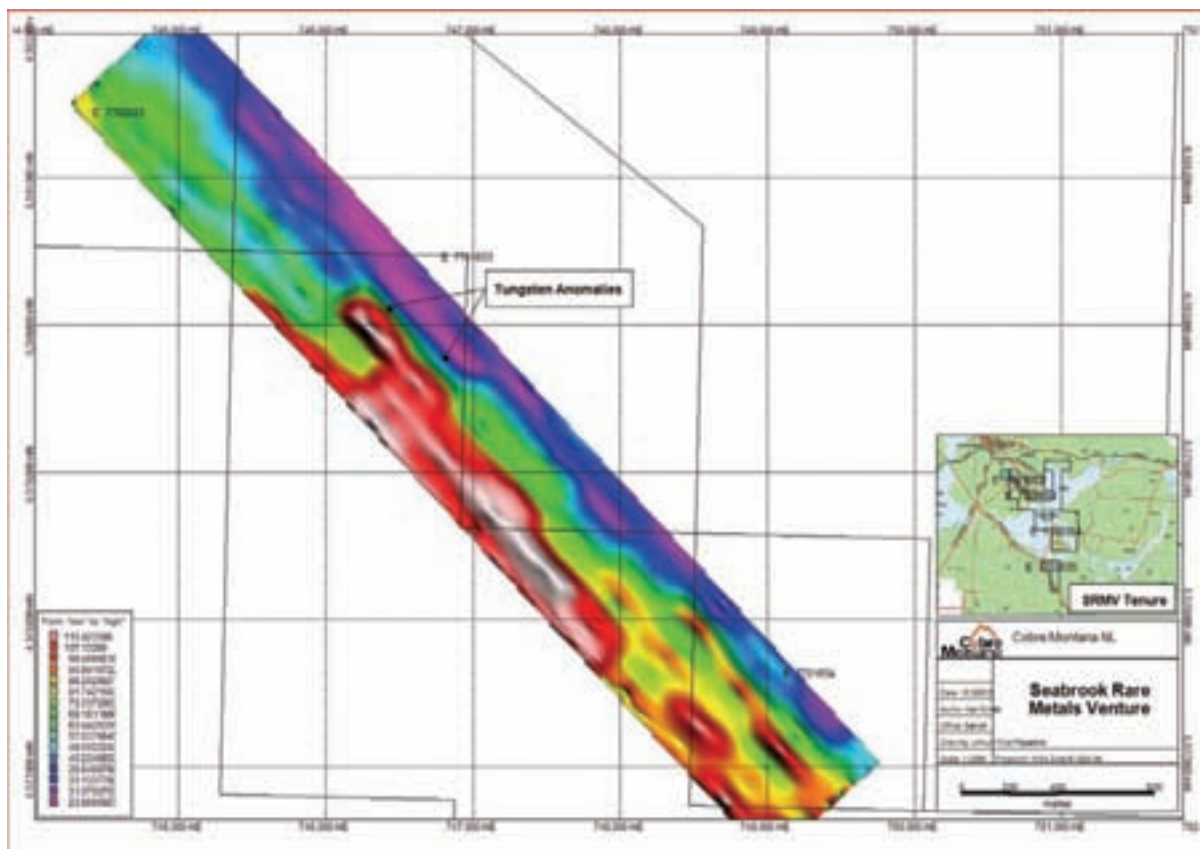


Figure 10 –heat map showing areas of high-potential for LCT pegmatites.

The prospectivity has been defined by geochemical algorithms being applied to data generated from surface soil samples. Cool colours (purple, blue and green) indicate areas of lowest prospectivity and warm colours (yellow, red and white) those of highest prospectivity.

LIT plan to conduct further field evaluation of the prospective areas, as well as infill geochemical sampling to provide better resolution, with sample lines extended in an attempt to close off the anomaly.

Other Project Opportunities

The Company evaluated a number of tungsten projects during the year and continues to assess opportunities within the sector.

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.

TUNGSTEN MINING NL
Directors' Report (continued)

Schedule of interests in mining tenements

Tenement Name	Tenement	Holder	Interest Held at 30 Jun 2015
Whiskey Pool	E08/1812	BRL EXPLORATION	100% Mineral Rights to all Minerals
Moodong Well	E08/2139	BRL EXPLORATION	100% Mineral Rights to all Minerals
Loves Find	E08/2207	SM3-W PTY LTD	100% Mineral Rights to all Minerals
Loves Find	M08/286	SM3-W PTY LTD	100% Mineral Rights to all Minerals
Loves Find	M08/287	SM3-W PTY LTD	100% Mineral Rights to all Minerals
Kilba Well	M08/314	SM3-W PTY LTD	100% Mineral Rights to all Minerals
Green Gate Granite	M08/493	SM3-W PTY LTD	100% Mineral Rights except Granite
Green Gate Granite	L08/82	SM3-W PTY LTD	100% Mineral Rights except Granite
Green Gate Granite	L08/83	SM3-W PTY LTD	100% Mineral Rights except Granite
Green Gate Granite	L08/84	SM3-W PTY LTD	100% Mineral Rights except Granite
Mt Murray 2	E08/2641	TUNGSTEN MINING NL	100% Mineral Rights to all Minerals
Koolyanobbing	E77/1853	TUNGSTEN MINING NL	100% Mineral Rights for Tungsten, 20% for other Commodities
Koolyanobbing	E77/1854	TUNGSTEN MINING NL	100% Mineral Rights for Tungsten, 20% for other Commodities
Koolyanobbing	E77/1855	TUNGSTEN MINING NL	100% Mineral Rights for Tungsten, 20% for other Commodities
Koolyanobbing	E77/2021	TUNGSTEN MINING NL	100% Mineral Rights for Tungsten, 20% for other Commodities
Koolyanobbing	E77/2022	TUNGSTEN MINING NL	100% Mineral Rights for Tungsten, 20% for other Commodities
Koolyanobbing	E77/2035	TUNGSTEN MINING NL	100% Mineral Rights for Tungsten, 20% for other Commodities
Callie Soak	E20/854	TUNGSTEN MINING NL	Pending Application

TUNGSTEN MINING NL
Directors' Report (continued)

Remuneration Report (Audited)

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 minerals exploration industry.
- (b) The Group's performance, and hence that of its KMP, is measured in terms of a combination of Group share price growth, its liquidity and the success of its exploration and development activities.

Relationship between Remuneration Policy and Company Performance

Objective

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

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

Structure

- At this time, the cash component of remuneration paid to the Directors, 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 Group, under which they receive a contract rate based upon the number of hours of service supplied to the Group. 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 Group, having regard to the current state of its development.
- The Company recognises the benefit of directors, managers and other employees of the Group holding securities in the Company and directors are encouraged to hold shares, provided that any trading is consistent with its Policy for Trading in Company Securities. The Directors, officers and employees of the Group may also participate in the share and option plans as described in this report.

TUNGSTEN MINING NL
Directors' Report (continued)

Details of Remuneration

KMP's remuneration for the year ended 30 June 2015:

YEAR	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS		SHARE BASED		OTHER BENEFITS	TOTAL
	Salary, Fees & Superannuation	Other services	Non-Monetary	Superannuation	Retirement Benefits	Shares	Options		\$
Gary Lyons - Non Executive Chairman (appointed 16 July 2014)									
2015	43,993	-	-	4,179	-	-	-	-	48,172
2014	-	-	-	-	-	-	-	-	-
Chew Wai Chuen - Non Executive Director (appointed 17 April 2014)									
2015	40,000	-	-	-	-	-	-	-	40,000
2014	8,222	-	-	-	-	-	-	-	8,222
Kong Leng (Jimmy) Lee - Non Executive Director (appointed 2 April 2014)									
2015	36,530	6,000	-	3,470	-	-	-	-	46,000
2014	9,031	-	-	858	-	-	-	-	9,889
Craig Ferrier - Chief Executive Officer (appointed 1 August 2014) ³									
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
Mark Pitts - Company Secretary (appointed 12 December 2014) ¹									
2015	-	23,000	-	-	-	-	-	-	23,000
2014	-	-	-	-	-	-	-	-	-
David Grant Sanders - Non Executive Director (appointed 2 April 2014)									
2015	27,397	-	-	2,603	-	-	-	-	30,000
2014	9,031	-	-	858	-	-	-	-	9,889
Paul Berndt - Managing Director/Non-Executive Director (resigned 21 November 2014)									
2015	29,243	-	-	1,602	-	-	-	-	30,845
2014	263,158	-	-	24,342	-	175,000	-	-	462,500
Patrick McManus - Non Executive Chairman (resigned 5 January 2015)									
2015	30,000	-	-	-	-	-	-	-	30,000
2014	60,000	-	-	-	-	-	1,400	-	61,400
Francis Loh - Non Executive Director (resigned 17 April 2014)									
2015	-	-	-	-	-	-	-	-	-
2014	34,668	-	-	-	-	-	1,400	-	36,068
Robert Van der Laan - Chief Financial Officer (resigned 17 September 2014) ²									
2015	-	63,520	-	-	-	-	-	-	63,520
2014	-	59,230	-	-	-	-	-	-	59,230
Farlee Walker - Company Secretary (resigned 13 August 2013) ¹									
2015	-	-	-	-	-	-	-	-	-
2014	-	7,138	-	-	-	-	-	-	7,138
Amanda Wilton - Heald - Company Secretary (appointed 13 August 2013 and resigned 17 April 2014) ¹									
2015	-	-	-	-	-	-	-	-	-
2014	-	35,658	-	-	-	-	1,120	-	36,778
Elizabeth Hunt - Company Secretary (appointed 17 April 2014) ¹									
2015	-	18,669	-	-	-	-	-	-	18,669
2014	-	9,338	-	-	-	-	-	-	9,338
Total Remuneration									
2015	207,163	111,189	-	11,854	-	-	-	-	330,206
2014	384,110	111,364	-	26,058	-	175,000	3,920	-	700,452

Note:

1. Mining Corporate Pty Ltd, a company of which Farlee Walker and Amanda Wilton-Heald are employees and Elizabeth Hunt is a director, was engaged to provide company secretarial services to the Company during the current and prior financial year. This agreement was terminated by mutual agreement on 12 December 2014. Endeavour Corporate Pty Ltd, a company of which Mark Pitts is a director, was engaged to provide company secretarial services to the Company from that date.

TUNGSTEN MINING NL

Directors' Report (continued)

2. *Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director, was engaged to provide administration and technical services during the current and prior financial year. Amounts recorded as paid to Mr Van der Laan represent amounts paid or payable to Horn Resources Pty Ltd for services fulfilled by him in the relevant period. In the current financial year this includes an ex gratia payment of \$50,000 paid to Horn Resources Pty Ltd on termination of the service contract.*
3. *On 1 August 2014 the Company entered into an agreement for the provision of executive, administration and technical services by GWR Group Ltd. Craig Ferrier was appointed Chief Executive Officer on the same date. Mr Ferrier is an employee of GWR Group Ltd and is remunerated by that entity and as such has received no remuneration from the Company.*

Share and option based payments

Under the Management fee and remuneration sacrifice share plan ("Plan"), the eligible directors and senior management of the Company may elect to sacrifice part of their directors' fees or consulting fees to acquire shares in the Company. Under the Plan, the relevant directors and senior management will receive the remainder of their directors' fees or consulting fees in cash. As such, the shares will be issued for nil cash consideration and will be valued at fair market value. The Plan rules were approved by shareholders at the annual general meeting held in November 2013 for the purposes of ASX Listing Rules.

On 4 July 2014, the Company issued a total of 662,107 shares representing \$34,562 sacrificed by eligible directors for the year ended 30 June 2014. The shares allocation is as follows:

- 174,704 shares were issued at a deemed issue price of \$0.0522 as consideration for fees foregone between 1 January 2014 to 30 June 2014 valued at \$9,120 to Patrick McManus.
- 427,765 shares were issued at a deemed issue price of \$0.0522, as consideration for fees foregone between 1 January 2014 to 30 June 2014 valued at \$22,329 to Paul Berndt.
- 59,638 shares were issued at a deemed issue price of \$0.0522, as consideration for fees foregone between 1 January 2014 to 17 April 2014 valued at \$3,113 to Francis Loh.

The amount of income agreed by eligible directors to be sacrificed for shares was included in the amount of salary and fee remuneration for the 2014 financial year and disclosed in the table of KMP remuneration set out on page 27. As such the deemed value of the shares outlined above has not been included again as remuneration for the 2015 financial year.

Service agreements

There are no contracts in place with regard to the services provided by KMP unless otherwise stated.

Agreements with Non-executive Directors

Mr Gary Lyons was appointed as a Non-executive Director on 16 July 2014 and elected Chairman on 5 January 2015. Pursuant to an agreement dated 16 July 2014, his director's fee was initially set at \$40,000 per annum, inclusive of superannuation requirement. The level of directors fees payable to Mr Lyons were increased to \$60,000 per annum, inclusive of superannuation from 5 January 2015. In the event of termination, there is no notice period required.

Mr Kong Leng (Jimmy) Lee was appointed as a Non-executive Director on 2 April 2014. Pursuant to an agreement dated 2 April 2014, his director's fee was set at \$40,000 per annum, inclusive of superannuation requirement. In the event of termination, there is no notice period required.

Mr Chew Wai Chuen was appointed as a Non-executive Director on 17 April 2014. Pursuant to an agreement dated 17 April 2014 his director's fee was set at \$40,000 per annum, inclusive of superannuation requirement. In the event of termination, there is no notice period required.

Mr David Sanders was appointed as a Non-executive Director on 2 April 2014 and resigned as a director on 31 March 2015. Pursuant to an agreement dated 2 April 2014, his director's fee was set at \$40,000 per annum, inclusive of superannuation requirement. There was no notice period on termination.

TUNGSTEN MINING NL
Directors' Report (continued)

Service agreements (continued)

Mr Patrick McManus was appointed as a Non -executive Chairman on 15 July 2012 and resigned as a director on 5 January 2015. Pursuant to an agreement dated 15 July 2012, his director's fee was set at \$60,000 per annum, inclusive of superannuation requirement. There was no notice period on termination.

Agreement with former executives

Mr Paul Berndt was appointed as Managing Director on 5 June 2012. Pursuant to an agreement dated 4 June 2012, his salary was set at \$150,000 per annum, inclusive of superannuation requirement, prior to ASX Listing but had increased to \$275,000 per annum, inclusive of superannuation requirement, post ASX Listing. On 4 October 2013, his salary was revised to \$300,000 per annum inclusive of superannuation requirement.

Mr Paul Berndt transitioned to a non-executive role from 1 August 2014 and his director's fee was set at \$40,000 per annum inclusive of superannuation. Mr Berndt resigned as a director on 21 November 2014.

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.

The agreement involved the payment to a Company associated with Robert Van der Laan of an hourly fee of \$120 and reimbursement of expenses. The hourly rate was revised to \$130 effective from 1 July 2013. Mr Van der Laan ceased to act as Chief Financial Officer in September 2014. An ex-gratia payment of \$50,000 was paid to an entity related to Mr Van der Laan following the termination of the relevant services agreement. This amount has been included as fee income in the remuneration received in the 2015 year and disclosed on page 27.

Other

On 1 August 2014 the Company entered into an agreement for the provision of management and technical services to the Company by GWR Group Ltd. Mr Craig Ferrier was appointed Chief Executive Officer on the same date. Mr Ferrier is an employee of GWR Group Ltd and is remunerated by that entity and as such has received no remuneration from the Company. There is no amount payable or prescribed notice period required on termination of executive officer positions, fulfilled pursuant to the management agreement. The management agreement may be terminated by either party on three months written notice.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the year ended 30 June 2015.

TUNGSTEN MINING NL
Directors' Report (continued)

Share options

Options granted to KMP of the Group

There were no options issued to Key Management Personnel during the year. During the prior year, 1,800,000 unlisted options exercisable at \$0.25 on or before 4 December 2015 were issued to directors and contractors of the Company. Those options were issued by the Company and entitle the holder to one ordinary share in the Company for each option exercised.

There have not been any alterations to the terms or conditions of any grants since grant date.

Options and Rights Granted as Remuneration

<u>2015</u>									
Group KMP	Balance at Beginning of Year	Issue Date	Grant Details No.	Value \$	No.	Exercised Value \$	Balance at End of Year ¹		
Gary Lyons ^e	-	-	-	-	-	-	-	-	-
Chew Wai Chuen ^d	-	-	-	-	-	-	-	-	-
Kong Leng (Jimmy) Lee ^c	-	-	-	-	-	-	-	-	-
Craig Ferrier ^l	-	-	-	-	-	-	-	-	-
Mark Pitts ^m	-	-	-	-	-	-	-	-	-
Paul Berndt ^g	-	-	-	-	-	-	-	-	-
Patrick McManus ^f	5,250,000	-	-	-	-	-	5,250,000	-	-
David Grant Sanders ^b	-	-	-	-	-	-	-	-	-
Robert Van der Laan ^k	5,000,000	-	-	-	-	-	5,000,000	-	-
Elizabeth Hunt ^j	-	-	-	-	-	-	-	-	-
	10,250,000		-				10,250,000		

1. Balance as at the end of the year or date the KMP ceased to hold office

TUNGSTEN MINING NL

Directors' Report (continued)

Share options (continued)

Options and Rights Granted as Remuneration (continued)

2015	Balance at End of Year	Vested	Balance at End of Year¹	Unvested Total at End of Year
Group KMP	Exercisable	Unexercisable		
Gary Lyons ^d	-	-	-	-
Chew Wai Chuen ^c	-	-	-	-
Kong Leng (Jimmy) Lee ^b	-	-	-	-
Craig Ferrier ⁱ	-	-	-	-
Mark Pitts ^j	-	-	-	-
Paul Berndt ^f	-	-	-	-
Patrick McManus ^e	5,250,000	-	5,250,000	-
David Grant Sanders ^a	-	-	-	-
Robert Van der Laan ^h	5,000,000	-	5,000,000	-
Elizabeth Hunt ^g	-	-	-	-
	10,250,000	10,250,000	-	10,250,000

1. Balance as at the end of the year or date the KMP ceased to hold office

Details of the options granted as remuneration to those KMP listed in the previous years and disclosed above are as follows:

Grant Date	Issuer	Entitlement on Exercise	Expiry Date	Exercise Price	Value per Option at Grant Date	Amount Paid/Payable by Recipient
11/07/2012	Tungsten Mining NL	1:1 Ordinary Shares in Tungsten Mining	30/06/2016	0.40	0.015	-
5/12/2013	Tungsten Mining NL	1:1 Ordinary Shares in Tungsten Mining	4/12/2015	0.25	0.0056	-

TUNGSTEN MINING NL

Directors' Report (continued)

KMP shareholdings

The number of ordinary shares in Tungsten Mining NL held by each KMP of the Group during the financial year is as follows:

<u>2015</u>	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Changes during the Year	Balance at End of Year or Cessation of Office
Gary Lyons ^d	-	-	-	-	-
Chew Wai Chuen ^c	416,667	-	-	-	416,667
Kong Leng (Jimmy) Lee ^b	-	-	-	-	-
Craig Ferrier ⁱ	-	-	-	-	-
Mark Pitts ^j	-	-	-	-	-
Paul Berndt ^f	3,689,000	-	-	427,765	4,116,765
Patrick McManus ^{e,k}	670,000	-	-	174,704	844,704
David Grant Sanders ^a	-	-	-	-	-
Robert Van der Laan ^h	1,506,500	-	-	-	1,506,500
Elizabeth Hunt ^g	-	-	-	-	-
	6,282,167	-	-	602,469	6,884,636

a. David Grant Sanders was appointed a director on 2 April 2014 and resigned on 31 March 2015.

b. Kong Leng (Jimmy) Lee was appointed a director on 2 April 2014.

c. Chew Wai Chuen was appointed a director on 2 April 2014.

d. Gary Lyons was appointed a director on 16 July 2014

e. Patrick McManus resigned as a director on 5 January 2015.

f. Paul Berndt ceased to act as Managing Director from 31 July 2014 and resigned as a director on 21 November 2014

g. Elizabeth Hunt was appointed as company secretary on 17 April 2014 and resigned on 12 December 2014.

h. Robert Van der Laan ceased to act as Chief Financial Officer from 17 September 2014

i. Craig Ferrier was appointed Chief Executive Officer on 1 August 2014

j. Mark Pitts was appointed as Company Secretary on 12 December 2014

k. Patrick McManus ordinary shares beginning balance has been restated from 10,000 to 670,00 due to a misstatement in the Annual Report for 2014

End of Remuneration Report

TUNGSTEN MINING NL
Directors' Report (continued)

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 34 and forms part of this report.

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

A handwritten signature in black ink, appearing to read 'Gary Lyons', is positioned above the printed name.

Gary Lyons
Chairman
Perth
Dated 24 September 2015

TUNGSTEN MINING NL
Auditor's Independence Declaration

Stantons International Audit and Consulting Pty Ltd
trading as

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Chartered Accountants and Consultants

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24 September 2015

Board of Directors
Tungsten Mining NL
97 Outram 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 Tungsten Mining NL.

As Audit Director for the audit of the financial statements of Tungsten Mining NL for the year ended 30 June 2015, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

TUNGSTEN MINING NL

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
REVENUE FROM CONTINUING ACTIVITIES			
Fuel tax credit		21,711	-
R&D tax offset		77,142	198,830
Interest		57,629	14,218
TOTAL REVENUE		156,482	213,048
EXPENSES			
Administration		(438,242)	(653,898)
Share based payments	17	-	(402,569)
Exploration		(2,768,136)	(386,700)
Exploration and evaluation written off	12	-	(950,000)
Occupancy		(48,500)	(54,000)
Remuneration (excluding share based payments)		(298,344)	(621,410)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(3,396,740)	(2,855,529)
INCOME TAX BENEFIT	4	-	-
NET LOSS FOR THE YEAR		(3,396,740)	(2,855,529)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(3,396,740)	(2,855,529)
Net loss attributable to members of the Parent		(3,396,740)	(2,855,529)
Total comprehensive loss attributable to members of the Parent		(3,396,740)	(2,855,529)
Basic and diluted loss per share (cents per share)	7	(1.60)	(2.89)

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

TUNGSTEN MINING NL

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	8	775,535	4,194,861
Trade and other receivables	9	32,835	56,170
Other assets	10	8,178	3,904
Total Current Assets		816,548	4,254,935
NON CURRENT ASSETS			
Plant and equipment	11	144,401	104,442
Exploration and evaluation	12	1,610,079	1,610,079
Total Non Current Assets		1,754,480	1,714,521
TOTAL ASSETS		2,571,028	5,969,456
CURRENT LIABILITIES			
Trade and other payables	13	278,471	266,347
Provisions	14	-	13,532
Total Current Liabilities		278,471	279,879
TOTAL LIABILITIES		278,471	279,879
NET ASSETS		2,292,557	5,689,577
EQUITY			
Issued capital	15	13,599,073	13,599,353
Reserves	16	235,080	235,080
Accumulated losses	18	(11,541,596)	(8,144,856)
TOTAL EQUITY		2,292,557	5,689,577

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

TUNGSTEN MINING NL

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
At 1 July 2013					
Opening Balance		8,272,128	225,000	(5,289,327)	3,207,801
Loss for the year		-	-	(2,855,529)	(2,855,529)
Other comprehensive loss (net of tax)		-	-	-	-
Total comprehensive loss for the year (net of tax)		-	-	(2,855,529)	(2,855,529)
Transactions with owners in their capacity as owners:					
Shares issued		5,632,305	-	-	5,632,305
Share issue transaction costs		(305,080)	-	-	(305,080)
Share based payments - options		-	10,080	-	10,080
At 30 June 2014		13,599,353	235,080	(8,144,856)	5,689,577
Loss for the year		-	-	(3,396,740)	(3,396,740)
Other comprehensive loss (net of tax)		-	-	-	-
Total comprehensive loss for the year (net of tax)		-	-	(3,396,740)	(3,396,740)
Transactions with owners in their capacity as owners:					
Shares issued		34,562	-	-	34,562
Share issue transaction costs		(34,842)	-	-	(34,842)
At 30 June 2015		13,599,073	235,080	(11,541,596)	2,292,557

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

TUNGSTEN MINING NL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
OPERATING ACTIVITIES			
Payments to suppliers and employees		(3,444,058)	(1,626,912)
Interest received		53,914	14,218
R&D tax offset		77,142	198,830
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	22	(3,313,002)	(1,413,864)
INVESTING ACTIVITIES			
Purchase of plant and equipment		(60,488)	-
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(60,488)	-
FINANCING ACTIVITIES			
Proceeds from issue of shares	15	-	5,239,817
Share issue costs	15	(45,836)	(305,080)
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		(45,836)	4,934,737
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(3,419,326)	3,520,873
Cash and cash equivalents at the beginning of the year		4,194,861	673,988
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	775,535	4,194,861

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

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 2015 comprises the Company and its subsidiaries (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 followed throughout the period presented unless otherwise stated.

(b) New accounting standards and interpretations

New and amended standards adopted

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

Other standards not yet applicable

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the consolidated entity have not been applied in preparing these consolidated financial statements. Those which may be relevant to the consolidated entity are set out below. The consolidated entity does not plan to adopt these standards early.

- ***AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)***
The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the consolidated entity on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the consolidated entity's financial instruments it is impractical at this stage to provide a reasonable estimate of such impact.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 2: Statement of significant accounting policies (continued)

▪ *Other standards not yet applicable*

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(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 from 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.

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 3 to 20 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.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 2: Statement of significant accounting policies (continued)

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.

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 profit or loss 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.

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.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 2: Statement of significant accounting policies (continued)

(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.

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.

(h) Provisions and employee benefits (continued)

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.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 2: Statement of significant accounting policies (continued)

(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 of 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.

R&D tax rebates are recognised when the receipts are deemed probable and the amounts can be measured reliably.

(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 Group 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/(loss) 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.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 2: Statement of significant accounting policies (continued)

(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 investments 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.

(p) Impairment of financial assets

The Group 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 profit or loss and other 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 directors) 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.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 2: Statement of significant accounting policies (continued)

(s) Going Concern

The Group incurred an operating loss of \$3,396,740 for the year ended 30 June 2015 (2014: \$2,855,529) and a net cash outflow from operating activities amounting to \$3,313,002 (2014: \$1,413,864). The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The directors believe this is appropriate for the following reasons:

- At balance date the Group had cash and cash equivalents of \$775,535 (June 2014: \$4,194,861) and a working capital surplus of \$538,077 (June 2014: \$3,975,056);
- The Group has demonstrated a material reduction in its cash outgoings since the completion of the Kilba resource and metallurgical drilling and associated study work;
- The Group has the ability to further reduce its cash outgoings given the status of work programs and the Group's operating structure;
- The Group has budgeted to receive post 30 June 2015 an R&D tax offset of approximately \$450,000 in respect of eligible activities undertaken in the 2015 financial year;
- The Group has the demonstrated capacity to raise fresh equity to fund exploration and development activities as required; and
- The Group may need to raise further working capital should the need arise.

The Directors have prepared a cash flow forecast which indicates that the Group will have sufficient cash flow to meet all commitments and working capital requirements for the 12 months period from the date of signing this financial report.

Note 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.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 4: Income Tax

	2015	2014
	\$	\$
a) Prima facie income tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements		
Loss from continuing operations before income tax	(3,396,740)	(2,855,529)
Prima facie tax benefit at the Australian tax rate of 30%	(1,019,022)	(856,659)
Tax effect of:		
Expenses not allowed	226	351,985
Share and option based payment	10,369	55,524
Under provision of prior years tax losses	189,265	-
Capital raising	(157,548)	(91,524)
Research and Development Tax Credit	(23,143)	-
Tax losses & temporary differences not brought to account	999,853	540,674
Income tax expense/(benefit)	-	-
(b) Deferred tax assets		
Deferred tax assets that have not be recognised:		
Accrued expenses	6,491	5,700
Superannuation payable	651	1,905
Employee provisions	-	4,060
s40-880 costs	261,598	-
Tax losses	3,633,807	2,249,523
	3,902,807	2,261,188
Deferred tax asset not recognised	(3,902,807)	(2,261,188)
(c) Deferred tax liabilities		
Accrued interest	1,115	-
Prepaid workers compensation insurance	263	-
	1,378	-
Deferred tax liability not brought to account	(1,378)	-

Potential deferred tax assets of \$3,902,807 as at 30 June 2015 (2014: \$2,261,188), arising from tax losses and temporary differences have not been recognised as an asset because recovery of these tax losses and temporary differences is not yet probable.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 5: Key Management Personnel's remuneration

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable and ordinary share shareholdings to each member of the consolidated entity's key management personnel (KMP) for the year ended 30 June 2015.

	2015	2014
	\$	\$
Short-term employee benefits	318,352	495,474
Post-employment benefits	11,854	26,058
Share based payments (refer note 17)	-	178,920
Total KMP compensation	<u>330,206</u>	<u>700,452</u>

Note 6: Auditor's remuneration

	2015	2014
	\$	\$
Remuneration of the auditor of the Group for:		
- auditing or reviewing the financial report	27,025	28,000
- over provision in prior year	(5,000)	-
	<u>22,025</u>	<u>28,000</u>

Note 7: Loss per share

	2015	2014
	\$	\$
Basic loss per share (cents)	(1.60)	(2.89)
Diluted loss per share (cents)	(1.60)	(2.89)
Loss used in calculating basic and diluted loss per share	(3,396,740)	(2,855,529)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	212,645,452	98,973,600

During the period there were no options that were issued over ordinary share capital.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 8: Cash and cash equivalents

	2015	2014
	\$	\$
Cash at bank	56,146	4,194,861
Term deposits	719,389	-
	<u>775,535</u>	<u>4,194,861</u>

Note 9: Trade and other receivables

	2015	2014
	\$	\$
Current		
GST receivable	22,712	56,170
Other receivables	10,123	-
	<u>32,835</u>	<u>56,170</u>

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

Note 10: Other assets

	2015	2014
	\$	\$
Prepayments	<u>8,178</u>	<u>3,904</u>

Note 11: Plant and equipment

	Office Equipment \$	Plant and Equipment \$	Computer Software \$	Total \$
2015				
Cost	26,408	133,185	24,671	184,264
Accumulated depreciation	(13,202)	(21,716)	(4,945)	(39,863)
Closing net carrying value	<u>13,206</u>	<u>111,469</u>	<u>19,726</u>	<u>144,401</u>
Opening net carrying value	6,287	97,258	897	104,442
Additions	13,886	23,430	23,172	60,488
Depreciation charge for the year	(6,967)	(9,219)	(4,343)	(20,529)
Closing net carrying value	<u>13,206</u>	<u>111,469</u>	<u>19,726</u>	<u>144,401</u>

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 11: Plant and equipment (continued)

	Office Equipment \$	Plant and Equipment \$	Computer Software \$	Total \$
2014				
Cost	12,522	109,755	1,499	123,776
Accumulated depreciation	(6,235)	(12,497)	(602)	(19,334)
Closing net carrying value	6,287	97,258	897	104,442
Opening net carrying value	9,417	105,215	1,195	115,827
Depreciation charge for the year	(3,130)	(7,957)	(298)	(11,385)
Closing net carrying value	6,287	97,258	897	104,442

Note 12: Exploration and evaluation

	2015 \$	2014 \$
At 1 July	1,610,079	2,560,079
Option fees paid	-	(50,000)
Northern Minerals Mosquito Creek designated mineral rights (i)	-	(900,000)
As at 30 June (ii)	1,610,079	1,610,079

(i) Consideration for the acquisition was \$100,000 cash and 4 million shares. The option fees paid and the consideration for the acquisition of Northern Minerals Mosquito Creek designated mineral rights were expensed during the prior year as the Company had withdrawn from the designated mineral rights agreement.

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

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 13: Trade and other payables

	2015	2014
	\$	\$
Current		
Unsecured liabilities		
Trade payables	244,285	150,470
Business credit card	-	10,522
Accrued expenses	34,186	105,355
	<u>278,471</u>	<u>266,347</u>

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

Included in prior year trade and other payables is an amount of \$50,170 which was satisfied after the end of the financial year by the issue of shares pursuant to the director and senior management salary share sacrifice plan

Note 14: Provisions

	2015	2014
	\$	\$
Employee benefits	-	13,532
	<u>-</u>	<u>13,532</u>

Note 15: Issued capital

	2015	2014
	\$	\$
Ordinary shares fully paid	13,599,073	13,599,353
	<u>13,599,073</u>	<u>13,599,353</u>

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 stakeholders. 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.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 15: Issued capital (continued)

Movements in ordinary shares on issue of the company are:

	Note	2015 Number	2014 Number
At 1 July 2014		211,990,601	79,054,379
Ordinary Shares			
Issue of 833,334 shares to Aaron Sim Kwang Liang and Chew Wai Chuen	15.1	-	833,334
Issue of 10,000,000 shares to existing shareholders via share placement	15.2	-	10,000,000
Issue of 351,000 shares for provision of services	15.3	-	351,000
Issue of 2,500,000 shares to Paul Berndt for remuneration	15.4	-	2,500,000
Issue of 256,500 shares for provision of services	15.5	-	256,500
Issue of 3,000,000 shares for provision of services	15.6	-	3,000,000
Issue of 10,000,000 shares to existing shareholders via share placement	15.7	-	10,000,000
Issue of 15,719,743 shares pursuant to the Company's 1 for 1 Renounceable issue	15.8	-	15,719,743
Issue of 90,275,645 shares pursuant to the Company's 1 for 1 Renounceable issue	15.9	-	90,275,645
Issue of 662,107 shares under Director & Senior Management Fee & Remuneration Sacrifice Share Plan	15.10	662,107	-
At 30 June 2015		212,652,708	211,990,601

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 15: Issued capital (continued)

	Note	2015 \$	2014 \$
At 1 July 2014		13,599,353	8,272,128
Ordinary Shares			
Issue of 833,334 shares to Aaron Sim Kwang Liang and Chew Wai Chuen	15.1	-	100,000
Issue of 10,000,000 shares to existing shareholders via share placement	15.2	-	500,000
Issue of 351,000 shares for provision of services	15.3	-	18,252
Issue of 2,500,000 shares to Paul Berndt for remuneration	15.4	-	175,000
Issue of 256,500 shares for provision of services	15.5	-	19,237
Issue of 3,000,000 shares for provision of services	15.6	-	180,000
Issue of 10,000,000 shares to existing shareholders via share placement	15.7	-	400,000
Issue of 15,719,743 shares pursuant to the Company's 1 for 1 Renounceable issue	15.8	-	628,790
Issue of 90,275,645 shares pursuant to the Company's 1 for 1 Renounceable issue	15.9	-	3,611,026
Issue of 662,107 shares under Director & Senior Management Fee & Remuneration Sacrifice Share Plan	15.10	34,562	-
Capital raising costs	15.11	(34,842)	(305,080)
At 30 June 2015		13,599,073	13,599,353
15.1	The issue of 833,334 shares at fair value of \$0.12 per share to Aaron Sim Kwang Liang and Chew Wai Chuen pursuant to a placement to sophisticated investors.		
15.2	The issue of 10,000,000 shares at fair value of \$0.05 per share pursuant to placement to sophisticated investors.		
15.3	The issue of 351,000 shares at fair value of \$0.052 per share to Momentum Group in lieu of services performed.		

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 15: Issued capital (continued)

- 15.4 The issue of 2,500,000 shares at fair value of \$0.07 per share to Paul Berndt as approved by shareholders at the 27 November 2013 AGM.
- 15.5 The issue of 256,500 shares at fair value of \$0.075 per share to Momentum Group in lieu of services performed.
- 15.6 The issue of 3,000,000 shares at fair value of \$0.06 per share to Singaporean corporate advisory consultants in lieu of services performed.
- 15.7 The issue of 10,000,000 shares at fair value of \$0.04 per share pursuant to placement to sophisticated investors.
- 15.8 The issue of 15,719,743 shares at fair value of \$0.04 per share pursuant to the Company's 1 for 1 Renounceable issue
- 15.9 The issue of 90,275,645 shares at fair value of \$0.04 per share pursuant to the Company's 1 for 1 Renounceable issue
- 15.10 The issue of 662,107 shares at fair value of \$0.0522 per share pursuant to the Director & Senior Management Fee & Remuneration Sacrifice Share Plan
- 15.11 Costs incurred in relation to the issue of shares or raising equity.

Note 16: Reserves

	Number	\$
At 1 July 2013	15,000,000	225,000
Fair value of 1,800,000 unlisted options exercisable at \$0.25 on or before 4 December 2015 issued to directors and contractors of the Company	1,800,000	10,080
As at 30 June 2014	<u>16,800,000</u>	<u>235,080</u>
At 1 July 2014	16,800,000	235,080
Issue of options	-	-
As at 30 June 2015	<u>16,800,000</u>	<u>235,080</u>

The outstanding balance as at 30 June 2015 are represented by:

Grant date	Expiry date	Exercise price	Number
11/7/ 2012	30/6/2016	\$0.400	15,000,000
27/11/2013	4/12/2015	\$0.250	1,800,000
Total			<u>16,800,000</u>

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 17: Share based payments

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	2015 \$	2014 \$
Shares issued to director as approved at the 2013 AGM (ii)	-	175,000
Options issued to directors and contractors of the Company (i)	-	10,080
Shares issued to Momentum Group in lieu of services provided (ii)	-	18,252
Shares issued to consultants in lieu of consulting services provided (ii)	-	180,000
Shares issued to Momentum Group in lieu of services provided (ii)	-	19,237
	-	402,569

(i) The options were valued using the Black-Scholes model. Key inputs applied to the model: Volatility 50%, Risk-Free Interest Rate 2.5%, Strike Price \$0.25, Stock Price \$0.1.

(ii) The fair value of shares issued in the prior year is disclosed in note 15 and was based on market value on date of issue or as deemed by the Directors.

Note 18: Accumulated losses

	2015 \$	2014 \$
Opening balance	(8,144,856)	(5,289,327)
Net loss for the year	(3,396,740)	(2,855,529)
Accumulated losses at the end of the financial year	(11,541,596)	(8,144,856)

Note 19: Commitments

(i) Exploration

The Group based on the minimum annual commitments pursuant to the terms and conditions of exploration licences and mineral rights will have minimum annual commitment obligations of \$325,500 (2014: \$337,500) 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) Executive and administration services

The Group has a minimum obligation of \$57,000 in the forthcoming year.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 20: Contingent liabilities

Native Title

The Group'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 Company.

Other than the above, there are no contingent liabilities as at 30 June 2015.

Note 21: Related party transactions

(a) Associates

GWR Group Limited (GWR)

GWR is a significant shareholder in the Group's parent Tungsten Mining NL and holds significant influence over decision making of the Group. During the year the Group received certain services from GWR as detailed in the table below.

	2015	2014
	\$	\$
<i>Services from GWR</i>		
Executive	218,182	-
Administration	40,000	-
Exploration and evaluation related activities	289,402	-
	<u>547,584</u>	<u>-</u>

At balance date \$213,608 remains outstanding in Trade Payables to GWR.

(b) Transactions with related parties

Horn Resources (Horn)

Horn is an entity controlled by the Robert Van Der Laan – Chief Financial Officer (resigned 17 September 2014). The Group received certain administration and technical services from Horn as detailed in the table below.

	2015	2014
	\$	\$
<i>Services from Horn</i>		
Administration	96,509	276,362
Exploration and evaluation related activities	53,498	14,298
	<u>150,007</u>	<u>290,660</u>

At balance date no amounts remained outstanding in Trade Payables to Horn.

There are no other related party transactions during the year, other than those relating to key management personal (notes 5 and 15).

TUNGSTEN MINING NL

Notes to Financial Statements for the year ended 30 June 2015

Note 22: Cash flow information

	2015 \$	2014 \$
Reconciliation of cash flows from operations with loss from ordinary activities after income tax		
Loss from ordinary activities after income tax	(3,396,740)	(2,855,529)
Depreciation	20,529	11,384
Share and option based payment expense	-	185,080
Share based payment in lieu of services	-	217,489
Option fees expenses	-	50,000
Exploration expenditure written off	-	900,000
<i>Changes in assets and liabilities</i>		
Decrease in receivables	23,335	27,476
Decrease in payables and provisions	44,148	50,236
Increase in other assets	(4,274)	-
Cash flows used in operations	(3,313,002)	(1,413,864)

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 consolidated 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.

TUNGSTEN MINING NL

**Notes to Financial Statements
for the year ended 30 June 2015**

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

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate \$	Total Interest Bearing \$	Non Interest Bearing \$	Total \$
2015						
Financial Assets						
Cash	1.50	3,855	-	3,855	52,291	56,146
Term Deposit	2.90	719,389	-	719,389	-	719,389
Receivables		-	-	-	32,835	32,835
Total Financial Assets		723,244	-	723,244	85,126	808,370
Financial Liabilities						
Trade creditors		-	-	-	278,471	278,471
Total Financial Liabilities		-	-	-	278,471	278,471

Interest Rate Risk Sensitivity

	-10%		10%	
	Profit \$	Equity \$	Profit \$	Equity \$
Cash	(8)	(8)	8	8
Term Deposit	(1,460)	(1,460)	1,460	1,460

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate \$	Total Interest Bearing \$	Non Interest Bearing \$	Total \$
2014						
Financial Assets						
Cash	2.35	4,117,996		4,117,996	55,955	4,173,951
Term Deposit	3.80	-	20,910	20,910		20,910
Receivables		-	-	-	56,170	56,170
Total Financial Assets		4,117,996	20,910	4,138,906	112,125	4,251,031
Financial Liabilities						
Trade creditors		-	-	-	266,347	266,347
Total Financial Liabilities		-	-	-	226,347	266,347

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

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

Interest Rate Risk Sensitivity

	-10%		10%	
	Profit \$	Equity \$	Profit \$	Equity \$
Cash	(6,774)	(6,774)	6,774	6,774
Term Deposit	(56)	(56)	56	56

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 2015 from around 2.90% to 2.61% (2014: 3.80% to 3.42%) representing a 29 (2014: 38) basis points downwards shift, which is 20.3 (2014: 26.6) basis points net of tax. A -10% sensitivity would move cash interest rates at 30 June 2015 from around 1.50% to 1.35% (2014: 2.35% to 2.115%) representing a 15 (2014: 23.5) basis points downwards shift, which is 10.5 (2014: 16.45) 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.

(b) Liquidity Risk

The consolidated entity manages liquidity risk by maintaining sufficient cash reserves required to meet the current exploration and administration commitments, through the continuous monitoring of actual cash flows.

All payables are due within 30 days.

(c) 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.

(d) 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 consolidated statement of financial position is generally limited to the carrying amount.

Cash is maintained with National Australia Bank.

(d) Foreign Currency Risk

The consolidated entity is not exposed to any significant foreign currency risk

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 24: Controlled entities

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 shares held are ordinary shares.

Name	Country of Incorporation	Percentage Interest Held % 2015	Percentage Interest Held % 2014	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	100	13/12/2012

(i) On the 13 March 2012, Tungsten Mining NL acquired 100% of the 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 NL 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 NL valued at \$800,000 and \$200,000 in cash at settlement.

TUNGSTEN MINING NL
Notes to Financial Statements
for the year ended 30 June 2015

Note 25: Parent entity

	Parent 2015 \$	Parent 2014 \$
Assets		
Current assets	816,548	4,254,935
Non current assets	1,745,901	5,422,258
Total Assets	2,562,449	9,677,193
Liabilities		
Current liabilities	278,470	279,877
Total Liabilities	278,470	279,877
Net Assets	2,283,979	9,397,316
Equity		
Issued capital	13,834,153	13,834,434
Accumulated losses	(11,550,174)	(4,437,118)
Total Equity	2,283,979	9,397,316
	Parent 2015 \$	Parent 2014 \$
Loss for the year	(7,113,056)	(2,567,644)
Other comprehensive income	-	-
Total comprehensive loss for the financial year	(7,113,056)	(2,567,644)

Note 26: Subsequent events

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

Directors' Declaration

In the opinion of the directors of Tungsten Mining NL:

- (a) the financial statements and notes set out on pages 35 to 60 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 2015 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 Financial 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 year ended 30 June 2015.

This declaration is made in accordance with a resolution of the directors.



Gary Lyons
Chairman
Perth
Dated 24 September 2015

TUNGSTEN MINING NL

Independent Auditor's Report

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International
Chartered Accountants and Consultants

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

Report on the Financial Report

We have audited the accompanying financial report of Tungsten Mining NL, which comprises the consolidated statement of financial position as at 30 June 2015, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

TUNGSTEN MINING NL
Independent Auditor's Report (continued)

Stantons International

Opinion

In our opinion:

- (a) the financial report of Tungsten Mining NL is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 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 consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Inherent Uncertainty Regarding Going Concern

Without qualification to the audit opinion expressed below, attention is drawn to the following matter.

As referred to in note 2(s) to the financial report, the financial report has been prepared on a going concern basis. At 30 June 2015, the Group had net assets of \$2,292,557, cash and cash equivalents of \$775,535 and net working capital of \$538,077. The Group had incurred a loss for the year ended 30 June 2015 of \$3,396,740 and had net cash outflows from operating activities of \$3,313,002.

The ability of the Group to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the Group raising further working capital, and/or commencing profitable operations. In the event that the Group cannot raise further equity, the Group may not be able to meet its liabilities as they fall due.

Report on the Remuneration Report

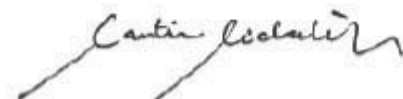
We have audited the remuneration report included in pages 26 to 32 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the remuneration report of Tungsten Mining NL for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International - Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
24 September 2015

TUNGSTEN MINING NL

Additional Information

Security holder information as at 16 September 2015.

Distribution schedule and number of holders of equity securities

Spread of Holdings	No. Holders Shares
1-1,000	3
1,001-5,000	6
5,001-10,000	146
10,001-100,000	102
100,001 - and over	64
Total number of holders of securities	321
Total number of securities	212,652,708

There were 161 shareholders holding less than a marketable parcel of ordinary shares.

Top twenty holders of quoted equity securities

Shareholder	No. Shares	Percentage
1 GWR Group Limited	35,000,000	16.46
2 HSBC Custody Nominees Australia Ltd	31,863,300	14.98
3 BNP Paribas Nominees PL	20,000,000	9.41
4 Elmar Global Investments Limited	11,200,175	5.27
5 Reynaud International Ltd	10,506,100	4.94
6 Kresta Inv Ltd	10,500,000	4.94
7 Hilux Resources Pty Ltd	9,900,000	4.66
8 J P Morgan Nominees Australia Ltd	6,054,855	2.85
9 Citicorp Nominees Pty Ltd	5,428,575	2.55
10 Woodwork Investments Ltd	5,000,000	2.35
11 Northern Minerals Ltd	4,000,000	1.88
12 SM3 Resources Pty Ltd	4,000,000	1.88
13 Ocean State Enterprises Ltd	4,000,000	1.88
14 Mr Paul Berndt	3,500,000	1.65
15 Mission Resources Pty Ltd	3,500,000	1.65
16 Dynamic Partners Pty Ltd	3,500,000	1.65
17 Mr Choo Woon Meng	3,000,000	1.41
18 MD Mukhtar Hossain	3,000,000	1.41
19 G & R Robinson Fam Pl	2,465,000	1.16
20 Angus Claymore Pilmer	2,400,000	1.13
	178,818,005	84.11

TUNGSTEN MINING NL
Additional Information (continued)

Substantial shareholders

Shareholder	No. of shares	Percentage
GWR Group Limited	35,000,000	16.46
Lavington International Limited	20,000,000	9.41
Wynnes Investment Holding Ltd	15,000,000	7.05
Yeo Siak Poh and Lim Moi Poh	12,500,000	5.88
Elmar Global Investments	11,200,175	5.27

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 no restricted securities as at 16 September 2015.

Unlisted options as at 30 June 2015

Details of unlisted option holders are as follow:

Class of Unlisted Options	No. Options
Options exercisable at \$0.40 on or before 30 June 2016	15,000,000
Options exercisable at \$0.25 on or before 4 December 2015	1,800,000

TUNGSTEN MINING NL
Annual Mineral Resources and Reserves Statement
As at 30 June 2015

Annual Review

The Company has conducted a review of its mineral resources and ore reserves. As set out below, this review did reveal a material change to the mineral resource and ore reserve information previously announced in the Company's 2014 Annual Report. The Company completed infill drilling at its Kilba project during the year converting the dominantly Inferred Kilba Mineral Resource to 86% of contained metal classified as Indicated.

Kilba project is located within the Ashburton Region of Western Australia, 320 km northeast of the regional centre of Carnarvon, and 250km southwest of the town of Karratha. The project area hosts tungsten deposits at Zone 8, Zone 11 and Zone 12.

Kilba Project

Resources

As at 30 June 2015, total JORC (2012) measured, indicated and inferred mineral resources were as follows:

Kilba Mineral Resource estimate based on a 0.10% WO₃ cut-off grade.

Prospect	Class	Tonnes	WO ₃	WO ₃
		'000 t	%	t
Zone 8	Indicated	540	0.27	1,500
	Inferred	150	0.31	500
	Total	700	0.28	1,900
Zone 11	Indicated	3,600	0.25	9,000
	Inferred	460	0.19	900
	Total	4,000	0.24	9,800
Zone 12	Inferred	230	0.15	400
	Total	230	0.15	400
Total	Indicated	4,100	0.25	10,400
	Inferred	830	0.20	1,700
	Total	5,000	0.24	12,100

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.

The Mineral Resource Statement for the Kilba Project was published in the ASX announcements dated 30 January 2015. 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.

TUNGSTEN MINING NL

Annual Mineral Resources and Reserves Statement (continued)

Comparison of Ore Reserve and Resource against the 2014 Annual Report

In May 2013, the Company announced a Maiden Indicated and Inferred Mineral Resource at Zone 8 and Zone 11 of the Kilba project (ASX announcement; 31 May 2013) and this was reported in the 2014 Annual Report. A comparison of the Company's current Ore Reserve and Resource holdings against the 2014 Annual Report is tabulated below.

Comparison of Kilba Mineral Resource against the 2014 Annual Report (0.10% WO₃ cut-off grade).

Zone	Category	30 June 2014				30 June 2015			
		Tonnes	WO ₃	WO ₃ Metal		Tonnes	WO ₃	WO ₃ Metal	
		'000 t	%	t	%	'000 t	%	t	%
8					0%	540	0.27	1,500	75%
	Inferred	230	0.56	1,300	100%	150	0.31	500	25%
	Total	230	0.56	1,300	100%	700	0.28	2,000	100%
11	Indicated	1,300	0.3	4,000	32%	3,600	0.25	9,000	91%
	Inferred	3,500	0.24	8,500	68%	460	0.19	900	9%
	Total	4,800	0.26	12,500	100%	4,000	0.24	9,900	100%
12	Indicated								
	Inferred					230	0.15	400	100%
	Total					230	0.15	400	100%
Total	Indicated	1,300	0.3	4,000	29%	4,100	0.25	10,400	86%
	Inferred	3,700	0.26	9,800	71%	830	0.2	1,700	14%
	Total	5,000	0.27	13,800	100%	5,000	0.24	12,100	100%

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.

Drilling completed by the Company during the reporting period focused on Zone 8 and 11 converting the mostly Inferred Mineral Resource to 86% of contained metal classified as Indicated.

TUNGSTEN MINING NL

Annual Mineral Resources and Reserves Statement (continued)

Governance and Internal Controls - Reserve and Resource Calculations

The Company used third party resource consultants to estimate its ore reserves and resources at Kilba according to the 2012 JORC Code, as have previously been reported.

No further mineral resource estimations or upgrading work has been undertaken on any of the Company's projects since the 30 January 2015, and the Company is not aware of any additional information that would have a material effect on the estimates as reported.

Due to the nature, stage and size of the Company's existing operations, the Board believes there would be no efficiencies gained by establishing a separate mineral reserves and resources committee responsible for reviewing and monitoring the Company's processes for calculating mineral reserves and resources and for ensuring that the appropriate internal controls are applied to such calculations.

Competent Person's Statement

The information in this Annual Mineral Resources and Ore Reserves Statement is based on, and fairly represents, information and supporting documentation compiled by Peter Bleakley, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bleakley is not a full-time employee of the company. Mr Bleakley is a consultant to the mining industry. 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.

