

# **TNT MINES LIMITED**

**ABN 67 107 244 039**

## **INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

**This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2013 and any public announcements made by TNT Mines Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.**

**TNT MINES LIMITED****31 DECEMBER 2013**

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## TNT MINES LIMITED

31 DECEMBER 2013

### DIRECTORS' REPORT

Your directors submit their report on the consolidated entity consisting of TNT Mines Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2013.

#### DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Professor Ian Plimer

Tracey Lake (appointed 2 July 2013)

Andrew Drummond

Michael Beer (resigned 4 November 2013)

#### REVIEW AND RESULTS OF OPERATIONS

A summary of consolidated revenues and results for the half-year is set out below:

	Half year ended 31 December 2013	
	Revenues	Loss
	\$	\$
Consolidated entity revenues and loss from ordinary activities before income tax benefit.	43,814	(317,824)

The principal activity of the Company during the six months ended 31 December 2013 was the exploration and evaluation of mineral tenements in Tasmania.

On 7 November 2013, a takeover bid by Niuminco Group Limited, an ASX listed exploration company (ASX:NIU), closed with Niuminco having acquired a 72.54% stake in the company, including its earlier holding of 19.9% acquired during the 2013 financial year.

Mr M Beer resigned as a Director of the Company on 4 November 2013.

At 31 December 2013, the company had 109,541,285 shares on issue and \$1,580 in cash. Since the last annual report, 200,000 unissued shares under option have been cancelled and there are no options outstanding at the date of this report.

#### AUDITORS' 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 4.

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



**Tracey Lake**

Managing Director

Sydney, 17<sup>th</sup> February 2014

To the Board of Directors

### **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit director for the review of the financial statements of TNT Mines Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



**BENTLEYS**  
**Chartered Accountants**



**MARK DELAURENTIS CA**  
**Director**

DATED at PERTH this 17 day of February 2014

**TNT MINES LIMITED**

**31 DECEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	<b>31 December 2013</b>	<b>31 December 2012</b>
	<b>\$</b>	<b>\$</b>
<b>OTHER INCOME</b>	43,814	5,620
<b>EXPENDITURE</b>		
Depreciation expense	(1,281)	(2,124)
Loss on disposal & impairment of fixed assets	(6,917)	--
Salaries and employee benefits expense	--	(23,076)
Exploration expenditure	--	(1,489)
Corporate expenses	(20,646)	(20,751)
Administration expenses	(39,695)	(29,219)
Travel and accomodation expenses	(3,080)	(12,328)
Consulting fees	(246,202)	(157,781)
Impairment of Available-for-Sale Financial Assets	(43,817)	--
Other expenses	--	(3,177)
	<hr/>	<hr/>
<b>LOSS BEFORE INCOME TAX</b>	(317,824)	(244,325)
Income tax benefit	95,219	66,403
	<hr/>	<hr/>
<b>LOSS FOR THE HALF-YEAR</b>	(222,605)	(177,922)
	<hr/> <hr/>	<hr/> <hr/>
Other comprehensive income	--	--
	<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(222,605)</b>	<b>(177,922)</b>
	<hr/> <hr/>	<hr/> <hr/>
Loss for the period attributable to:		
Owners of TNT Mines Limited	<b>(222,605)</b>	(177,922)
Total comprehensive loss for the period attributable to:		
Owners of TNT Mines Limited	<b>(222,605)</b>	(177,922)
	<hr/>	<hr/>
Basic and diluted loss per share (cents)	<b>(0.2)</b>	(0.3)

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

**TNT MINES LIMITED**

**31 DECEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2013**

	Notes	31 December 2013 \$	30 June 2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,580	89,826
Trade and other receivables		44,408	135,059
Available-for-sale financial assets		109,541	--
<b>TOTAL CURRENT ASSETS</b>		<b>155,529</b>	<b>224,885</b>
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial assets		--	153,358
Plant and equipment		12,547	21,343
Capitalised exploration and evaluation expenditure		3,367,945	3,275,279
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,380,492</b>	<b>3,449,980</b>
<b>TOTAL ASSETS</b>		<b>3,536,021</b>	<b>3,674,865</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		106,488	52,628
Accruals		3,500	--
<b>TOTAL CURRENT LIABILITIES</b>		<b>109,988</b>	<b>52,628</b>
<b>NON CURRENT LIABILITIES</b>			
Loan from Niuminco Group Limited	3	121,620	--
Deferred tax liabilities		290,345	385,564
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>411,965</b>	<b>385,564</b>
<b>TOTAL LIABILITIES</b>		<b>521,953</b>	<b>438,192</b>
<b>NET ASSETS</b>		<b>3,014,068</b>	<b>3,236,673</b>
<b>EQUITY</b>			
Issued capital		4,502,406	4,502,406
Reserves		81,914	81,914
Accumulated losses		(1,570,252)	(1,347,647)
<b>TOTAL EQUITY</b>		<b>3,014,068</b>	<b>3,236,673</b>

*The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**TNT MINES LIMITED**

**31 DECEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Attributable to Owners of TNT Mines Limited			
	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
BALANCE AT 1 JULY 2012	3,687,862	81,914	(323,894)	3,445,882
Loss for the period	--	--	(177,922)	(177,922)
Total comprehensive income for the period	--	--	(177,922)	(177,922)
Shares issued during the period	--	--	--	--
Employee Share Options	--	--	--	--
<b>BALANCE AT 31 DECEMBER 2012</b>	<b>3,687,862</b>	<b>81,914</b>	<b>(501,816)</b>	<b>3,267,960</b>
<b>BALANCE AT 1 JULY 2013</b>	<b>4,502,406</b>	<b>81,914</b>	<b>(1,347,647)</b>	<b>3,236,673</b>
Loss for the period	--	--	(222,605)	(222,605)
Total comprehensive income for the period	--	--	(222,605)	(222,605)
Shares issued during the period	--	--	--	--
Employee Share Options	--	--	--	--
<b>BALANCE AT 31 DECEMBER 2013</b>	<b>4,502,406</b>	<b>81,914</b>	<b>(1,570,252)</b>	<b>3,014,068</b>

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

**TNT MINES LIMITED****31 DECEMBER 2013****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	<b>31 December 2013 \$</b>	<b>31 December 2012 \$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(261,811)	(258,544)
Interest received	424	5,620
Receipts from grant income	43,389	--
<b>Net cash used in operating activities</b>	<u>(217,998)</u>	<u>(252,924)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant & equipment	799	--
Receipts from security bonds	100,000	2,046
Payment for exploration & evaluation expenditure	(92,667)	(356,762)
<b>Net cash provided by / (used in) investing activities</b>	<u>8,132</u>	<u>(354,716)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan from Niuminco Group Limited	121,620	--
<b>Net cash provided by financing activities</b>	<u>121,620</u>	<u>--</u>
Net decrease in cash and cash equivalents	(88,246)	(607,640)
Cash and cash equivalents at the beginning of the half-year	89,826	725,103
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR</b>	<u>1,580</u>	<u>117,463</u>

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



## TNT MINES LIMITED

31 DECEMBER 2013

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

#### NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of TNT Mines Limited and its controlled entities (the "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the company for the year ended 30 June 2013.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2013.

#### New Accounting Standards and Interpretation

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'
- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'

The above standards have extensive disclosure requirements, however these do not effect this half year financial report.

The adoption of the above standards has not had a material impact on this half year financial report.

#### Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group has a net surplus of current assets to current liabilities of \$45,541 as at 31 December 2013 (30 June 2013: \$172,257) and recorded an operating loss after income tax of \$222,605 (31 December 2012: \$177,922) for the half year then ended.

## TNT MINES LIMITED

31 DECEMBER 2013

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (continued)

The continuing viability of the Group and its ability to continue on a going concern basis and meet its debts and commitments as they fall due is dependent upon the Group completing the sale of its financial assets and motor vehicle assets, Niuminco Group Limited accruing its monthly management fee if there is insufficient cash held by the Group for it to be drawn, and securing additional funding from Niuminco Group Limited. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- The major shareholder, Niuminco Group Limited has resolved that they will not call for repayment of the loan of \$121,620 which is payable to them as at 31 December 2013 for the next twelve months from the date of this half year financial report.
- Niuminco Group Limited intends to raise additional funding from the equities markets.
- The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this half year financial report.
- Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

In the event the above matters are not achieved, the Group will be required to raise funds for working capital from equity sources or from the sale of part or some of its exploration assets.

Should the Group be unable to continue as a going concern which is not contemplated in the forecast prepared by the directors, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

#### NOTE 2: SEGMENT INFORMATION

##### (a) Industry and geographical segment

The Group has identified one reportable segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The board reviews financial information on the same basis as presented in the financial statements and has therefore determined the operating segment on this basis.

#### NOTE 3: LOAN FROM NIUMINCO GROUP LIMITED

On 30<sup>th</sup> July 2013, Niuminco Group Limited (Niuminco) announced a takeover bid for all of the share capital of TNT Mines Limited. TNT Mines entered into a Stand-by loan agreement with Niuminco, in which Niuminco agreed to advance monies up to \$100,000 for the sole purpose of funding TNT Mines' takeover expenses.

On 7<sup>th</sup> November 2013, Niuminco's takeover bid for TNT Mines Limited closed with Niuminco having acquired 72.54% of the issued capital of the Company. Under a Management Agreement dated 18<sup>th</sup> June 2013 between the two parties, Niuminco upon acquiring more than 51% of the ordinary share capital of TNT Mines Limited, assumed management responsibility for TNT Mines Limited and its controlled entities and is entitled to charge a monthly management fee of \$15,000 for providing this service.

At the date of this report, Niuminco has advanced \$121,620 comprising cash and accrued management fees to the Group. Niuminco has agreed not to demand repayment of this loan within the next 12 months, and is not charging any interest on the outstanding monies.

**TNT MINES LIMITED**

**31 DECEMBER 2013**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED  
31 DECEMBER 2013 (continued)**

**NOTE 4: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

**NOTE 5: FINANCIAL INSTRUMENTS**

The Group's financial instruments consist of cash and cash equivalents, trade and other receivable, trade and other payable and loan from Niuminco Group Limited. These financial instruments are measured at cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

***Available for sale financial assets***

The Group's Available for sale financial assets are level-1 financial instruments and valued using the quoted bid prices from the Australian Securities Exchange as at the reporting date.

**NOTE 6: SUBSEQUENT EVENTS**

Other than stated above there is no matter or circumstance has arisen since 31 December 2013, which has significantly affected, or may significantly affect the operations of the group, the result of those operations, or the state of affairs of the group in subsequent financial years.

**TNT MINES LIMITED**

**31 DECEMBER 2013**

**DIRECTORS' DECLARATION**

In the directors' opinion:

1. the financial statements and notes set out on pages 5 to 11 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards AASB 134: Interim Reporting and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that TNT Mines Limited will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in blue ink, appearing to read 'Tracey Lake', is written on a light yellow rectangular background.

**Tracey Lake**  
Managing Director

Sydney, 17<sup>th</sup> February 2014

## Independent Auditor's Review Report

### To the Members of TNT Mines Limited

We have reviewed the accompanying half-year financial report of TNT Mines Limited ("the Company") and its Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other selected explanatory information and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

#### Directors Responsibility for the Half-Year Financial Report

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

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

# Independent Auditor's Review Report

To the Members of TNT Mines Limited (Continued)

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## Independence

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

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of TNT Mines Limited is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## Emphasis of matter

### *Material uncertainty regarding continuation as a going concern*

Without qualifying our conclusion, we draw attention to Note 1 of the half-year financial report which indicates that the Consolidated Entity incurred a net loss of \$222,605 during the period ended 31 December 2013. This condition, along with other matters as set forth in note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore, the Consolidated Entity may be unable to realise its assets and settle its liabilities in the normal course of the business and at the amounts stated in the half-year financial report.

**BENTLEYS**  
Chartered Accountants

**MARK DELAURENTIS CA**  
Director

DATED at PERTH this 17 day of February 2014