



TNT MINES LIMITED
ABN 67 107 244 039
INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2017

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 2017 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*.

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DIRECTORS' REPORT

Your directors submit their report on the entity of TNT Mines Limited at the end of, or during, the half-year ended 31 December 2017.

DIRECTORS

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

Brett Mitchell (appointed 27 June 2017)
 Nick Castleden (appointed 27 June 2017)
 Michael Jardine (appointed 27 June 2017)

REVIEW AND RESULTS OF OPERATIONS

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

	31 December 2017 \$	31 December 2016 \$
Consolidated entity revenues and loss from ordinary activities before income tax	(493,803)	(82,237)
	(493,803)	(82,237)

The principal activity of the Company during the six months ended 31 December 2017 was the exploration and evaluation of mineral tenements in Tasmania.

The Board has been working over the past six months to ensure all its Tasmanian tenements are in good standing following the completion of the acquisition on 1 November 2017, with exploration work programs intended to commence in 2018. The Aberfoyle exploration licence (EL27/2004) was renewed in early December, whilst Great Pyramid (RL2/2009) was renewed during the September Quarter.

Aberfoyle – EL27/2004

The Board is currently finalising plans to commence a new exploration program on the ground around the Storey's Creek Tungsten Mine. The Storey's Creek Tungsten Mine was a high-grade mining operation that produced over 1.1MT of ore at ~1.09% WO₃ over the course of its operation, which is a high-grade operation by current and historical peer operations globally. High grade tungsten is currently in limited supply, and is used extensively in strengthening steel as it has the highest melting point of any metal.



The Board have made it a strategic exploration priority to explore for potential high-grade extensions or repetitions of the Storey's Creek Mine orebody. As part of the due diligence and fine tuning the first work programs to commence in early 2018, Directors Nick Castleden and Michael Jardine travelled to Tasmania during December 2017 to visit the projects and finalise plans for these priority exploration work programs, which are now due to commence in early Q2 2018.

During the half year an exploration work program was commenced at EL27/2004 Aberfoyle. The work programs included the completion of logging and sampling of two diamond drill holes that were previously drilled but not processed at the Lutwyche tin-tungsten target area. Lutwyche is a vein array close to the historic Aberfoyle tin mine (2.1 Mt of @ 0.91% Sn and 0.28% WO₃), but with a similar orientation to Storey's Creek veins. Visual inspection of core indicates that the drilling intersected mineralised veins and veinlets.

The core from two of the three diamond drill holes most recently drilled at Lutwyche have been cut, logged and sampled, with assays from these holes currently pending and the Company expects to report on these results by the end of March 2018.

Mapping and data compilation has also been carried out in recent months at the Royal George tin prospects, with the aim of identifying optimum drill sites for testing deeper sections of the mineralised systems. Royal George is a greisen style orebody cutting granite situated on the Aberfoyle licence, and a past production profile of 170,000t @ 0.65% Sn. Disseminated sulphides are reported extending for up to 20m into wall rock around tin lodes (see ASX-IN prospectus dated 1st November 2017), presenting a potential bulk tonnage target.



Great Pyramid – RL2/2009

Site investigation and compilation of previous geological mapping is underway at the Great Pyramid tin deposit, with the aim of identifying suitable locations for diamond drilling.

Great Pyramid is a tin-rich alteration system characterized by stacked quartz veinlets in a silicified sedimentary sequence. The deposit is described in detail in ASX-TIN prospectus dated 1st November 2017.

Much of the historical drilling at the prospect is shallow and in a sub-optimal orientation. Drilling does indicate that the deposit's extent is not constrained laterally or vertically with some indications that grade increases with depth.

The company has now planned to commence a diamond drill program in early Q2 2018 to investigate the potential for plunging shoots of increased veining and tin grade.

CORPORATE

Following successful completion of its recent IPO, TNT Mines has 30,388,584 ordinary shares on issue and 12,000,000 options exercisable at A\$0.25 each, expiring on or before 24 October 2021.

As at 31 December 2017 the Company has an undiluted market capitalisation of \$7m based off a share price of \$0.25, with approximately \$4.1m cash at bank and nil debt.

SUBSEQUENT EVENTS

During January 2018, the Company completed an Unmarketable Parcel Buyback of 5,237 Shareholders reducing the register to 647 shareholders.

On the 6 March 2018 settlement was agreed with Andrew Drummond, a former director, for payment of his outstanding balance of \$48,665.10. The settlement included an issue of 100,000 ordinary fully paid shares and a cash payment of \$25,000.

No other matters or circumstances have arisen since the end of the financial period which



significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years

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 5.

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

A handwritten signature in black ink, appearing to read "Brett Mitchell".

Brett Mitchell
Non-Executive Chairman
Perth, 15 March 2018

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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 period ended 31 December 2017, 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



CHRIS NICOLOFF CA
Director

Dated at Perth this 15th day of March 2018



**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Notes	31 December 2017 \$	31 December 2016 \$
REVENUE			
Other Income		210	240
EXPENDITURE			
Corporate expenses		(46,667)	(19,356)
Administration expenses		(36,869)	(63,121)
Employee benefits expense		(579)	-
Professional and statutory fees		(56,239)	-
Share based payments	10	(351,348)	-
Other expenses		(2,311)	-
PROFIT/LOSS BEFORE INCOME TAX		(493,803)	(82,237)
INCOME TAX BENEFIT		-	-
PROFIT/LOSS FOR THE YEAR		(493,803)	(82,237)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE PROFIT/LOSS		(493,803)	(82,237)
Basic gain/loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)		(4.282)	(0.075)
Diluted gain/loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)		-	-

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



**CONDENSED STATEMENT OF FINANCIAL POSITION FOR THE
 HALF-YEAR ENDED 31 DECEMBER 2017**

	Notes	31 December 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents	2	584,109	86,748
Financial asset	3	3,500,000	-
Trade and other receivables	7	38,096	31,102
TOTAL CURRENT ASSETS		4,122,205	117,850
NON-CURRENT ASSETS			
Capitalised exploration and evaluation expenditure		1,598,383	1,752,910
TOTAL NON-CURRENT ASSETS		1,598,383	1,752,910
TOTAL ASSETS		5,720,588	1,870,760
CURRENT LIABILITIES			
Convertible notes		-	150,000
Trade and other payables	7	155,952	271,045
Loan from Niuminco Group Limited	5	-	963,783
TOTAL CURRENT LIABILITIES		155,952	1,384,828
NON CURRENT LIABILITIES			
		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		155,952	1,384,828
NET ASSETS/(LIABILITIES)		5,564,636	485,932
EQUITY			
Issued capital	8	9,723,565	4,502,406
Reserves	9	351,348	-
Accumulated losses		(4,510,277)	(4,016,474)
TOTAL EQUITY		5,564,636	485,932

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



**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE
 HALF-YEAR ENDED 31 DECEMBER 2017**

	Notes	Issued Capital \$	Share Option Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2016		4,502,406	-	(3,685,450)	816,956
Loss for the year		-	-	(82,237)	(82,237)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		-	-	(82,237)	(82,237)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year		-	-	-	-
Employee Share Options		-	-	-	-
BALANCE AT 31 DECEMBER 2016		4,502,406	-	(3,767,687)	734,719
BALANCE AS AT 1 JULY 2017		4,502,406	-	(4,016,474)	485,932
Profit for the year		-	-	(493,803)	(493,803)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		-	-	(493,803)	(493,803)
Shares issued during the year		5,680,013	-	-	5,680,013
Cost of shares issued		(458,854)	-	-	(458,854)
Shares issued, net of issue costs		5,221,159	-	-	5,221,159
Share Options Issued		-	351,348	-	351,348
BALANCE AT 31 DECEMBER 2017		9,723,565	351,348	(4,510,277)	5,564,636

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



**CONDENSED STATEMENT OF CASHFLOWS FOR THE
 HALF-YEAR ENDED 31 DECEMBER 2017**

	Notes	31 December 2017 \$	31 December 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(234,740)	(13,303)
Interest paid		-	-
Interest received		210	240
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(234,530)	(13,063)
CASH FLOWS FROM INVESTING ACTIVITIES			
Term Deposit		(3,500,000)	
Payments for exploration and evaluation		(34,255)	(69,284)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(3,534,255)	(69,284)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from Niuminco Group Limited	5	(775,000)	81,885
Proceeds from issue of ordinary shares and other equity securities		5,500,000	-
Share issue costs		(458,854)	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		4,266,146	81,885
NET INCREASE IN CASH AND CASH EQUIVALENTS		497,361	(462)
Cash and cash equivalents at the beginning of the financial year	2	86,748	(17)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		584,109	(479)

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



NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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 2017 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 2017.

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 2017.

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 that are relevant to the Group include:

- AASB 2014-1: Amendments to Australian Accounting Standards (Part D);
- AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations;
- AASB 2014-4: Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation;
- AASB 2014-6: Amendments to Australian Accounting Standards – Agriculture: Bearer Plants;
- AASB 2014-9: Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements;
- AASB 2015-1: Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle;
- AASB 2015-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101;
- AASB 2015-5: Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception; and
- AASB 2015-9: Amendments to Australian Accounting Standards – Scope and Application Paragraphs.

The adoption of the above standards have 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 \$3,966,253 as at 31 December 2017 (30 June 2017: deficit of \$1,266,978) and recorded an operating loss after income tax of \$493,803 (31 December 2016: \$82,237) for the half year then ended.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (continued)

Going Concern (cont'd)

The directors have a reasonable expectation that the Company will have adequate resources to realise its assets in the normal course of business and repay its obligations as and when they fall due for the next 12 months from the date of signing this 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.

2. CASH & CASH EQUIVALENTS

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents

Cash at Bank
 Bank Overdraft

Total cash and cash equivalents

	31 December 2017	30 June 2017
	\$	\$
	584,310	87,422
	(201)	(674)
	584,109	86,748

3. FINANCIAL ASSET

On the 11th November 2017, the sum of \$3,500,000 was placed in a Term Deposit for 3 months and 2 days, maturing on 13th March 2018, with an interest rate of 2.46%.

4. SEGMENT INFORMATION

Industry and geographical segment

The Company 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.

5. LOAN FROM NIUMINCO GROUP LIMITED

At the date of this report, Niuminco's loan was fully repaid. All amounts owing between the Company and Niuminco were settled on 9 November 2017 with a full and final payment of A\$775,000.

6. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (continued)

7. FINANCIAL INSTRUMENTS

Trade and Other Receivables

GST	18,286
Security Deposit	19,810
Total Trade and Other Receivables	38,096

31 December 2017	30 June 2017
\$	\$
18,286	11,292
19,810	19,810
38,096	31,102

Trade and Other Payables

Trade Creditors	155,592
Total Trade and Other Payables	155,592

31 December 2017	30 June 2017
\$	\$
155,592	271,045
155,592	271,045

These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

8. ISSUED CAPITAL

	31 December 2017		30 June 2017	
	Number of Shares	\$	Number of Shares	\$
(a) Share capital				
Ordinary shares fully paid	30,388,584	9,723,565	551,084	4,502,406
Total issued capital	30,388,584	9,723,565	551,084	4,502,406
(b) Movements in ordinary share capital				
Beginning of financial year	551,084	4,502,406	109,541,285	4,502,406
Consolidation of issued capital	-	-	(108,990,201)	-
Shares issued 24 October 17	27,500,000	5,500,000	-	-
Shares issued 24 October 17 ⁽ⁱ⁾	937,500	150,000	-	-
Shares issued in lieu of legal costs ⁽ⁱⁱⁱ⁾	150,000	30,000	-	-
Shares issued 24 October 17 ⁽ⁱⁱ⁾	1,250,000	13	-	-
Share issue costs	-	(458,854)	-	-
31 December 2017	30,388,584	9,723,565	551,084	4,502,406

Notes:

⁽ⁱ⁾ Class A convertible note.

⁽ⁱⁱ⁾ Class B convertible note, ordinary shares subject to escrow 3 November 2019.

⁽ⁱⁱⁱ⁾ 150,000 shares issued @ \$0.20 to lawyers in lieu of legal costs.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (continued)

9. RESERVES

Share option reserve

The share option reserve is used to recognise the value of options issued to employees, Directors, consultants, and external finance companies.

	31 December 2017	30 June 2017
	\$	\$
Balance at beginning of period	-	-
Share based payment expense	351,348	-
Balance at end of period	351,348	-

10. SHARE BASED PAYMENTS

The following share based payment were made during the period ended 31 December 2017.

Shares Issued:

150,000 shares have been issued to lawyers at \$0.20/share in lieu of legal costs.

Options Issued:

	31 December 2017	
	Number of Options	Weighted Average Exercise Price
		\$
As at 1 July 2017	-	-
Granted during the period	12,000,000	\$0.25
As at 31 December 2017	12,000,000	\$0.25

The fair value of share options granted have been valued using a Black Scholes Methodology, taking into account the terms and conditions upon which the unlisted share options is as follows:

Share price at date of issue	\$0.25
Grant date	24 October 2017
Expected volatility	25%
Expiry date	24 October 2021
Risk free interest rate	2.16%
Value per option	0.029279
Total value of options	\$351,348

11. SUBSEQUENT EVENTS

During January 2018, the Company completed an Unmarketable Parcel Buyback of 5,237 Shareholders reducing the register to 647 shareholders.

On the 6 March 2018 settlement was agreed with Andrew Drummond, a former director, for payment of his outstanding balance of \$48,665.10. The settlement included an issue of 100,000 ordinary fully paid shares and a cash payment of \$25,000.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years



DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 7 to 14 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 2017 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 black ink, appearing to read "Brett Mitchell".

Brett Mitchell
Non-Executive Chairman
Perth, 15 March 2018

Independent Auditor's Review Report

To the Members of TNT Mines Limited

We have reviewed the accompanying financial report of TNT Mines Limited ("the Company") which comprises the condensed statement of financial position as at 31 December 2017, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the period.

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 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the 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 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 2017 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 Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a 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)



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 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 Entity's financial position as at 31 December 2017 and of its performance for the period ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

A handwritten signature in blue ink that reads "Bentleys".

BENTLEYS
Chartered Accountants

A handwritten signature in blue ink that reads "Chris Nicoloff".

CHRIS NICOLOFF CA
Director

Dated at Perth this 15th day of March 2018

