



**TOPTUNG LIMITED**  
ABN 12 118 788 846

**HALF-YEAR REPORT - 31 DECEMBER 2016**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by TopTung Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**TOPTUNG LIMITED (ABN 12 118 788 846)**

**CORPORATE DIRECTORY**

**Directors**

Leon Pretorius      Executive Chairman  
Dennis Lovell      Non-Executive Director  
Martin Kavanagh    Non-Executive Director

**Company Secretary**

Suzanne Yeates

**Registered Office**

Level 8, 46 Edward Street  
Brisbane, QLD 4000  
Australia

**Principal Place of Business**

As above  
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Website: [www.toptung.com.au](http://www.toptung.com.au)

**Auditors**

BDO Audit Pty Ltd  
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Telephone: (07) 3237 5999  
Fax:(07) 3221 9227  
Website:[www.bdo.com.au](http://www.bdo.com.au)

**Share Registry**

Boardroom Pty Ltd  
Sydney: Level 7, 207 Kent Street, Sydney, NSW 2000, Australia  
Brisbane: Level 5, 320 Adelaide Street, Brisbane, QLD, 4000, Australia  
Telephone:1300 737 760  
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Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

**Home Exchange**

Australian Securities Exchange Ltd ("ASX")  
ASX code: TTW  
Exchange Centre, 20 Bridge Street, Sydney NSW 2000, Australia

## **TOPTUNG LIMITED (ABN 12 118 788 846)**

### **DIRECTORS' REPORT**

The Directors present their report together with the financial statements of TopTung Ltd ("the Company" or "TopTung") for the half-year ended 31 December 2016 and the auditor's review report thereon.

#### **Directors**

The following persons were directors of TopTung Limited during the whole of the half-year and up to the date of this report.

Leon Pretorius	Executive Chairman
Dennis Lovell	Non-Executive Director
Martin Kavanagh	Non-Executive Director

#### **Principal Activities**

During the financial half-year, the principal continuing activities of the consolidated entity consisted of:

- Obtaining the permits to enable drilling activities at the Torrington Project to commence;
- Continuing desktop studies in order to progress the Torrington Project;
- Completion of X-ray ore sorting trials, bulk sample metallurgical testwork and processing plant design and cost estimates;
- Australian Research Council (ARC) funding application for topaz research in collaboration with the University of New South Wales; and
- Finalising a contract for the drilling programme commencing 24 January 2017.

#### **Review of Operations**

##### ***Capital Structure and Finances***

At the end of December 2016, the Company had 114,935,740 fully paid ordinary shares (ASX: TTW) on issue.

The Company held cash reserves (including cash on deposit) of \$4,234,123 at 31 December 2016.

The net operating loss after income tax for the half year was \$157,301 (2015: \$55,202 loss).

##### ***Torrington Project Update***

TopTung holds only two ELs in northern NSW (the Torrington Tungsten and Topaz Project) acquired from Resolve Geo (Pty) Limited (see ASX announcement of 15 April 2015).

Permitting and statutory clearances to undertake exploration to increase the existing JORC Code 2012 compliant Mineral Resource estimate took the Company more than a year and half to finalise.

The above-published JORC resource is 2,146,000 tonnes at 0.23% WO<sub>3</sub> for 4,965 tonnes WO<sub>3</sub> at a 0.063% WO<sub>3</sub> cut-off comprising an Indicated Resource of 422,000 tonnes at 0.25% WO<sub>3</sub> for 1,043 tonnes WO<sub>3</sub> and an Inferred Resource of 1,724,000 tonnes at 0.23% for 3,922 tonnes WO<sub>3</sub> both at a 0.063% WO<sub>3</sub> cut-off (ASX announcement of 12 August 2015).

The host rock to the tungsten mineralisation is silixite which contains ~80% silica and ~20% topaz and the Company quickly realised the potential value this poorly understood alumina silicate industrial mineral (the topaz) could add to the economics of the Project.

As previously reported (ASX announcement of 22 December 2016) all statutory requirements including community consultations to allow drilling and associated activities have been met and an alternating diamond and reverse circulation (RC) percussion drilling programme commenced in the week of

## TOPTUNG LIMITED (ABN 12 118 788 846)

### DIRECTORS' REPORT

#### *Torrington Project Update (continued)*

23 January 2017. The approved budget for direct drilling costs is \$700,000 and pending the ratio of RC to diamond, will allow for approximately 8,000m of RC and 2,500m of combined HQ and PQ diameter diamond drilling. Depending on the depth of mineralisation this will total at least 350 holes (based on a 30m average depth). The drill programme will run for about 3-months and is aimed at approximately doubling the existing resource and increasing its confidence level. It is anticipated that all assays will be in hand 3-months later. In addition to the direct drilling costs, the Company estimates that sample analyses, track clearing, contract geologists and field staff, accommodation, vehicles, consumables etc will cost \$400,000. The total budget estimate is therefore between \$1 and \$1.2 million.

As a result of the enforced delays in progressing the Project, the Board agreed to commission tungsten metallurgical studies and undertake research into topaz applications and beneficiation as an interim measure. Both these decisions have paid off. The former will save time as the Project evolves and, the latter has resulted in a joint application with the UNSW for Federal Government (ARC) funding.

After calling for quotes based on a Company defined scope of work, it was agreed that Peacocke and Simpson (Zimbabwe) would undertake the metallurgical testwork on a 1.1 tonne portion of the 3 tonne silixite bulk sample collected from the Mt Everard pit in late 2015. The testwork programme commenced in mid-January 2016 and was finalised in early November 2016. The initial testwork on smaller portions of the sample resulted in a processing method with recoveries of +80% of the tungsten in the feed material producing a concentrate (after magnetic clean-up) containing ~69% WO<sub>3</sub> (ASX announcement of 6 September 2016). The parameters of the earlier phases of testwork were applied to the processing of the remaining 720kg which resulted in a very simplified flowsheet encompassing gravity concentration after crushing to minus 1mm, with magnetic clean-up of the spiral concentrate (ASX announcement of 11 November 2016).

During the metallurgical testwork, samples for X-ray ore sorting trials were sent to three international laboratories, which led to a breakthrough for the Project (ASX announcement of 18 October 2016). TOMRA Sorting Solutions successfully separated hand selected (10 to 30mm) visually tungsten mineralised and unmineralised Torrington quartz-topaz host rock (known as silixite) from Mt Everard at their X-Ray Transmission (XRT) test facility in Sydney. To optimise this testwork, drill core that is more representative of the mineralised silixite zone and the grade of the deposit will be used to verify and quantify that a significant mass reduction and high recoveries can be achieved from a full scale XRT sorter. If successful, this will result in a substantial reduction in the volume of the fraction passing through the sorter then requiring further processing to extract the tungsten. XRT sorting will be included before the fine crushing step.

Another highlight was the budget estimate cost of a processing plant that would be required at Torrington if the Project proves to be viable. This was prepared by Appropriate Process Technologies (APT) of South Africa, which is affiliated with Peacocke and Simpson. The design incorporates a 200tph crushing plant followed by 60tph scrubbing + spirals in the flowsheet. Based on the assumptions above the plant was costed at US\$8,300,000 ex-works Johannesburg. Excluded are civils, water and electricity supply, tailings facility, product drying and handling which the Company estimates would bring the total price to <US\$11,000,000, or <A\$15 million (ASX announcement of 11 November 2016).

Topaz constitutes ~20% of the silixite host rock and given the sheer volume that could be produced as a by-product during gravity separation and concentration of the tungsten and the effect it could have on the economic success of the Project led to further focus on this product. As an alumina silicate, the topaz could be used as a feedstock for ceramic and refractory production and also as an abrasive given its hardness. The Company however, is more interested in the high value end of its potential in the production of mullite-type derivatives.

## **TOPTUNG LIMITED (ABN 12 118 788 846)**

### **DIRECTORS' REPORT**

#### ***Torrington Project Update (continued)***

To progress this, preliminary negotiations for collaboration with the Materials Science and Engineering faculty of the University of New South Wales (UNSW) commenced in November 2015. Subsequently, there have been several on-campus meetings and agreement was reached to fund a small-scale research Project to demonstrate the development of oriented mullite fibres from fly ash. The research programme showed the potential for the fabrication of oriented mullite from fly ash; furthermore, the work showed the potential for using this material as a template for the fabrication of oriented fibres from topaz. Consequently, the Company registered a wholly-owned subsidiary Topfibre (Pty) Limited to lead its collaborative research with the UNSW (ASX announcement of 10 January 2017 – December 2016 Quarterly report). An evolving Strategic Plan was agreed to by the Company and Prof. Sorrell (and Dr Koshy) to investigate the production of Single-Crystal Mullite Fibres from the Torrington Topaz leading to commercial production of Fibre-Reinforced Composites.

If successful, the single-crystal mullite fibres could be used to reinforce in both metal matrix composites (MMCs) and ceramic matrix composites (CMCs).

MMCs are established in structural, aerospace, automotive, electronic, thermal management, and wear-resistance applications. In 2012, the market for MMCs was US\$229 billion for a volume of 5,500 tons. The market is estimated to increase in 2019 to US\$357 billion for a volume of 8,300 tons.

CMCs have only recently begun to emerge from niche applications, finding roles in space, military, ground transport, power generation, thermal protection, corrosion resistance, and wear resistance applications. The market for CMCs is considerably smaller, with a current 2016 value of US\$3.9 billion and estimated 2021 value of US\$6.2 billion.

The general aim of the research programme is to develop a pathway leading to the production of commercial quantities of such individual, single-crystal, mullite fibres of dimensions suitable for implementation as reinforcements for MMCs and CMCs.

To the knowledge of Prof. Sorrell, the only commercially available single-crystal fibre was alumina that was produced in the early 2000s by Saphicon which sold for US\$100,000/kg.

The current benchmark cost for high-end non-oxide fibres tends to be in the vicinity of US\$1,000/kg.

A submission was lodged with the Federal Government by the UNSW as a 2016 ARC Linkage Project before the cut-off date of 22 December 2016 with Topfibre as the industry partner. Topfibre's contribution to this 3-year research Project will be in the order of \$500,000 (in cash and kind). This investment based on the merits and potential of the research was approved by the Board of TopTung and will be increased if required.

#### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year other than as outlined above in the Review of Operations section.

**TOPTUNG LIMITED (ABN 12 118 788 846)**

**DIRECTORS' REPORT**

**Events Subsequent to 31 December 2016**

Since 31 December 2016 the Company has completed a one (1) for three (3) non-renounceable rights issue from which it raised the maximum amount of \$1,340,917 (before expenses) through the issue of 38,311,913 fully paid shares in the Company.

**Auditor's Independence Declaration**

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

Signed in accordance with a resolution of the Board of Directors

A handwritten signature in black ink, appearing to read 'L. Pretorius', written in a cursive style.

Dr Leon Pretorius – Executive Chairman

Brisbane, 13 March 2017

**TOPTUNG LIMITED (ABN 12 118 788 846)**  
**AUDITOR'S INDEPENDENCE DECLARATION**



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**DECLARATION OF INDEPENDENCE BY A J WHYTE TO DIRECTORS OF TOPTUNG LIMITED**

As lead auditor of TopTung Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of TopTung Limited and the entities it controlled during the period.

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

**A J Whyte**  
Director

**BDO Audit Pty Ltd**

Brisbane, 13 March 2017

**TOPTUNG LIMITED (ABN 12 118 788 846)**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Notes	Half-year December 2016 \$	Half-year December 2015 \$
<b>Revenue</b>			
Interest Income		62,644	85,645
Profit on sale of fixed asset		-	1,968
Penalties & Fines (write-back)		-	148,923
Refund of EL tenement rentals		-	49,677
<b>Expenses</b>			
Depreciation and amortisation expense		(8,272)	(15,371)
Employment costs		(19,752)	(21,207)
Directors fees		(73,800)	(64,800)
Contractors (management)		(24,627)	(38,662)
Administration expenses		(93,494)	(201,375)
<b>Loss before income tax</b>		<b>(157,301)</b>	<b>(55,202)</b>
Income tax (expense)/credit		-	-
<b>Loss after income tax</b>		<b>(157,301)</b>	<b>(55,202)</b>
Other Comprehensive Income (net of tax)		-	-
<b>Total Comprehensive Income (Loss)</b>		<b>(157,301)</b>	<b>(55,202)</b>
		<b>cents</b>	<b>cents</b>
Basic earnings/(loss) per share		(0.14)	(0.06)
Diluted earnings/(loss) per share		(0.14)	(0.06)

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

**TOPTUNG LIMITED (ABN 12 118 788 846)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

		31 Dec 2016	30 June 2016
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		58,842	186,597
Cash held on term deposits (> 3mth term)		4,175,281	4,371,661
Other assets		53,536	55,185
<b>Total current assets</b>		4,287,659	4,613,443
<b>Non-current assets</b>			
Other assets		30,000	20,000
Property, plant and equipment		79,059	87,330
Exploration and evaluation assets	8	1,374,448	1,239,881
<b>Total non-current assets</b>		1,483,507	1,347,211
<b>Total assets</b>		5,771,166	5,960,654
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		32,920	74,631
Employee benefits		9,524	-
<b>Total current liabilities</b>		42,444	74,631
<b>Total liabilities</b>		42,444	74,631
<b>Net assets</b>		5,728,722	5,886,023
<b>EQUITY</b>			
Contributed equity	5	7,886,923	7,886,923
Reserves	6	684,801	684,801
Accumulated losses		(2,843,002)	(2,685,701)
<b>Total equity</b>		5,728,722	5,886,023

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

**TOPTUNG LIMITED (ABN 12 118 788 846)**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	<b>Half-year December 2016</b>	<b>Half-year December 2015</b>
<b>Cash flows from operating activities</b>	<b>\$</b>	<b>\$</b>
Receipts from customers (GST inclusive)	19,519	40,127
Payments to suppliers and employees (GST inclusive)	(248,074)	(341,220)
Northern Territory fine & legal fees	-	(213,400)
Interest received	66,063	72,591
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(162,492)</b>	<b>(441,902)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(6,589)
Payments for exploration and evaluation	(151,643)	(202,265)
Refund of tenement rental on relinquishment	-	51,993
Receipt of (Payment for) security deposits	(10,000)	14,331
(Payments to)/receipts from term deposits (>3mths)	196,380	(8,969,778)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>34,737</b>	<b>(9,112,308)</b>
Net increase (decrease) in cash and cash equivalents	(127,755)	(9,554,210)
Cash and cash equivalents at beginning of period	186,597	9,424,500
<b>Cash and cash equivalents at end of period</b>	<b>58,842</b>	<b>129,710</b>

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

**TOPTUNG LIMITED (ABN 12 118 788 846)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Contributed Equity	Accumulated (Losses)	Contingent Consideration Reserve	Option Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 30 June 2015</b>	11,404,778	(2,519,759)	-	583,089	9,468,108
Loss after income tax	-	(55,202)	-	-	(55,202)
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive loss	-	(55,202)	-	-	(55,202)
<b>Transactions with owners in their capacity as owners</b>					
Issue of shares	360,000	-	-	-	360,000
Contingent acquisition consideration	-	-	251,012	-	251,012
Capital Return	(4,027,155)	-	-	-	(4,027,155)
<b>Balance at 31 December 2015</b>	7,737,623	(2,574,961)	251,012	583,089	5,996,763
<b>Balance at 30 June 2016</b>	7,886,923	(2,685,701)	101,712	583,089	5,886,023
Loss after income tax	-	(157,301)	-	-	(157,301)
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive loss	-	(157,301)	-	-	(157,301)
<b>Transactions with owners in their capacity as owners</b>	-	-	-	-	-
<b>Balance at 31 December 2016</b>	7,886,923	(2,843,002)	101,712	583,089	5,728,722

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

**TOPTUNG LIMITED (ABN 12 118 788 846)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**Note 1 CORPORATE INFORMATION**

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

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

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

There have been no significant changes in the nature of the principal activities of the Group during the half year.

**Note 2 BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS**

This general purpose financial report for the interim half-year reporting period ended 31 December 2016 has been prepared in accordance with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Act 2001.

This interim report does not include all the notes of the type normally included in an annual financial report and, therefore, cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investment activities of the group as the full financial report. Accordingly, this interim financial report is to be used in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim period, unless otherwise stated.

The financial report has been prepared on a going concern basis.

The half-year financial report of TopTung Limited for the six months ended 31 December 2016 was authorised for issue in accordance with a resolution of the directors on 13 March 2017, as required by the Corporations Act 2001.

TOPTUNG LIMITED (ABN 12 118 788 846)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

**Note 3 CRITICAL ACCOUNTING ESTIMATES AND OTHER ACCOUNTING JUDGEMENTS**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) are discussed below.

*Exploration and evaluation costs*

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

**Note 4 SEGMENT INFORMATION**

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

Management currently identifies the Group as having only one operating segment, being exploration. All significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole.

**Note 5 CONTRIBUTED EQUITY**

	31 December 2016		30 June 2016	
	Shares	\$	Shares	\$
<b>Share capital</b>				
<i>Ordinary shares</i>				
Fully paid	114,935,740	7,886,923	114,935,740	7,886,923

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**TOPTUNG LIMITED (ABN 12 118 788 846)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**Note 6 RESERVES**

	<b>31 Dec 2016</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>
Share Option	583,089	583,089
Contingent Consideration *	101,712	101,712
Total Reserves	684,801	684,801

\* The Contingent Consideration Reserve arises from valuing the contingent share based consideration associated with the purchase of the Torrington Tungsten and Topaz Project. The contingent consideration shares were issued to Resolve Geo Pty Ltd (and nominees) on 30 January 2017 and the attributable fair value was transferred to Issued Share Capital.

**Note 7 LOSS FOR THE HALF-YEAR**

The following significant item was included in the loss for the previous half-year reporting period:

	<b>Half-year December 2016</b>	<b>Half-year December 2015</b>
	<b>\$</b>	<b>\$</b>
Penalties & fines (provision write-back)	-	148,923

On 24 June 2015 the Company received a Summons from the Northern Territory Department of Mines and Energy (Department) under the Mining Management Act (NT). The summons related to the Tobermorey Project (EL 28710) on the basis of "Being an operator for a mining site carried out mining activities on that site without authorisation, contrary to section 35(4) of the Mining Management Act (NT)".

The mining activities referred to in this Summons related to a drilling program conducted under the approval and supervision of the previous Board, management and consultants of the Company. In August 2015, the Court of Summary Jurisdiction found the Company guilty of the breach and levied a fine of \$300,000. Accordingly a provision for this amount was raised when finalising the 30 June 2015 financial statements. This fine was subsequently reduced to \$150,000 on appeal and the excess provision reversed to the profit or loss.

**TOPTUNG LIMITED (ABN 12 118 788 846)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**Note 8 EXPLORATION & EVALUATION ASSETS**

	<b>31 Dec 2016</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>
Carrying amount in respect of areas of interest in exploration and evaluation phase at beginning of reporting period	1,239,881	-
Exploration and evaluation expenditure on tenements	134,567	493,869
Torrington Tungsten and Topaz Project acquisition costs	-	746,012
	<hr/>	<hr/>
Carrying amount in respect of areas of interest in exploration and evaluation phase at end of reporting period	<u>1,374,448</u>	<u>1,239,881</u>

Recovery of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**Note 9 CONTINGENT ASSETS AND LIABILITIES**

There have been no changes in contingent liabilities or contingent assets since the last annual reporting date, 30 June 2016.

**Note 10 EVENTS SUBSEQUENT TO REPORTING DATE**

Since 31 December 2016 the Company has completed a one (1) for three (3) non-renounceable rights issue from which it raised the maximum amount of \$1,340,917 (before expenses) through the issue of 38,311,913 fully paid shares in the Company.

No other matter or circumstance has arisen since the end of the half-year, that has significantly affected, or may affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

**TOPTUNG LIMITED (ABN 12 118 788 846)**  
**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



**Dr Leon Pretorius**  
Executive Chairman

Brisbane: 13 March 2017

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of TopTung Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of TopTung Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time 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 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 2016 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 TopTung Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### Independence

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

## 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 TopTung Limited is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**BDO Audit Pty Ltd**

BDO



**A J Whyte**  
Director

Brisbane, 13 March 2017