



Tian Poh Resources Limited

(ABN 46 168 910 978)

Half-Year Report

30 June 2017

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Corporate Information

ABN 46 168 910 978

Directors

Mr Poh Kay Ping *Managing Director & CEO*
Mr Tan-Kang Kee Sing *Non-Executive Director*
Mr Michael van Uffelen *Non-Executive Director*

Principal Office

48 Pandan Road
Singapore 609289

Company Secretary

Mr Michael van Uffelen

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Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Directors' Report

Your Directors present their report on Tian Poh Resources Limited (the "Company") and the entities it controlled (the "Group") for the half-year ended 30 June 2017. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of directors who held office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Poh Kay Ping	Managing Director & CEO
Mr Tan-Kang Kee Sing	Non-Executive Director
Mr Michael van Uffelen	Non-Executive Director

Principal Activities

The principal activity during the period was the exploration for minerals in Mongolia.

Review of Operations

- The Company held its AGM with all resolutions being passed.
- The Company progressed with pre-feasibilities studies of its Nuurst Coal Project in Mongolia.
- Activities have been limited while the Company assesses funding for the next stage of development of the Company's projects.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the period.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 13 and forms part of this Directors' report for the half-year ended 30 June 2017.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Mr KP Poh
Managing Director and CEO

Singapore, 13 September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Note	30 June 2017 \$	30 June 2016 \$
Interest income		9,985	5,636
Finance costs	8	(45,428)	505,394
Employee benefits expense		(142,570)	(1,414)
Share based payments expense		-	(132,000)
General and administrative expenses		(207,636)	(333,148)
Professional Fees		(66,787)	(213,270)
Other income		9,334	103,242
Loss from operating activities		(443,102)	(65,560)
Income tax expense		-	-
Loss for the period after tax		(443,102)	(65,560)
- Other comprehensive income, net of tax			
o Exchange differences on translation of foreign operations		(443,215)	17,052
o Movement in AFS reserve		-	207,138
Total comprehensive (loss) for the year attributable to the owners		(886,317)	158,630
Basic and diluted (loss) per share (cents per share)		(0.5)	0.1

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	As at 30 June 2017 \$	As at 31 December 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		93,700	72,245
Trade and other receivables		55,848	3,448
Loans receivable	4	85,728	199,240
Total Current Assets		235,276	274,933
NON-CURRENT ASSETS			
Exploration and evaluation assets	5	5,624,982	5,773,473
Loans receivable	4	229,684	170,311
Other		26,307	40,414
Total Non-Current Assets		5,880,973	5,984,198
TOTAL ASSETS		6,116,249	6,259,131
CURRENT LIABILITIES			
Trade and other payables	6	165,076	420,590
Financial liabilities	4	4,109,069	3,110,120
Total Current Liabilities		4,274,145	3,530,710
TOTAL LIABILITIES		4,274,145	3,530,710
NET ASSETS		1,842,104	2,728,421
EQUITY			
Issued capital	7	9,977,008	9,977,008
Reserves		(852,234)	(409,019)
Accumulated losses		(7,282,670)	(6,839,568)
TOTAL SHAREHOLDERS EQUITY		1,842,104	2,728,421

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2017

	30 June 2017	30 June 2016
	\$	\$
Cash flows from Operating Activities		
Payments to suppliers and employees	(398,587)	(531,991)
Interest received	9,985	5,636
Net cash (outflow) from operating activities	(388,602)	(526,355)
Cash Flows from Investing Activities		
Payment for acquisition, exploration and evaluation costs	(56,169)	(71,933)
Proceeds on the sale of investments	-	183,317
Receipt of loan repayments	54,139	17,982
Net cash (outflow) from investing activities	(2,030)	129,366
Cash Flows from Financing Activities		
Advances by related parties	123,332	252,822
Advances from other parties	288,755	253,037
Net cash inflow from financing activities	412,087	505,859
Net (decrease) / increase in cash and cash equivalents	21,455	108,870
Cash and cash equivalents at the beginning of the financial period	72,245	331,808
Cash and cash equivalents at the end of the financial period	93,700	440,678

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Ordinary Shares	Foreign Currency Translation Reserve	Available- For Sale Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance as at 1 January 2017	9,977,008	(409,019)	-	(6,839,568)	2,728,421
Profit for the period	-	-	-	(443,102)	(443,102)
Net exchange differences on the translation of the financial reports of foreign subsidiaries	-	(443,215)	-	-	(443,215)
Total comprehensive loss for the year	-	(443,215)	-	(443,102)	(886,317)
Balance as at 30 June 2017	9,977,008	(852,234)	-	(7,282,670)	1,842,104

	Ordinary Shares	Foreign Currency Translation Reserve	Available- For Sale Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance as at 1 January 2016	6,840,593	78,021	27,130	(4,037,355)	2,908,389
Profit for the period	-	-	-	(65,560)	(65,560)
Net exchange differences on the translation of the financial reports of foreign subsidiaries	-	17,052	-	-	17,052
Movement in AFS reserve	-	-	207,138	-	207,138
Total comprehensive loss for the year	-	95,073	234,268	(65,560)	158,630
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued	272,000	-	-	-	272,000
Balance as at 30 June 2016	7,112,593	95,073	234,268	(4,102,915)	3,339,019

The accompanying notes form part of these financial statements

1. CORPORATE INFORMATION

The financial report of Tian Poh Resources Limited (the "Company") for the half-year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 13 September 2017.

Tian Poh Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Group during the half-year was exploration and evaluation of mineral licences in Mongolia.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**Basis of Preparation**

These general purpose condensed consolidated financial statements for the half-year ended 30 June 2017 have been prepared in accordance with AASB 134 Interim Financial Reporting as issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of the Group as at 31 December 2016.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Company during the half-year ended 30 June 2017 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss of \$443,102 (2016: \$65,560), net operating cash outflows of \$388,602 (2016: \$526,355) and net investing cash outflows of \$2,030 (2016: inflows of \$129,366) for the period

The Group's ability to continue as a going concern and pay its debts as and when they fall due is dependent on the following:

- Active management of the current level of discretionary expenditure in line with the funds available to the Group;
- The ability of the Group to extend the repayment of convertible notes and / or encourage the noteholders to convert to their notes to equity, and
- The ability to raise additional funding through either debt facilities or capital raising.
- Continued financial support from the Directors including cash advances and a willingness to not call upon loan balances.

These conditions indicate the existence of a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business.

Based on the existing cash resources, the ability to raise additional funding either by way of debt or capital raisings if required, the directors are satisfied that the going concern basis of preparation is appropriate.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**Going concern (continued)**

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that may be necessary if the Group is unable to continue as a going concern

Adoption of new or revised accounting standards and interpretations

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except for the addition of a financial asset policy as detailed below. The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

Significant accounting judgements, estimates and assumptions**Financial Assets**

Loans are carried at amortised cost using the effective interest method and other financial assets are carried at fair value. Financial assets are derecognised when the rights to receive the cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

Exploration and evaluation expenditure

The Company's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest acquired where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Valuation of the convertible note option to convert

The Company's fair values the right of the convertible note holders to receive shares in the Company rather than to receive repayment of the convertible note. Options are valued using a Black Scholes Option Pricing model with require judgement with regard to the selection of assumptions including interest rates and volatility.

3. SEGMENT REPORTING

The Group operates predominately in the mineral exploration industry. For management purposes, the Group is organised into one main operating segment, which involves the exploration for minerals. All of the Group activities are inter-related and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial results of the Group as a whole.

4. FINANCIAL ASSETS AND LIABILITIES

	At 30 June 2017	At 31 December 2016
	\$	\$
<i>Current assets</i>		
Loans receivable	85,728	199,240
	<u>85,728</u>	<u>199,240</u>
<i>Non-current assets</i>		
Loans receivable	229,684	170,311
	<u>229,684</u>	<u>170,311</u>
<i>Current liabilities</i>		
Related party loans (a)	546,216	429,590
Other short-term loans (b)	588,959	-
Convertible notes and accrued interest (c)	2,413,478	2,252,184
Derivative embedded in convertible notes (c)	560,416	428,346
	<u>4,109,069</u>	<u>3,110,120</u>

(a) Related party loans

Related party loans are interest free and have no fixed maturity date.

(b) Other short term loan

Other short-term loans are denominated in USD, SGD and AUD based on the currency in which the loans were drawn down. They bear interest of 5% to 8%, are unsecured, and have been advanced for convertible notes to be finalised.

(c) Convertible notes

(i) CYN Convertible notes were issued on 24 December 2013, have a face value of RMB 10,000,000, bear interest of 5% paid annually in arrears, may be converted into shares in the Company at \$0.20 and are repayable during the year ending 11 November 2017 unless converted into shares in the Company prior to this time. The annual interest payable on these notes has not been paid and has been accrued.

(ii) USD Convertible notes were issued during the period in satisfaction for a short term advance of USD192,000 received on 23 March 2016. These convertible notes bear interest of 8%, net of withholding taxes, paid annually in arrears, may be converted into shares in the Company at \$0.075 and are repayable on 22 March 2018 unless converted into shares in the Company prior to this time. The annual interest payable on these notes has not been paid and has been accrued.

The convertible notes have embedded options to convert the notes into shares in the Company, which are derivatives that are required to be separated. The embedded options have been separated and are carried at fair value through profit or loss.

5. EXPLORATION AND EVALUATION ASSETS

	Half-year Ended 30 June 2017	Year Ended 31 December 2016
	\$	\$
Opening balance	5,773,473	8,710,829
Exchange rate difference	(204,660)	(1,576,888)
Impairment	-	(2,053,013)
Expenditure	<u>56,169</u>	<u>692,545</u>
At 30 June	<u>5,624,982</u>	<u>5,773,473</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

6. TRADE AND OTHER PAYABLES

	At 30 June 2017	At 31 December 2016
	\$	\$
Trade payables	91,726	108,256
Accruals	<u>73,350</u>	<u>312,334</u>
	<u>165,076</u>	<u>420,590</u>

7. CONTRIBUTED EQUITY

	Number of shares	\$
<u>Movements in ordinary share capital:</u>		
Balance at 31 December 2016	193,256,405	9,977,008
Movements during the period	-	-
Balance at 30 June 2017	<u>193,256,405</u>	<u>9,977,008</u>

8. FINANCE COSTS

	Half-year Ended 30 June 2017	Half-year Ended 30 June 2016
	\$	\$
Interest expense	(273,773)	(893,788)
Foreign currency gains	50,082	264,380
Fair value adjustment (see note 4(c))	<u>178,263</u>	<u>1,134,802</u>
	<u>(45,428)</u>	<u>505,394</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2017

Tian Poh Resources Limited

9. COMMITMENTS

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

10. INTEREST IN SUBSIDIARIES**(a) Subsidiaries**

The consolidated financial statements include the financial statements of Tian Poh Resources Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	% Equity interest 2017	% Equity interest 2016
Poh Golden Ger Resources Limited	Seychelles	100%	100%
Poh Golden Ger Resources Pte Ltd	Singapore	100%	100%
Poh Golden Ger Resources LLC	Mongolia	100%	100%
Amulet LLC	Mongolia	100%	100%
Mandal-Urgukh LLC	Mongolia	100%	100%
Khangailand LLC	Mongolia	100%	100%
Derong Mining Limited	Hong Kong	100%	100%
Huabei Kuangye LLC	Mongolia	100%	100%
Modun Resources LLC	Mongolia	100%	100%

11. EVENTS AFTER BALANCE DATE

There are no significant events subsequent to reporting date which may affect the financial position of the Group.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes thereto, as set out on pages 7 to 11:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting, Corporation Act 2001, the Corporations Regulations 2001 and mandatory professional reporting requirements; and
 - b. give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to S303 (5) of the Corporations Act 2001.



Mr KP Poh
Managing Director

13 September 2017

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF TIAN POH RESOURCES LIMITED

As lead auditor for the review of Tian Poh Resources Limited for the half-year ended 30 June 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
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Tian Poh Resources Limited and the entities it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 13 September 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Tian Poh Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tian Poh Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2017, 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 30 June 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 Tian Poh Resources 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 Tian Poh Resources 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 Tian Poh Resources 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 30 June 2017 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*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', written over a horizontal line.

Phillip Murdoch

Director

Perth, 13 September 2017