

Hawkstone Mining Limited

Interim financial report

for the half-year ended 31 December 2017

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Corporate directory

Directors	Mr Shaun Hardcastle Non-Executive Director
	Ms Oonagh Malone Non-Executive Director
	Mr Richard Pearce Non-Executive Director
Company Secretary	Ms Oonagh Malone
Registered Office	Suite 23, 513 Hay Street Subiaco WA 6008
Share register	Security Transfer Australia Pty Ltd 770 Canning Highway Applecross WA 6153 Tel: (08) 9315 2333
Auditor	William Buck Audit (WA) Pty Ltd Level 3 15 Labouchere Road South Perth WA 6151
Securities exchange listing	Australian Securities Exchange Level 40, Central Park 152 – 158 St Georges Terrace Perth Western Australia 6000 Code: HWK

Directors' report

The Directors present their interim financial report, together with the consolidated financial statements of Hawkstone Mining Limited ("HWK", the "Company" or "parent") and its controlled entities ("Consolidated Entity" or the "Group"), for the half-year ended 31 December 2017.

1. DIRECTORS

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

- Mr Shaun Hardcastle, who was appointed as a Non-Executive Director on 23 February 2015.
- Ms Oonagh Malone, who was appointed as a Non-Executive Director and Company Secretary on 23 February 2015.
- Mr Richard Pearce, who was appointed as a Non-Executive Director on 23 February 2015.

2. COMPANY SECRETARY

The Company Secretary is Ms Oonagh Malone, who was appointed on 23 February 2015.

3. PRINCIPAL ACTIVITIES

During the half-year, Hawkstone Mining Limited continued exploration on the Kangwane South Anthracite Project in South Africa.

4. REVIEW OF OPERATIONS

Summary of Results

The Group's loss attributable to members of the Company for the half year ended 31 December 2017 was \$456,427 (2016: profit of \$2,144,206). At 31 December 2017, the Group had net assets of \$1,394,907 (30 June 2017: \$1,753,522) and the Company had 276,127,995 (30 June 2017: 276,127,995) shares on issue.

Kangwane South Project

During the half-year, the Group continued exploration on the Kangwane South Anthracite Project in South Africa, with announcements of:

- completion of the initial drilling campaign;
- completion of aeromagnetic and radiometric survey over the tenement with interpretations confirming previous geophysical findings; and
- commencement of a 6 hole drill program over favourable targets.

Corporate activity

During the half-year, the Company:

- Held Annual General Meetings for years ended 30 June 2013 to 30 June 2017.
- Issued a total of 6,000,000 share options to Directors.

Directors' report (continued)

5. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

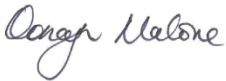
No events that would have significant effect on the financial report have occurred since the end of the reporting period.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2017.

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Board of Directors.



Ms Oonagh Malone
Non-Executive Director

Dated this 16th day of March 2018

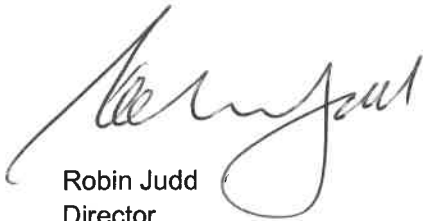
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF HAWKSTONE MINING LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2017 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads "William Buck".

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

A handwritten signature in black ink that reads "Robin Judd".

Robin Judd
Director

Dated this 16th day of March, 2018

**CHARTERED ACCOUNTANTS
& ADVISORS**

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South Perth WA 6951

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Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2017

	Note	31 December 2017 \$	31 December 2016 \$
Revenue	2	1,265	1,527
Gain on debt forgiveness and restructuring	14	-	2,502,754
Consulting and advisory fees		(875)	(19,371)
Employee benefit expense		(1,416)	-
Corporate and regulatory expenses		(19,421)	(25,065)
(Directors' fees)/ write back of Directors' fees		(174,720)	50,001
Exploration and evaluation		(104,349)	-
Legal Fees		(60,590)	(14,308)
Finance costs	3	-	(331,604)
Occupancy expenses		(24,000)	-
Other gains and losses		41,333	(1,156)
Administrative expenses	3	(113,654)	(18,572)
(Loss)/profit before income tax expense		(456,427)	2,144,206
Income tax benefit		-	-
(Loss)/profit for the period		(456,427)	2,144,206
-attributable to members of the parent		(456,427)	2,144,206
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign controlled entities, net of tax		(22,908)	988,945
Total comprehensive (loss)/profit for the period		(479,335)	3,133,151
- attributable to members of the parent		(479,335)	3,133,151
Basic (Loss)/profit per share in cents	4	(0.17)	34.99
Diluted (Loss)/profit per share in cents	4	(0.17)	34.99

The accompanying notes form part of these financial statements.

Consolidated statement of financial position as at 31 December 2017

	Notes	31 December 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents		262,967	653,214
Trade and other receivables	5	28,843	57,419
TOTAL CURRENT ASSETS		291,810	710,633
NON-CURRENT ASSETS			
Mineral exploration & evaluation expenditure	6	536,480	536,480
Other financial assets	7	578,137	555,228
TOTAL NON-CURRENT ASSETS		1,114,617	1,091,708
TOTAL ASSETS		1,406,427	1,802,341
CURRENT LIABILITIES			
Trade and other payables		11,520	48,819
TOTAL CURRENT LIABILITIES		11,520	48,819
TOTAL LIABILITIES		11,520	48,819
NET ASSETS		1,394,907	1,753,522
EQUITY			
Issued capital	8	57,933,709	57,933,709
Reserves		1,861,483	1,763,671
Accumulated losses		(58,400,285)	(57,943,858)
TOTAL EQUITY		1,394,907	1,753,522

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity for the half-year ended 31 December 2017

	Issued capital	Share based payment reserve	Foreign translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
At 1 July 2016	55,729,051	3,974,050	(3,307,135)	(59,394,591)	(2,998,625)
Comprehensive Income					
Profit for the period	-	-	-	2,144,206	2,144,206
Other comprehensive income for the period, net of tax	-	-	988,945	-	988,945
Total comprehensive income for the period	-	-	988,945	2,144,206	3,133,151
Transactions with owners, in their capacity as owners, and other transfers					
Funds received for shares to be issued	1,892,500	-	-	-	1,892,500
Issue of convertible loans	50,000	-	-	-	50,000
Transaction cost of share issues	(61,205)	-	-	-	(61,205)
At 31 December 2016	57,610,346	3,974,050	(2,318,190)	(57,250,385)	2,015,821
At 1 July 2017	57,933,709	3,974,050	(2,210,379)	(57,943,858)	1,753,522
Comprehensive Income					
Loss for the period	-	-	-	(456,427)	(456,427)
Other comprehensive loss for the period, net of tax	-	-	(22,908)	-	(22,908)
Total comprehensive loss for the period	-	-	(22,908)	(456,427)	(479,335)
Transactions with owners, in their capacity as owners, and other transfers					
Share based payments	-	120,720	-	-	120,720
At 31 December 2017	57,933,709	4,094,770	(2,233,287)	(58,400,285)	1,394,907

The accompanying notes form part of these financial statements

Consolidated statement of cash flows for the half-year ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(407,512)	(112,379)
Interest received	1,265	1,527
Net cash used in operating activities	(406,247)	(110,853)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for other financial assets	-	(5,209)
Net cash used in investing activities	-	(5,209)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	75,000
Cost of share issues	-	(11,205)
Proceeds of share issues	16,000	1,989,000
Net cash provided by financing activities	16,000	2,052,795
Net (decrease)/increase in cash and cash equivalents	(390,247)	1,936,733
Cash and cash equivalents at the beginning of the period	653,214	4,811
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the period	262,967	1,941,544

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The interim financial report, including comparatives, should be read in conjunction with the annual Financial Report of Hawkstone Mining Limited for the year ended 30 June 2017 and any public announcements made by the Company during the half year in accordance with the continuous disclosure obligations arising under the Australian Securities Exchange Listing Rules and Corporations Act 2001.

The interim financial report covers Hawkstone Mining Limited (“the Company”) and controlled entities (“the Group”). The Company is limited by shares, incorporated and domiciled in Australia.

(b) Basis of preparation

The interim financial report has been prepared on an accruals basis and is based on historical cost modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian Dollars. The interim financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

The interim report does not include full disclosures of the type normally included in an annual financial report.

Going concern

The Consolidated Entity has incurred a loss of \$456,427 and experienced net cash outflows from operating activities of \$406,247 (2016: \$110,853) during the half year ended 31 December 2017. As at 31 December 2017, the Consolidated Entity had cash and cash equivalents of \$262,967 (30 June 2017: \$653,214), net assets of \$1,394,907 (30 June 2017: \$1,753,522) and market capitalisation of \$9,112,224 (30 June 2017: \$3,037,408).

Notes to the financial statements (continued)

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

These conditions indicate a material uncertainty that may cast significant doubt about the Consolidated Entity's ability to continue as a going concern. The Directors believe that it is appropriate to prepare the financial report on a going concern basis after consideration of the following matters:

- The Company has the ability to raise further working capital through the issue of equity as required, with market capitalisation significantly in excess of net assets;
- The Consolidated Entity can considerably reduce administrative cash flows before further funds are required, having received representations from related and other parties that should it be necessary they will defer cash payment of fees due until such time as the Consolidated Entity has sufficient cash reserves;
- The Consolidated Entity has received representations from Directors that should it be necessary they will defer cash payment of their fees until such time as the Consolidated Entity has sufficient cash reserves; and
- The Consolidated Entity can also defer any potential acquisitions or exploration projects until the completion of an associated capital raising.

As a consequence of the above, the Directors believe that the Consolidated Entity will be able to continue as a going concern and therefore these financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

Significant Accounting Policies

Other than as disclosed below, the significant accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2017 and have been consistently applied by the entities in the Group.

Exploration and Development Expenditure – clarification of policy applied

The exploration and development expenditure accounting policy disclosed in the 30 June 2017 financial report was inconsistent with the intended accounting policy of the Group.

As at 30 June 2017, other than costs incurred on the initial acquisition of the Kangwane South Project, no material exploration and development expenditure had been incurred. In the current half year work has commenced on the project, and the Group has clarified that its accounting policy is to capitalise costs incurred in the acquisition of rights to explore and then expense subsequent exploration and evaluation costs as they are incurred.

This clarification of accounting policy has no impact on the previously reported financial performance or position of the entity in prior periods.

Notes to the financial statements (continued)

2 REVENUE FROM ORDINARY ACTIVITIES

	31 December 2017 \$	31 December 2016 \$
Other revenue:		
<i>From operating activities</i>		
Interest received	1,265	1,527
Total revenue from ordinary activities	1,265	1,527

3 EXPENSES FROM ORDINARY ACTIVITIES

Individually significant items included in administration expenses due to their size or nature includes:

	31 December 2017 \$	31 December 2016 \$
Audit fees	(8,384)	(7,150)
Share registry fees	(8,926)	(9,678)
Administration and accounting fees	(95,695)	(878)
Other	(649)	(866)
Total	(113,654)	(18,572)

Individually significant items included in finance costs due to their size or nature includes:

	31 December 2017 \$	31 December 2016 \$
Interest on borrowings	-	(331,604)
Total	-	(331,604)

4 LOSS PER SHARE

	31 December 2017 \$	31 December 2016 \$
Basic/diluted (loss)/earnings per share in cents	(0.17)	34.99
Weighted average number of ordinary shares used in the calculation of basic/diluted (loss)/earnings per share	276,127,995	6,127,476
Basic/diluted (loss)/earnings	(456,427)	2,144,206

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share because there were no dilutive potential ordinary shares.

Comparative earnings per share were adjusted to reflect the 1:100 consolidation of ordinary shares that occurred during the comparative period.

Notes to the financial statements (continued)

5 TRADE AND OTHER RECEIVABLES

	31 December 2017 \$	30 June 2017 \$
CURRENT		
Other receivables	28,843	57,419
	28,843	57,419

6 MINERAL EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2017 \$	30 June 2017 \$
Opening Balance	536,480	536,480
Exploration expenditure incurred	-	-
Less: Impairment charges	-	-
Closing Balance	536,480	536,480

The balance carried forward represents the Kangwane South Anthracite Project which is in the exploration and evaluation phase. Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas. The interest in the Kangwane South Anthracite Project was previously impaired down to the estimated realisable value.

7 OTHER FINANCIAL ASSETS

	31 December 2017 \$	30 June 2017 \$
NON CURRENT		
Mining Rehabilitation Bond (Kangwane South Anthracite Project)	578,137	555,228
	578,137	555,228

As disclosed in Note 15, as a condition for the execution of the Kangwane South mining right, an environmental bond of ZAR5,574,974 (\$578,137 at 31 December 2017) was required by the South African Department of Mineral Resources. This amount was paid to a financial intermediary who holds the funds in trust for the Company and then issued a guarantee to the South African Government. During the period to 31 December 2017, there was no change in the required bond held of ZAR5,574,974. The movement in the balance relates solely to movements in foreign exchange rates.

Notes to the financial statements (continued)

8 ISSUED CAPITAL

	Number of shares 31/12/17	Number of shares 30/06/17	31/12/17 \$	30/06/17 \$
Opening balance - (fully paid ordinary shares)	276,127,995	612,747,560	57,933,709	55,729,051
1:100 share consolidation	-	(606,619,565)	-	-
Public offer of 200,000,000 shares at an issue price of \$0.01 each.	-	200,000,000	-	2,000,000
Conversion offer of 20,000,000 shares at an issue price of \$0.005 each.	-	20,000,000	-	100,000
Recapitalisation offer of 40,000,000 shares at an issue price of \$0.002 each.	-	40,000,000	-	80,000
Issuing compliance advisor shares	-	10,000,000	-	100,000
Transaction cost of share issues	-	-	-	(75,342)
Closing balance	276,127,995	276,127,995	57,933,709	57,933,709

9 FINANCIAL INSTRUMENTS

Fair Values

The fair value of financial assets and financial liabilities approximate their carrying amounts.

10 EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No events that would have significant effect on the financial report have occurred since the end of the reporting period.

11 SHARE BASED PAYMENTS

2,000,000 share options were granted to each Director, during the half year, with an exercise price of \$0.048 per share and an expiry date of 21/12/2020. These share options vested immediately and were valued at \$0.02012 each for a total value and expense recognised for the half-year of \$120,720. This expense is included in the balance of (Directors' fees)/ write back of Directors' fees.

These share options were valued as at the grant date of 30/11/2017 based on a share price at grant date of \$0.035, an exercise price of \$0.052, a 3 year term, a volatility of 104%, an interest rate of 3%pa, and no modifications to the basic Black-Scholes model for potential dividends or illiquidity.

There are 6,000,000 unquoted share options outstanding at 31 December 2017 (30 June 2017: nil) and no quoted share options.

12 SEGMENT INFORMATION

The Group's operations are in one reportable business and geographical segment being the exploration for coal in South Africa.

Notes to the financial statements (continued)

13 RELATED PARTY TRANSACTIONS AND BALANCES

Mr Hardcastle is a partner at Bellanhouse. Bellanhouse was paid legal fees of \$60,079 for the half year (year ended 30 June 2017: \$106,206).

14 GAIN ON DEBT FORGIVENESS AND RESTRUCTURING

A gain on debt forgiveness and restructuring of \$2,502,754 was recognised at 31 December 2016 following effectuation of the DOCA. Although the DOCA was effectuated on 27 February 2017, this was treated as a subsequent adjusting event. Components of this gain were as follows:

	31 December 2016 \$
Transfer of secured Prestige Glory Limited loan	3,247,358
Transfer of unsecured Prestige Glory Limited loan	1,227,205
Transfer of Finevest Investment loan	399,777
Transfer of Mighty River International loan	80,000
Transfer of trade creditors	504,274
Transfer of other current liabilities	23,037
Transfer of trade and other receivables, including GST receivable	(90,961)
Transfer of loan to Main Street 800 Pty Ltd	(1,884,951)
Amounts previously recognised in foreign currency translation reserves for disposed subsidiaries	(1,002,985)
Total	2,502,754

Notes to the financial statements (continued)

15 CONTINGENT LIABILITIES AND COMMITMENTS

As a condition for the execution of the Kangwane South mining right, an environmental bond of ZAR5,574,974 (\$578,137 at 31 December 2017) was required by the South African Department of Mineral Resources. This was paid on 17 February 2017 and is disclosed in note 7. This bond is held by a financial intermediary that has issued a guarantee to the South African Government, whereby funds will be released to the South African Government if a claim is required against this bond. As the Group is undertaking further exploration activities prior to any decision to mine, no related provision is included in the Consolidated Statement of Financial Position. This environmental commitment will only be recognisable as a liability in the Group's financial statements for accounting purposes once a decision to mine is made.

The following administrative services agreement is contracted for but not recognised in the financial statements:

	Consolidated Group	
	31 December 2017	30 June 2017
	\$	\$
Administrative Services Commitments		
Due within 1 year	60,000	60,000
Due greater than 1 year and less than 5	-	-
Total	60,000	60,000

The following legal services agreement is contracted for but not recognised in the financial statements. This agreement is with Bellanhouse, the related party of Mr Hardcastle detailed in note 13:

	Consolidated Group	
	31 December 2017	30 June 2017
	\$	\$
Legal Services Commitments		
Due within 1 year	30,000	30,000
Due greater than 1 year and less than 5	-	-
Total	30,000	30,000


Directors' declaration

In accordance with a resolution of the Directors of Hawkstone Mining Limited, we state that:

In the opinion of the Directors:

- a) the financial statements and notes, set out on pages 6 to 16, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Group as at 31 December 2017 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001:



Ms Oonagh Malone
Non-Executive Director
Dated this 16th March 2018

Hawkstone Mining Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Qualified Conclusion

We have reviewed the accompanying half-year financial report of Hawkstone Mining Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half-year (the consolidated entity) on pages 6 to 17, which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, except for the effects of the matters described in the *Basis for Qualified Conclusion* section of our report, we have not become aware of any matter that makes us believe that the half-year financial report of Hawkstone Mining Limited on pages 6 to 17 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 2017 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Qualified Conclusion

As a result of the company having been subject to external administration through a Deed of Company Arrangement and having had a significant turnover of staff and officers, complete accounting records were not maintained. For the full years ended 30 June 2013 to 30 June 2016, inclusive, and the half-years ended 31 December 2013 to 31 December 2016 inclusive, insufficient information was available to support several material contracts as well as transactions and balances of foreign subsidiaries. A disclaimer of conclusion was expressed on the financial report for the half-year ended 31 December 2016, due to these matters.

As the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the half-year ended 31 December 2016 were the subject of a disclaimer of conclusion and are presented as comparative information in this half-year financial report, our conclusion in respect of the half-year ended 31 December 2017 is qualified. Our conclusion is qualified due to the possible effects on the comparability of the current period information and the comparative period information due to our inability to obtain sufficient appropriate review evidence to provide a basis for a review conclusion in the prior period.

CHARTERED ACCOUNTANTS & ADVISORS

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Hawkstone Mining Limited

Independent auditor's review report to members

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the half-year financial report, which indicates that the consolidated entity incurred a loss of \$456,427 and experienced net cash outflows from operating activities of \$406,247 during the half-year ended 31 December 2017. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors 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 Responsibilities for the Review of the Half-Year Financial Report

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 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 Hawkstone Mining 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.

Hawkstone Mining Limited

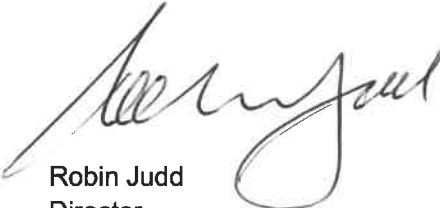
Independent auditor's review report to members

Independence

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



William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124



Robin Judd
Director

Dated this 16th day of March, 2018