



Erin Resources Limited and Controlled Entities

ABN 30 116 800 269

**FINANCIAL REPORT
30 JUNE 2015**

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Corporate Directory

Directors	Brett Mitchell Executive Chairman
	Nick Castleden Non-Executive Director
	Nick Poll Non-Executive Director
Company Secretary	Rachel Kerr
Registered Office and Principal Place of Business	Level 7, 1008 Hay Street Perth WA 6000 Telephone: +61 8 9389 2000 Facsimile: +61 8 9389 2099
Auditors	PKF Mack Level 4, 35 Havelock Street West Perth WA 6005 Telephone: +61 8 9426 8999
Solicitors	GTP Legal Level 1, 28 Ord Street West Perth WA 6005 Telephone: +61 8 6555 1866
Share Registrar	Computershare Investor Services Pty Limited ABN 48 078 279 277 Level 11 172 St Georges Terrace Perth WA 6000 Telephone: 1300 787 272
Stock Exchange Listing	Erin Resources Limited shares and options are listed on the Australian Stock Exchange (ASX) Code 'ERI' for ordinary shares
Website	www.erinresources.com.au

Directors' Report

The Directors present their report on Erin Resources Limited ("the Company") and its controlled entities ("group") for the financial year ended 30 June 2015.

Directors

The names of Directors in office at any time during or since the end of the year are:

Director	Title	Appointment Date
Brett Mitchell	Executive Chairman	4 April 2013
Nick Castleden	Non-Executive Director	12 May 2014
Nick Poll	Non-Executive Director	4 April 2013

Directors have been in office since the start of the financial year to the date of this report.

Company Secretary

Rachel Kerr held the position of Company Secretary for the full financial year.

Principal Activities

The Company is a gold focused exploration company with projects in Senegal.

Operating Results

The consolidated loss of the group amounted to \$3,797,791 (2014: \$5,337,815).

Dividends Paid or Recommended

No dividends have been paid or declared for payment during, or since, the end of the financial year.

Directors' Report

Review of Operations

- During the 2014/15 financial year Erin Resources secured the option to acquire 100% of MGC Pharmaceuticals Ltd (MGC), a European medical and cosmetic cannabis company, founded by Israeli experts from the medical cannabis industry
- The acquisition of MGC will see Erin diversify its operations into the rapidly growing, global medical cannabis market, specifically focused on the benefits of Cannabidoil (CBD) for skin and medical conditions like epilepsy
- MGC have now secured key licenses in Slovenia to grow, process and extract, import and export Cannabis Sativa L (Hemp) and related CBD products into European markets
- \$60,000,000 initial CBD off-take agreement signed by MGC - delivery of a minimum of 300kg of CBD extract, \$15,000,000 offtake per year for minimum of 4 years
- Strategic CBD cosmetics joint venture agreement signed with Natura Laboratories - develop CBD cosmetic and OTC medical products – a leading Israeli cosmetics supplier
- Successful capital raising of \$500,000 completed, with an additional \$2,709,033 in working capital secured through underwriting of 2.0c listed options which was completed in July
- Company enters H2 2015 in a strong financial position, set up to accelerate its path to commercialisation and first cashflows from initial operations in H1 2016

Corporate

During the financial year the Company announced it had secured the option to acquire 100% of the issued capital of medical cannabis Company MGC Pharmaceuticals Ltd (MGC), a European medical and cosmetic cannabis company. This acquisition will strategically diversify the Company's operations into the rapidly growing medical device, products and cosmetics industries.

The Company secured \$2,709,033 in new funding through the execution of an underwriting agreement for the conversion of 135,451,635 listed 2.0 cent options expiring on 30 June 2015 with Calibre Investments and Merchant Corporate Finance Pty Ltd (Merchant) as announced on 30 June 2015.

On 14 July 2015 the Company announced the issue of 123,418,924 ordinary shares pursuant to the Underwriting Agreement with Merchant and relevant sub-underwriting agreements, which has raised \$2,468,378 (before costs). The issue of the Shares, together with the issue of shares on 9 July 2015 to the ERIOB holders who exercised their options, has delivered approximately \$2,709,033 (before costs) to the Company, augmenting its existing working capital.

Now complete, the Company is proceeding with its proposed acquisition of MGC, subject to Shareholder approvals and satisfying the ASX listing rules for Chapters 1 & 2 re-compliance upon the completion of its due diligence processes currently underway.

Operational

MGC Pharmaceuticals

During June MGC Pharmaceuticals was granted key commercial licenses to grow, extract, import and export Cannabis Sativa L (Hemp) and its products, including Cannabidoil (CBD) resin in Slovenia, Europe. The first license enables MGC to establish a growing operation in the region. Importantly, the license allows MGC to produce an unlimited amount of Cannabis *Sativa L*. Further to the license to grow the Cannabis *Sativa L* MGC has also been granted a license to extract and export the Cannabidoil (CBD) resin from the Cannabis *Sativa L* at the growing facility.

Importantly MGC signed a \$60,000,000, 4 year minimum CBD off-take agreement with Natura Laboratories Ltd (Natura), immediately accelerating the commercialisation timetable of MGC and revenue streams. The agreement is for the supply of a minimum of 300kg of CBD resin per year equating to \$15,000,000 revenue per year for at least 4 years to be used as the base product in cosmetic and medical device products. Additional offtake agreements are currently being reviewed by MGC executives to cover the majority of its planned production volume when at current full scale operational capacity in H2 2016.

Directors' Report

MGC also made significant progress during the June quarter executing its strategy in the medical and cosmetics products markets with the execution of a strategic joint venture for the research and development of CBD based cosmetic products, food supplements and over-the-counter medical devices with Natura. The agreement expands MGC's business model, being able to vertically integrate from its CBD production business to develop with Natura its own range of cosmetics and OTC medical device products at extremely high margins, and importantly positions MGC to achieve first revenues in H1 2016.

As part of its JV with Natura, MGC is developing numerous CBD based formulas and products for the treatment of various skin ailments including Acne and Psoriasis. The first phase testing commenced during the June quarter and has shown positive initial results. The JV has selected several (50+) formulas to progress to the second phase of product trials, which includes a two-three month trial with human volunteers and further formulating of the product. MGC anticipates the final testing phase to commence in H2 CY2015 with the targeted launch of initial CBD skin care products expected in early 2016.

Senegal Gold Operations

Erin currently owns a 77.5-100% equity interest in six (6) strategically located gold permits in Senegal. All the Company's projects lie within the Kedougou inlier that extends over eastern Senegal and along the country's western border with Mali. There are four multi-million ounce gold deposits discovered within 25km of Erin's projects: Loulou (12Moz), Masawa (3.5Moz), Petowal (1.4Moz) and Oromin (3.7Moz), demonstrating the potential for commercial discovery in the district.

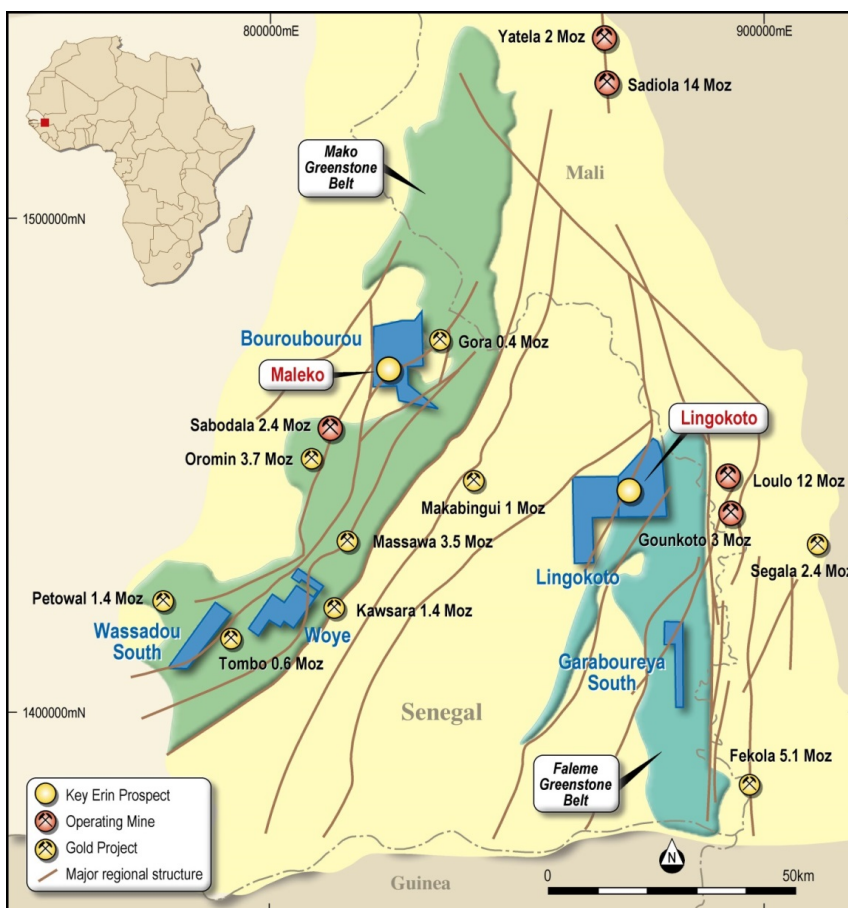


Figure 1. Regional Plan Senegal Permits and Location of Lingokoto Permit

Directors' Report

Exploration Programs Completed in 2015

On the Bouroubourou project area, located near Teranga's Sabadola gold mine, step-out soil sampling was carried out over an untested area south of the Maleko drill-target, successfully identifying several anomalous trends flanking a granitoid intrusion. Field investigation of a 1km long >20ppb soil anomaly containing individual results to 1420ppb Au (1.42g/t Au) has located several localised outcrops of silica-pyrite veined sediments exposed through cover material. Rock-chip traverses over the outcrops returned promising results including 2m @ 15.7g/t Au and 2m @ 1.78g/t Au, and spot sample results between 0.10 and 7.35g/t Au.

This prospect is now emerging as the second priority drill-target to complement the lead Maleko gold prospect. Additional field work will continue over this target and new anomalous trends on the permit.

New field work programs were also carried out at the Garaboueya and Woye permits, identifying previously undocumented artisanal workings. Both permits have undrilled soil anomalies and will receive additional mapping and sampling in H2 2015.

Lingokoto Gold Project

The final set of aircore drilling results released by the Company in July 2014 confirmed the significant potential of the Lingokoto gold project in Senegal.

These results show Lingokoto is emerging as a substantial gold system, with mineralisation now outlined over a 1km strike length. It remains open to the south-west and at depth.

The region to the east of the permit contains several 1Moz-plus gold deposits, including Randgold Limited's Loulo goldmine (more than 12Moz gold) which lies 24km east of the Lingokoto discovery.

The aircore program completed earlier this year was the first systematic drilling program at Lingokoto, and it successfully extended the known mineralisation 980m to the south-west of the initial RAB intersections, which included a near-surface result of 6m at 51.5gpt (see ASX release dated January 29, 2014).

Maleko Gold Project

In early 2014, the Company reported fresh soil sampling results from the Maleko prospect, confirming Maleko as the Company's second highly promising gold project in Senegal, with the anomaly more than doubling in length to 1.2km.

The Maleko project is strategically located only 20km from Teranga's Sabadola mine, the only operating gold mine in Senegal. Maleko is located between Sabadola and Teranga's Gora deposit, which is high grade feed for the Sabadola mill.

Drilling at Maleko in late 2013 returned strong results from bedrock, including 7m at 10.4g/t. The drilling program was only conducted over a 140m strike length, with the best results coming from the western-most traverse against the original permit boundary, where the anomaly now remains open for a further 1km.

Competent Persons Statement

The information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr Nick Castleden who is a member of the Australian Institute of Geosciences. Mr Castleden is a Director of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Castleden consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Exploration results referring to Lingokoto have been previously disclosed by Erin Resources in accordance with JORC 2012 in the announcements dated 29/01/2014 entitled 'High Grades Encountered in First Pass Drilling'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The exploration results relating to the other projects were previously prepared and disclosed under the JORC Code 2004 and have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified from the original market announcement. Refer to www.erinresources.com for details on exploration results.

Significant Changes in State of Affairs

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

Directors' Report

After Reporting Date Events

On 14 July 2015 the Company announced the issue of 123,418,924 ordinary shares pursuant to the Underwriting Agreement with Merchant and relevant sub-underwriting agreements, which has raised \$2,468,378 (before costs). The issue of the Shares, together with the issue of shares on 9 July 2015 to the ERIOB holders who exercised their options, has delivered approximately \$2,709,033 (before costs) to the Company, augmenting its existing working capital.

Apart from this matter, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Change in Nature and Scale of Operations

There was no change in nature and scale of operations of the Company during the year.

Environmental Issues

The group's operations are subject to various environmental laws and regulations under the relevant Governments' legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve. There have been no significant known breaches by the group during the financial year.

Future Developments, Prospects and Business Strategies

The Company will continue to pursue its policy of enhancing the prospect of greater returns to its investors through further strategic investments during the next financial year. Further information about likely developments in the operations of the group and the expected results of those operations in future financial years has not been included in this report, because disclosure of the information would be likely to result in unreasonable prejudice to the group.

Information on Directors and Secretary

Names, qualifications experience, and special responsibilities of current directors and company secretary

Brett Mitchell

Qualifications

Experience

Executive Chairman

BEC

Mr Mitchell is a corporate finance executive with over 20 years of experience in the finance and resources industries. He has been involved in the founding, financing and management of both private and publicly-listed resource companies and holds executive and non-executive directorship roles.

Mr Mitchell holds a Bachelor of Economics from the University of Western Australia and is also a member of the Australian Institute of Company Directors (AICD).

Interest in Shares and Options

Brett and Michelle Mitchell <Mitchell Spring Family A/C>
9,458,889 Ordinary Shares
1,500,000 Unlisted Options exercisable at \$0.025 each on or before 30 June 2017
1,500,000 Unlisted Options exercisable at \$0.04 each on or before 30 June 2017
800,000 Unlisted Options exercisable at \$0.20 each on or before 30 June 2017

Brett and Michelle Mitchell <Lefthanders Super Fund A/C>
1,735,005 Ordinary Shares
1,000,000 Unlisted Options exercisable at \$0.025 each on or before 30 June 2017
1,000,000 Unlisted Options exercisable at \$0.04 each on or before 30 June 2017

Directorships held in other listed entities within the past three years

Digital CC Limited (5 September 2014 – current)
Citation Resources Ltd (24 November 2011 – current)
Tamaska Oil and Gas Ltd (1 August 2011 – 1 February 2015)
Wildhorse Energy Ltd (22 April 2009 – 29 August 2014)
Transerv Energy Ltd (24 July 2006 – 19 August 2013)
Quest Petroleum NL (21 May 2007 – 5 June 2013)

Directors' Report

Nick Castleden

Qualifications

Experience

Non-Executive Director

BSc (Hons)

Mr Castleden is a geologist with over 20 years of experience in the mineral exploration and development industry. He has worked with Australian mining companies including Mt Isa Mines, Perilya Mines, MPI Mines, LionOre and Breakaway Resources in various exploration, geological and management capacities and has had operational experience in Africa, North and South America and across Australia.

Mr Castleden has specific experience in the gold, nickel and base metal exploration business and has participated in the discovery and delineation of new gold and nickel sulphide systems that have progressed through feasibility studies to successful mining.

Interest in Shares and Options

David Nicholas Castleden

3,500,000 Unlisted Options exercisable at \$0.025 each on or before 30 June 2017

3,500,000 Unlisted Options exercisable at \$0.04 each on or before 30 June 2017

Anna Louise Murphy (Wife)

1,185,148 Ordinary Shares

Directorships held in other listed entities within the past three years

Apollo Consolidated Limited (4 August 2009 – current)

DGI Holdings Limited (renamed iCollege Limited) (27 August 2012 – 1 May 2014)

Allied Consolidated Limited (renamed Disruptive Investment Group Limited)

(8 October 2012 – 1 February 2013)

Nick Poll

Qualifications

Experience

Non-Executive Director

BSc (Hons), MSc (Geol), MSc (Bus)

Mr Poll is a geologist with over 25 years of experience in the geological and business development of mining projects. Most recently, he was co-founder and Managing Director of Mirabela Nickel Limited and led the discovery, development and construction of the Santa Rita nickel project. Santa Rita is the largest nickel sulphide discovery in over a decade and was built within 5 years - from first drill hole to first nickel production. The mine now produces about 20,000t of nickel a year at a cash cost below US\$6.00/lb of nickel.

Mr Poll held various positions in exploration and mining projects for gold and nickel over a long career with WMC Resources Limited. During this time, he established and managed WMC's early stage gold exploration program in French Guiana.

Mr Poll has a BSc (Hons) from the University of Western Australia, an MSc in geology from the Colorado School of Mines and an MSc in business from the London Business School. He speaks fluent French and Portuguese and is a member of the Australian Institute of Mining and Metallurgy (AIMM) and the Australian Institute of Company Directors (AICD).

Interest in Shares and Options

Mr Nicholas Poll and Mrs Claire Poll <Poll Investment Family Trust>

1,000,000 Unlisted Options exercisable at \$0.025 each on or before 30 June 2017

1,000,000 Unlisted Options exercisable at \$0.04 each on or before 30 June 2017

Directorships held in other listed entities within the past three years

Rachel Kerr

Experience

Company Secretary

Mrs Kerr has 6 years' experience as a Company Secretary on both private and public companies, working on acquisitions, capital raisings, listing of companies on ASX, due diligence reviews and compliance of public companies. Mrs Kerr is also Company Secretary of Digital CC Limited.

Directors' Report

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each key management person of Erin Resources Limited, and for the executives receiving the highest remuneration.

Remuneration Policy

The remuneration policy of Erin Resources Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The Board of Erin Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the group is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- The Board reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel are also entitled to participate in the employee share and option arrangements.

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9.5% (financial year 2014: 9.25%) and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by key management personnel. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the consolidated group. However, to align directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Performance-based Remuneration

As part of each member of the key management personnel's remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between key management personnel with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with key management personnel to ensure buy-in. The measures are specifically tailored to the areas each key management personnel are involved in and have a level of control over. The KPIs target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short- and long-term goals. The level set for each KPI is based on budgeted figures for the group and respective industry standards.

Directors' Report

Remuneration Report (continued)

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the group's goals and shareholder wealth, before the KPIs are set for the following year.

Company Performance, Shareholder Wealth and Director and Executive Remuneration

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of key management for the group is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement. Any options not exercised before or on the date of termination lapse.

Mr Brett Mitchell, Mr Nicholas Poll and Mr Nicholas Castleden had contracts in place with the Company during the financial year as detailed below:

Mr Brett Mitchell, Executive Chairman

- Agreement commenced 1 January 2014, no termination date;
- Annual Directors' fees of \$25,000 per annum; and executive fee of \$71,000 per annum;
- Mr Mitchell's executive fee was increased to \$119,000 per annum on 1 August 2014.

Mr Nicholas Castleden, Non-Executive Director

- Agreement commenced 12 May 2014, no termination date;
- Annual Directors' fees of \$25,000 per annum
- Consultancy fees of \$36,000 per annum, with an additional \$2,000 per annum on for demanding months.

Mr Nicholas Poll, Non-Executive Director

- Agreement commenced 1 January 2014, no termination date;
- Annual Directors' fees of \$25,000 per annum

Details of Remuneration

Compensation of Key Management Personnel Remuneration – 2015

Directors	Short-term Benefits			Post-employment benefits			Share based Payment Options	Total
	Cash, salary and commissions	Other	Superannuation	Termination benefits	Equity			
Brett Mitchell	25,000	115,000	-	-	-	38,500	178,500	
Nick Castleden	24,833	-	-	-	-	53,900	78,733	
Nick Poll	25,000	-	-	-	-	15,400	40,400	
Total	74,833	115,000	-	-	-	107,800	297,633	

Directors' Report**Remuneration Report (continued)***Compensation of Key Management Personnel Remuneration – 2014*

Directors	Short-term Benefits		Post-employment benefits				Total
	Cash, salary and commissions	Other	Superannuation	Termination benefits	Equity	Share based Payment Options	
Brett Mitchell	25,000	44,500	-	-	-	-	69,500
Nick Castleden ¹	4,167	30,000	-	-	-	-	34,167
Nick Poll	25,000	10,416	-	-	-	-	35,416
Grant Davey ²	20,625	-	-	-	-	-	20,625
Total	74,792	84,916	-	-	-	-	159,708

¹ Appointed on 12 May 2014

² Resigned on 12 May 2014

All Directors have contracts with the Company.

Option Holdings of Key Management Personnel

Details of options and rights held directly, indirectly or beneficially by KMP and their related parties are as follows:

Option holdings 2015

Listed Options exercisable at \$0.02 expiring 30 June 2015

Directors	Opening Balance			Sold	Closing Balance
	1-Jul-14	Granted/Purchased			
Brett Mitchell*	3,177,558	-	-	-	3,177,558
Nick Castleden	280,035	-	-	-	280,035
Nick Poll	-	-	-	-	-
Total	3,457,593	-	-	-	3,457,593

*Includes Verona Capital Pty Ltd, a company controlled 20% by Brett Mitchell.

Unlisted Options exercisable at \$0.025, \$0.04 and \$0.20 all expiring 30 June 2017

Directors	Opening Balance			Sold	Closing Balance
	1-Jul-14	Granted/Purchased			
Brett Mitchell*	800,000	5,000,000	-	-	5,800,000
Nick Castleden	-	7,000,000	-	-	7,000,000
Nick Poll	-	2,000,000	-	-	2,000,000
Total	800,000	14,000,000	-	-	14,800,000

*Includes Verona Capital Pty Ltd, a company controlled 20% by Brett Mitchell.

Shareholdings of Key Management Personnel

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by KMP and their parties are as follows.

Shareholdings 2015

Directors	Opening Balance		Granted as Compensation	Options Exercised	Net Other Changes ¹	Closing Balance
	1-Jul-14					
Brett Mitchell*	9,943,894	-	-	-	-	9,943,894
Nick Castleden	1,185,148	-	-	-	-	1,185,148
Nick Poll	-	-	-	-	-	-
Total	11,129,042	-	-	-	-	11,129,042

*Includes Verona Capital Pty Ltd, a company controlled 20% by Brett Mitchell.

¹ Net other changes are as a result of shares allotted on share issues and other movement due to changes in directors and directors' related entities.

Directors' Report**Remuneration Report (continued)****Share-based Compensation****Value of Options**

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Directors	Grant Date	Vesting date and exercisable date	Expiry Date	Exercise Price	Fair value per option at grant date
Brett Mitchell	17/09/2014	17/09/2014	30/06/2017	\$0.025	\$0.0082
				\$0.04	\$0.0072
Nick Castleden	17/09/2014	17/09/2014	30/06/2017	\$0.025	\$0.0082
				\$0.04	\$0.0072
Nick Poll	17/09/2014	17/09/2014	30/06/2017	\$0.025	\$0.0082
				\$0.04	\$0.0072

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Directors	Number of options granted during the year		Number of options vested during the year	
	2015	2014	2015	2014
Brett Mitchell	5,000,000	-	5,000,000	-
Nick Castleden	7,000,000	-	7,000,000	-
Nick Poll	2,000,000	-	2,000,000	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Directors	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Brett Mitchell	38,500	-	-	21.57
Nick Castleden	53,900	-	-	68.46
Nick Poll	15,400	-	-	38.12

End of Remuneration Report

Directors' Report

Meetings of Directors

The Directors attendances at Board meetings held during the year were:

	Board Meetings	
	Number eligible to attend	Number attended
Brett Mitchell	5	5
Nick Castleden	5	5
Nick Poll	5	5

The Company does not have any remuneration, nomination or audit committees, these functions are performed by the Board.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Erin Resources Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Stock Exchange Corporate Governance Council, and considers that the Company is in compliance with those guidelines which are of importance to the commercial operation. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company. A Corporate Governance Policy is included as part of this report.

Options

At the date of this report the unissued ordinary shares of Erin Resources Limited under option are as follows:

Issue Date	Date of Expiry	Exercise Price	Number under Option
14 September 2012	30 June 2017	\$0.20	4,000,000
23 January 2013	23 January 2018	\$0.30	1,000,000
23 January 2013	23 January 2018	\$0.35	500,000
23 January 2013	23 January 2018	\$0.40	500,000
22 July 2014, 17 September 2014	30 June 2017	\$0.025	11,250,000
22 July 2014, 17 September 2014	30 June 2017	\$0.04	11,250,000
Total			28,500,000

Indemnifying Officers or Auditor

During or since the end of the financial year, the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure all of the Directors of the Company as named above, the Company secretary and all executive officers of the Company against any liability incurred as such by a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the notice of the liability and the amount of the premium.

The Company has not indemnified the auditor or paid any insurance premium on behalf of the auditor.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Directors' Report

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the service provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year, there were no fees paid or payable for non-audit services by PKF Mack and its related practices.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 16 of the financial report.

This report is made in accordance with a resolution of Directors. These financial statements were authorised for issue on 18 August 2015 by the Directors of the Company.



Brett Mitchell
Executive Chairman
Dated 18 August 2015

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ERIN RESOURCES LIMITED**

In relation to our audit of the financial report of Erin Resources Limited for the year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF MACK



SIMON FERMANIS
PARTNER

18 AUGUST 2015
WEST PERTH,
WESTERN AUSTRALIA

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

		CONSOLIDATED GROUP	
		30-Jun-15	30-Jun-14
		\$	\$
	<i>Note</i>		
Revenue	4	5,886	11,357
Professional and consultancy fees		(99,859)	(146,051)
Marketing expenses		(36,393)	(12,326)
Directors' fees		(164,833)	(119,083)
Employee benefit expenses	5	(302,065)	(94,548)
Due diligence expenditure		(166,075)	-
Office and administrative expenses		(43,188)	(30,477)
Impairment provision expense	12	(2,777,367)	(4,834,962)
Other expenses		(207,383)	(109,072)
Loss before operating activities		(3,791,277)	(5,335,162)
Foreign exchange losses		(6,514)	(2,653)
Loss before income tax		(3,797,791)	(5,337,815)
Income tax benefit	6	-	-
Loss after income tax from continuing operations		(3,797,791)	(5,337,815)
Other comprehensive income for the year			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on the translation of foreign operations		1,410	(711)
Other comprehensive income (net of tax) for the year		1,410	(711)
Total comprehensive loss for the year		(3,796,381)	(5,338,526)
Total comprehensive loss attributable to:			
Members of the parent entity		(3,796,381)	(5,338,526)
		(3,796,381)	(5,338,526)
Earnings per share for loss attributable to the ordinary equity holders of the parent:			
From continuing and discontinued operations			
Basic loss per share (cents)	8	(1.34)	(3.34)
Diluted loss per share (cents)	8	(1.34)	(3.34)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

As at 30 June 2015

		CONSOLIDATED GROUP	
		30-Jun-15	30-Jun-14
		\$	\$
Current Assets	<i>Note</i>		
CURRENT ASSETS			
Cash and cash equivalents	9	436,985	595,088
Other receivables	10	83,618	68,302
Total Current Assets		520,603	663,390
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	12	2,000,000	4,315,040
Total Non-Current Assets		2,000,000	4,315,040
TOTAL ASSETS		2,520,603	4,978,430
CURRENT LIABILITIES			
Trade and other payables	14	398,791	234,294
Total Current Liabilities		398,791	234,294
NON-CURRENT LIABILITIES			
Loan payable to third party	15	195,000	195,000
Total Non-Current Liabilities		195,000	195,000
TOTAL LIABILITIES		593,791	429,294
NET ASSETS		1,926,812	4,549,136
EQUITY			
Contributed equity	17a	16,501,303	15,701,181
Share based payment reserve	18a	883,083	509,148
Foreign currency translation reserve	18b	24,923	23,513
Retained earnings		(15,482,497)	(11,684,706)
TOTAL EQUITY		1,926,812	4,549,136

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

CONSOLIDATED GROUP	Contributed Equity \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2013	14,046,083	221,365	24,224	(6,346,891)	7,944,781
Total comprehensive loss attributable to members of parent entity	-	-	(711)	(5,337,815)	(5,338,526)
Shares issued during the year (net of share issue costs)	1,655,098	287,783	-	-	1,942,881
Balance at 30 June 2014	15,701,181	509,148	23,513	(11,684,706)	4,549,136
Balance at 1 July 2014	15,701,181	509,148	23,513	(11,684,706)	4,549,136
Total comprehensive loss attributable to members of parent entity	-	-	1,410	(3,797,791)	(3,796,381)
Shares issued during the year (net of share issue costs)	800,122	373,935	-	-	1,174,057
Balance at 30 June 2015	16,501,303	883,083	24,923	(15,482,497)	1,926,812

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

		CONSOLIDATED GROUP	
		30-Jun-15	30-Jun-14
<i>Note</i>		\$	\$
<i>Cash flows from operating activities</i>			
	Interest received	5,886	7,102
	Payments to suppliers and employees	(500,868)	(378,161)
	Due diligence costs	(122,725)	-
	Refund of research and development rebate	-	(101,679)
	Net cash used in operating activities	(617,707)	(472,738)
23			
<i>Cash flows from investing activities</i>			
	Payments for exploration assets	(316,396)	(507,878)
	Net cash used in investing activities	(316,396)	(507,878)
<i>Cash flows from financing activities</i>			
	Proceeds from issue of shares and options	797,135	1,574,494
	Capital raising costs	(20,574)	(157,566)
	Net cash provided by financing activities	776,561	1,416,928
	Net (decrease) / increase in cash and cash equivalents held	(157,542)	436,312
	Cash and cash equivalents at beginning of year	595,088	161,432
	Foreign exchange movement in cash	(561)	(2,656)
	Cash and cash equivalents at end of year	436,985	595,088
9			

The accompanying notes form part of these financial statements

Notes to the Financial Statements

The financial statements of Erin Resources Limited for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of Directors on 18 August 2015. These consolidated financial statements and notes represent those of Erin Resources Limited (the "Company") and Controlled Entities (the "consolidated group" or "group").

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001 as appropriate for 'for-profit' orientated entities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"). Material accounting policies adopted in the preparation of these financial statements are presented below and they have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Financial report prepared on a going concern basis

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year ended 30 June 2015 the consolidated group incurred a loss from continuing operations of \$3,797,791 (2014: \$5,337,815) and net operating cash outflows of \$617,707 (2014: \$472,738), and as at year-end had a cash and cash equivalents balance of \$436,985 (2014: \$595,088).

In the Directors' opinion there are reasonable grounds to believe that the consolidated group will be able to pay its debts as and when they become due and payable for the following reasons:

- (i) Following the group's execution of an underwriting agreement with Merchant Corporate Finance Pty Ltd to underwrite the Company's 135,451,635 Listed Options, exercisable at \$0.02 each and expiring as at 30 June 2015, the Company raised \$2.7 million on 3 July 2015; and
- (ii) As at the date of signing this financial report the cash and cash equivalents balance of the group is \$2,474,071.

If the Company and group are unable to continue as a going concern, then assets and liabilities will not be discharged in the normal course of business and at values specified in the financial report.

b) Principles of Consolidation

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference

Notes to the Financial Statements**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the group. Losses incurred by the group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

c) Acquisition of Assets

The acquisition method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued and liabilities assumed at the date of exchange. Where equity instruments are issued in an asset acquisition, the value of the equity instruments is the published market price as at the date of the exchange unless it can be demonstrated that the published price at the date of the exchange is an unreliable indicator of the fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the consolidated statement of comprehensive income.

d) Current and Non-Current classification

The group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- A Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in the deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided on all temporary differences at the statement of financial position date, arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

statements, and are recognised for all taxable temporary differences,

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future extent that it is probable that the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

Tax Consolidation

The Company and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidated legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 21 October 2005. The tax consolidated group has entered a tax funding agreement whereby each company in the group contributes to the income tax payable by the group in proportion to their contributions to the group's taxable income.

f) Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g) Employee Benefits

A provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

h) Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such

Notes to the Financial Statements**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and other comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Transaction differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

i) Segment Reporting

An operating segment is a component of the consolidated group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated group's other components.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

j) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

k) Revenue

Revenue is measured at the fair value of the consideration received or receivable. The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each type of revenue as described below.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset, or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m) Rounding of Amounts

The Company is a kind referred to in class order 98/100 issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that class order to the nearest dollar.

n) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

o) Share Based Payments

Share based compensation relating to share options are recognised at fair value.

Notes to the Financial Statements**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The fair value of the options is recognised as an employee benefit expense in the statement of profit or loss and other comprehensive income, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions, but excludes the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

p) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year, which remain unpaid at year end. The amounts are unsecured and are usually paid within 60 days of recognition. They are recognised at fair value on initial recognition and subsequently at amortised cost, using the effective interest rate method.

q) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less a provision for impairment. Trade receivables are generally due for settlement between thirty (30) and ninety (90) days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the impairment loss is recognised in the profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit or loss.

r) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit/loss in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

s) Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Plant and equipment 3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models. Financial assets are derecognised when the rights to receive 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.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through the statement of profit or loss. Fair value movements are recognised in the profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in the profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

u) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

All borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Notes to the Financial Statements**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****v) Fair Value Measurement**

The group measures financial instruments and non-financial assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

w) Earnings per Share*Basic earnings per share*

Basic earnings per share is calculated by dividing the net profit or loss after income tax attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary share and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

x) Parent Entity financial Information

The financial information for the parent entity, Erin Resources Limited, disclosed in note 16 has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Erin Resources Limited. Dividends received from associates are recognised in the parent entity's statement of profit or loss when its right to receive the dividend is established.

Notes to the Financial Statements

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Directors evaluate estimates and judgements incorporated into the financial report 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.

a) Estimated Impairment

The group tests annually whether exploration and evaluation expenditure have suffered any impairment, in accordance with the accounting policy stated in note 1(f). The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions like commodity price and production quantity. Some of these assumptions may be amended in the future and this may lead to the subsequent impairment of the assets concerned.

b) Capitalisation of Exploration and Evaluation Expenditure

The group has capitalised significant exploration and evaluation expenditure on the basis that this is either expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned, or on the basis that it is not yet possible to assess whether it will be recouped. Management are required to make certain judgements in relation to the assessment of whether the areas of interest are commercially viable; where costs are capitalised and are subsequently considered unsuccessful, the capitalised amounts are written off to the statement of profit or loss.

c) Income Taxes

The group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

d) Share Based Payments

The assessed fair value at grant date of share based payments granted during the period was determined using a binomial option pricing model that takes into account the exercise price, the price of the underlying share at grant date, the life of the option, the volatility of the underlying share, the risk free rate and expected dividend payout and any applicable vesting conditions.

Management was required to make assumptions and estimates in order to determine the inputs into the binomial option pricing model.

NOTE 3: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

a) Changes in Accounting Policy, Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

New and amended standards and interpretations

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2014:

AASB 2012-3 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]

The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments have been applied retrospectively.

As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)

The Annual Improvements 2010-2012 has made a number of amendments to various AASBs, which are summarised below:

Notes to the Financial Statements

NOTE 3: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

- The amendments to AASB 2: (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'.
- The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss.

b) Accounting Standards Issued but Not Effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the group for the annual reporting period ending 30 June 2015, are set out below:

Reference	Title	Summary	Application date of Standard	Application date for Company
AASB 9, AASB 2014-7, AASB 2014-8 Amendments arising to Australian Accounting Standards arising from AASB 9	Financial Instruments	The objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2018	1 July 2018

The following new or amended standards, applicable for annual reporting periods beginning after 1 January 2016 (unless otherwise stated), are not expected to have a significant impact on the Group's consolidated financial statements:

- AASB 2014-1 Amendments to Australian Accounting Standards – Part D Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts and Part E Financial Instruments (Part E applicable: 1 January 2018)
- 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 (Amendments to AASB 116 and AASB 138)
- AASB 2014-9 Amendments to Australian Accounting Standard – 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 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality (applicable: 1 July 2015)

Notes to the Financial Statements

NOTE 4: REVENUE

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
Interest income	5,886	7,102
Other income	-	4,255
	5,886	11,357

NOTE 5: EXPENSES

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
EMPLOYEE BENEFITS		
Wages and Salaries	127,318	80,802
Employee share option expense (note 21c)	174,747	13,720
Other employee costs	-	26
	302,065	94,548

NOTE 6: INCOME TAX EXPENSE

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
a) The components of income tax expense comprise:		
current tax		
deferred tax	(227,472)	(109,931)
DTA not recognised (losses)	257,469	180,246
DTA not recognised (temporary)	(29,997)	(70,315)
	-	-
b) The prima facie tax on Profit/(loss) from continuing operations and discontinued operations before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on (loss)/profit from continuing operations and discontinued operations before income tax at 30%	(1,127,239)	(1,601,345)
Add:		
Tax effect of:		
other non-allowable items	899,767	1,491,414
Other assessable items		-
Less:		
Tax effect of:		
Non-assessable items		-
Loss of discontinued operations		-
DTA not recognised (losses)	257,469	180,246
DTA not recognised (temporary)	(29,997)	(70,315)
Income tax expense/(benefit)	-	-
Deferred Tax Assets Not Brought to Account, the benefits of which will only be realised if the conditions for deductibility set out in Note (1e) occur		
Tax Losses	1,453,042	1,195,573
Temporary Differences	157,162	180,555
Total	1,610,204	1,376,128

Notes to the Financial Statements

NOTE 7: AUDITORS' REMUNERATION

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
Remuneration of the auditors of the group:		
Audit fees and review of financial reports - PKF Mack	22,500	28,500
	22,500	28,500

NOTE 8: EARNINGS PER SHARE

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
Basic loss per share (cents)	(1.34)	(3.34)
Diluted loss per share (cents)	(1.34)	(3.34)
Reconciliation of earnings to profit or loss		
(Loss) used in calculating basic and diluted EPS	(3,797,791)	(5,337,815)
	Number	Number
Weighted average number of ordinary shares and potential ordinary shares		
Weighted average number of ordinary shares used in calculating basic and diluted EPS	282,809,495	159,962,834

NOTE 9: CASH AND CASH EQUIVALENTS

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
Cash at bank	436,985	595,088
	436,985	595,088

NOTE 10: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
Current		
Other receivables	39,071	50,589
GST receivable	18,987	8,173
Prepayments	25,560	9,540
	83,618	68,302

Other receivables are non-interest bearing and are generally on terms of 30 days.

NOTE 11: PLANT AND EQUIPMENT

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
Plant and equipment		
- at cost	8,332	8,332
- accumulated depreciation	(8,332)	(8,332)
	-	-

Notes to the Financial Statements

NOTE 12: EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
Reconciliation of Exploration and Evaluation expenditure:		
Costs brought forward	4,315,040	8,466,010
Additions during the year	261,146	485,176
Impairment provision expense during the year	(2,777,367)	(4,834,962)
Amortisation of share based payments (note 21c)	199,188	197,562
Foreign currency movement	1,993	1,254
	2,000,000	4,315,040

The value of exploration and evaluation expenditure carried forward is dependent on continued rights of tenure, the results of future exploration and the recoupment of costs through successful development or sale.

30 June 2015

For the financial year ended 30 June 2015 the Directors have reduced the carrying value of exploration expenditure for the direct costs capitalised on each area of interest as this is now considered to be the recoverable amount; therefore indirect expenditure that cannot specifically be allocated to an area of interest has been expensed through the profit or loss. In the previous year the Directors impaired the goodwill associated with the acquisition of the assets in Senegal by \$4,834,962.

The Wassadou North and South, and Balakonko tenements were relinquished during the year and their carrying values reduced to nil; the group however successfully acquired a new tenement, Youboubou on 20 May 2015.

NOTE 13: CONTROLLED ENTITIES

	Country of incorporation	Percentage Owned (%)*	
		30-Jun-15	30-Jun-14
Parent Entity:			
Erin Resources Limited	Australia		
Subsidiaries of Erin Resources Limited:			
Erin Mineral Resources Limited	Australia	100	100
Subsidiaries of Erin Mineral Resources Limited:			
Erin Minerals Pty Limited	Australia	100	100
Erin Senegal S.A.U	Senegal	100	100

* Percentage of voting power in proportion to ownership

Disposal and acquisitions of controlled entities**30 June 2015**

There were no disposals or acquisitions during the year.

30 June 2014

During the year the group deregistered its wholly owned dormant subsidiary, Intramedics Pty Limited.

NOTE 14: TRADE AND OTHER PAYABLES

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
Current		
Trade payables	368,893	92,946
Accruals	29,898	141,348
	398,791	234,294

Refer to note 26 for details on management of financial risk.

Notes to the Financial Statements

NOTE 15: LOAN FROM THIRD PARTY

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
Non-current liabilities		
Loan payable to third party	195,000	195,000
	195,000	195,000

The loan payable to Verona Capital Pty Ltd relates to the original acquisition terms of Erin Resources Pty Ltd and is disclosed as per the prospectus dated 26 July 2012; the amounts are unsecured and interest free, and repaid based on future capital raisings or asset sales; on 15 April 2014, \$80,000 was settled as payment for entitlement issue shares.

Refer to note 26 for details on management of financial risk.

NOTE 16: PARENT COMPANY DISCLOSURES

a) Summary of Financial Information

The individual financial statements for the parent entity show the following aggregate amounts:

	30-Jun-15	30-Jun-14
	\$	\$
Current assets	511,364	647,303
Non-current assets	1,415,038	3,784,184
Total Assets	1,926,402	4,431,487
Current liabilities	297,412	161,158
Non-current liabilities	195,000	195,000
Total Liabilities	492,412	356,158
Contributed equity	16,501,303	15,701,181
Share based payment reserve	883,083	509,148
Accumulated losses	(15,950,396)	(12,135,000)
Total Equity	1,433,990	4,075,329
Loss for the year	(3,815,396)	(6,501,211)
Total comprehensive loss for the year	(3,815,396)	(6,501,211)

b) Commitments and Contingent Liabilities of the Parent

The parent entity did not have any contingent liabilities or commitments, as at 30 June 2015 (30 June 2014: nil).

c) Guarantees Entered Into the Parent Entity

There were no guarantees entered into by the parent entity.

NOTE 17: CONTRIBUTED EQUITY

	CONSOLIDATED GROUP			
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	NUMBER	NUMBER	\$	\$
Ordinary shares on issue, fully paid (note 17a)	359,134,917	244,707,934	16,501,303	15,701,181
VHL shares (note 21a)	13,000,000	13,000,000	-	-
	372,134,917	257,707,934	16,501,303	15,701,181

Notes to the Financial Statements

NOTE 17: CONTRIBUTED EQUITY (CONTINUED)

a) Reconciliation of Movement in Share Capital

30 June 2015	CONSOLIDATED GROUP		
	No. Of Shares	Issue Price	Amount
Opening balance at 1 July 2014	257,707,934		15,701,181
Capital raising ¹	64,426,983	0.005	322,135
Capital raising ²	50,000,000	0.01	500,000
Less: costs of issues			(22,013)
Closing balance at 30 June 2015	372,134,917		16,501,303
30 June 2014	No. Of Shares	Issue Price	Amount
Opening balance at 1 July 2013	75,958,059		14,046,083
Capital raising – entitlements issue ³	24,220,318	0.01	242,203
Capital raising – entitlements issue (underwritten) ⁴	54,400,000	0.01	544,000
Exercise of options	46,137	0.02	923
Capital raising – entitlements issue ⁵	74,216,156	0.01	742,162
Capital raising – entitlements issue (underwritten) ⁶	28,867,147	0.01	288,671
Exercise of options	117	0.02	2
Less: costs of issues	-		(162,863)
Closing balance at 30 June 2014	257,707,934		15,701,181

¹ The Company performed a capital raising, as announced on 6 March 2015 to sophisticated and professional investors. The Company issued 64,426,983 fully paid ordinary shares at an issue price of \$0.005 to raise \$322,135 before share issue costs.

² The Company performed a capital raising, as announced on 18 May 2015 to sophisticated and professional investors. The Company issued 50,000,000 fully paid ordinary shares at an issue price of \$0.01 to raise \$500,000 before share issue costs.

³ The Company performed an entitlement issue, pursuant to its prospectus dated 26 July 2013. The Company issued 24,220,318 fully paid ordinary shares at an issue price of \$0.01 to raise \$242,203 before share issue costs.

⁴ The Company performed an underwritten entitlement issue, pursuant to its prospectus dated 26 July 2013. The Company issued 54,400,000 fully paid ordinary shares at an issue price of \$0.01 to raise \$544,000 before share issue costs.

⁵ The Company performed an entitlement issue, pursuant to its prospectus dated 12 March 2014. The Company issued 74,216,156 fully paid ordinary shares at an issue price of \$0.01 to raise \$742,162.

⁶ The Company performed an underwritten entitlement issue, pursuant to its prospectus dated 12 March 2014. The Company issued 28,867,147 fully paid ordinary shares at an issue price of \$0.01 to raise \$288,671.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares have no par value.

b) Capital Risk Management

The group's objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group manages its capital by assessing the group's financial risk and adjusts its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

The group is not subject to any externally imposed capital requirements.

Notes to the Financial Statements

NOTE 18: RESERVES

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
a) Share based payment reserve		
Balance at 1 July	509,148	221,365
Share based payment movement during the year	373,935	287,783
	883,083	509,148

This comprises the amortised position of the share based payment expense (refer note 21c).

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
b) Foreign currency translation		
Balance at 1 July	23,513	24,224
Currency translation differences arising during the year	1,410	(711)
	24,923	23,513

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve as described in note 1(h). The reserve is recognised in profit and loss when the net investment is disposed of.

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company currently has contingent liabilities of \$100,054 that are related to, and dependent upon, material events occurring in relation to its Senegalese gold projects.

NOTE 20: COMMITMENTS

The Company holds tenements in Senegal and is required to incur minimum expenditure on the tenements to meet both regulatory and joint venture requirements.

Within the prior financial year, all joint venture commitments had been met, and 77% – 80% interests had been earned for all projects in line with the joint venture agreements.

The table below outlines only the minimum local government expenditure requirements on the exploration permits, payments of which are only payable at a stage of increased activity in Senegal and the commencement of a material exploration program.

	CONSOLIDATED GROUP	
	30-Jun-2015	30-Jun-2014
	\$	\$
No later than 1 year	1,574,705	1,333,283
Later than 1 year but not later than 5 years	1,392,263	1,118,394
Later than 5 years	-	1,699,698
	2,966,968	4,151,375

NOTE 21: SHARE BASED PAYMENTS

The fair value for all share options, as detailed below, are determined using a binomial option pricing method that takes into account the exercise price, the term of the option, the probability of exercise, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The inputs used for the valuations are tabled below for each class of option issued.

Notes to the Financial Statements

NOTE 21: SHARE BASED PAYMENTS (CONTINUED)

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The probability of the performance conditions occurring, where applicable are included in determining the fair value of the options.

a) Valuation of the Voluntary Holding Lock Shares

As part of the acquisition of Erin Mineral Resources Limited (EMRL), Voluntary Holding Lock shares were issued to the EMRL shareholders.

The Voluntary Holding Lock shares (VHL Shares) may only be released from their holding lock upon the earlier of the following being satisfied:

- a) a change in control of the Company; or
- b) the Company achieving an enterprise value of at least \$25 million for ten consecutive trading days.

The VHL Shares will be fully paid ordinary shares that will rank equally with all existing shares on issue.

If, within 5 years from the date of issue of the VHL shares, the milestone is not reached and there is no change of control event, in relation to Erin, the VHL Shares will be cancelled by way of selective capital reduction or share buyback at a price of \$0.000001 per share.

The VHL shares are included in the acquisition fair value of exploration and evaluation expenditure, and amortised over a period of 5 years.

Number of VHL shares issued	13,000,000
Fair value per share ¹	\$0.07
Total value of the issue	\$906,588
Amortisation expense (based on 5 years)	<u>\$187,641</u>

¹The shares have been valued based on the probability of the events occurring, using the volatility and the share price on the date of acquisition.

The following table lists the inputs to the model used for valuation of options:

Valuation date	17 August-12
Dividend yield (%)	Nil
Expected volatility (%)	71.75%
Share price at grant date (\$)	\$0.25
Probability (%)	<u>27.8%</u>

b) Valuation of Options Issued

(i) 4 million unlisted options

In part consideration for the provision of corporate advisory services to the Company, the Company issued 4,000,000 unlisted options (post consolidation) to Verona Capital Pty Ltd. The options have an exercise price of \$0.20 each expiring on or before 30 June 2017. The options will only vest and become exercisable upon the voluntary holding lock in respect of the VHL Shares being released.

The options are amortised over their expected life, being 5 years, and included in the fair value acquisition cost of exploration and evaluation expenditure.

Number of options	4,000,000
Fair value per option	\$0.01
Total value of the issue	\$55,790
Amortisation expense (based on 5 years)	<u>\$11,547</u>

Notes to the Financial Statements

NOTE 21: SHARE BASED PAYMENTS (CONTINUED)

The following table lists the inputs to the model used for valuation of options:

Valuation date	17 August-12
Dividend yield (%)	Nil
Expected volatility (%)	71.75%
Risk-free interest rate (%)	3.09%
Expected life of option (years)	5
Option exercise price (\$)	\$0.20
Share price at grant date (\$)	\$0.25
Expiry date	30 June 2017
Performance conditions	As above
Valuation of option	\$0.0051

(ii) 2 million unlisted options

On 23 January 2013, a total of 2 million unlisted share options were issued to Mr Paul Cranney in consideration for geological consultancy services provided to the Company. The options were issued in three tranches and have an expiry date of 23 January 2018.

The options are amortised over their vesting date, and are expensed accordingly.

	Tranche 1	Tranche 2	Tranche 3	Total
Number of options	1,000,000	500,000	500,000	2,000,000
Fair value per option	\$0.034	\$0.032	\$0.030	-
Total value of the issue	\$34,000	\$16,000	\$15,000	\$65,000
Amortisation expense (based on 5 years)	-	-	\$1,497	\$1,497

The following table lists the inputs to the model used for valuation of options:

	Tranche 1	Tranche 2	Tranche 3
Valuation date	23 January-13	23 January-13	23 January-13
Vesting Date	23 January-13	27 August-13	27 August-14
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	81%	81%	81%
Risk-free interest rate (%)	3.29%	3.29%	3.29%
Expected life of option (years)	5	5	5
Option exercise price (\$)	\$0.30	\$0.35	\$0.40
Share price at grant date (\$)	\$0.08	\$0.08	\$0.08
Expiry date	23 Jan 2018	23 Jan 2018	23 Jan 2018
Performance conditions	As above	As above	As above

(iii) 15 million listed options

On 16 May 2014, the Company issued 15 million listed options to external consultants in lieu of cash payment for services provided to the Company. The options are exercisable at \$0.02 each on or before 30 June 2015.

The following table lists the inputs to the model used for valuation of options:

Valuation date	18 June 2014
Dividend yield (%)	Nil
Expected volatility (%)	125%
Risk-free interest rate (%)	2.68%
Expected life of option (years)	1.1
Option exercise price (\$)	\$0.02
Share price at grant date (\$)	\$0.013
Expiry date	30 June 2015
Performance conditions	As above
Valuation of option	\$0.0051
Total value of option	\$76,500

Notes to the Financial Statements

NOTE 21: SHARE BASED PAYMENTS (CONTINUED)

(iv) 3.5 million unlisted options

On 22 July 2014, 3.5 million unlisted options in two tranches of 1,750,000 were issued to Key Personnel for their past and ongoing services to the Company.

	Tranche 1	Tranche 2	Total
Number of options	1,750,000	1,750,000	3,500,000
Fair value per option	\$0.0082	\$0.0072	-
Total value of the issue	\$14,350	\$12,600	\$26,950

The following table lists the inputs to the model used for valuation of options:

	Tranche 1	Tranche 2
Valuation date	18 July 2014	18 July 2014
Dividend yield (%)	Nil	Nil
Expected volatility (%)	125%	125%
Risk-free interest rate (%)	2.79%	2.79%
Expected life of option (years)	3	3
Option exercise price (\$)	\$0.025	\$0.04
Share price at grant date (\$)	\$0.013	\$0.013
Expiry date	30 June 2017	30 June 2017

(v) 19 million unlisted options

On 17 September 2014, 19 million unlisted options were issued in tranches of 9.5 million to Directors (and a past director) for their services to the Company.

	Tranche 1	Tranche 2	Total
Number of options	9,500,000	9,500,000	19,000,000
Fair value per option	\$0.0082	\$0.0072	-
Total value of the issue	\$77,900	\$68,400	\$146,300

The following table lists the inputs to the model used for valuation of options:

	Tranche 1	Tranche 2
Valuation date	18 July 2014	18 July 2014
Dividend yield (%)	Nil	Nil
Expected volatility (%)	125%	125%
Risk-free interest rate (%)	2.79%	2.79%
Expected life of option (years)	3	3
Option exercise price (\$)	\$0.025	\$0.04
Share price at grant date (\$)	\$0.01	\$0.01
Expiry date	30 June 2017	30 June 2017

Notes to the Financial Statements

NOTE 21: SHARE BASED PAYMENTS (CONTINUED)

c) Reconciliation of share based payment expense

	Number of VHL shares/ unlisted options	Vesting date	Value \$	Share based payment at 30 June 2015 \$
As at 30 June 2015				
Opening balance				
VHL shares issued	13,000,000		0.069	347,746
Movement during the year:				
Amortisation expense	-			187,641
Total VHL share (note 21a)	13,000,000			535,387
Opening balance				
Unlisted option issued	21,000,000			161,402
Movement during the year:				
Unlisted options issued @ \$0.20 (note 21bi)	-	14/09/13	0.014	11,547
Unlisted options issued @ \$0.40 (Tranche 3) (note 21bii)	-	27/08/14	0.030	1,497
Unlisted options issued @ \$0.025 (Tranche 1) (note 21biv)	1,750,000	22/07/14	0.008	14,350
Unlisted options issued @ \$0.04 (Tranche 2) (note 21biv)	1,750,000	22/07/14	0.007	12,600
Unlisted options issued @ \$0.025 (Tranche 1) (note 21bv)	9,500,000	17/09/14	0.008	77,900
Unlisted options issued @ \$0.04 (Tranche 2) (note 21bv)	9,500,000	17/09/14	0.007	68,400
Total unlisted options	43,500,000			347,696
Total share based payment reserve	56,500,000			883,083
As at 30 June 2014				
Opening balance				
VHL shares issued	13,000,000		0.069	161,636
Movement during the year:				
Amortisation expense	-			186,110
Total VHL share	13,000,000			347,746
Opening balance				
Unlisted options issued	6,000,000			59,729
Movement during the year:				
Unlisted options issued @ \$0.20 (note 21bi)	-	14/09/13	0.014	11,453
Unlisted options issued @ \$0.35 (Tranche 2) (note 21bii)	-	27/08/13	0.032	4,297
Unlisted options issued @ \$0.40 (Tranche 3) (note 21bii)	-	27/08/14	0.030	9,423
Unlisted options issued @ \$0.02 (note 21biii)	15,000,000	16/05/14	0.0051	76,500
Total unlisted options	21,000,000			161,402
Total share based payment reserve	34,000,000			509,148

Notes to the Financial Statements

NOTE 22: SEGMENT REPORTING

The Company has interests in 5 prospective gold assets in the Republic of Senegal (2014: 7; refer note 12) which acts as the sole reportable segment to the executive management of the group.

NOTE 23: CASH FLOW INFORMATION

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
(Loss) after income tax	(3,796,381)	(5,338,526)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss		
Impairment expense	2,777,367	4,834,962
Exploration, evaluation and development expenditure	77,379	10,078
Debts forgiven to disposal of subsidiaries	-	120,792
Share based payment expense	174,747	90,220
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/Decrease in trade and other receivables	(15,316)	8,026
Increase /(Decrease) in trade payables and accruals	164,497	(118,290)
(Decrease) in loans	-	(80,000)
Cash flow from operations	(617,707)	(472,738)

NOTE 24: EVENTS AFTER THE REPORTING DATE

On 14 July 2015 the Company announced the issue of 123,418,924 ordinary shares pursuant to the Underwriting Agreement with Merchant Corporate Finance Pty Ltd and relevant sub-underwriting agreements, which has raised \$2,468,378 (before costs). The issue of the Shares, together with the issue of shares on 9 July 2015 to the ERIOB holders who exercised their options, has delivered approximately \$2,709,033 (before costs) to the Company, augmenting its existing working capital.

Apart from this matter, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

NOTE 25: RELATED PARTY TRANSACTIONS

a) Summary of Key Management Personnel Remuneration

The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity during the year were as follows:

	CONSOLIDATED GROUP	
	30-Jun-15	30-Jun-14
	\$	\$
Short-term employee benefits	189,833	159,708
Post-employment benefits	-	-
Share based payments	107,800	-
	297,633	159,708

Notes to the Financial Statements

NOTE 25: RELATED PARTY TRANSACTIONS (CONTINUED)

b) Transactions with Director Related Entities

Directors and officers, or their personally-related entities, hold positions in other entities that result in them having controls or significant influence over the financial or operating policies of those entities.

Details of the transactions including amounts accrued but unpaid at the end of the year are as follows:

Entity	Relationship	Nature of transactions	CONSOLIDATED GROUP			
			Transactions		Balances	
			Full Year 30-Jun-15 \$	Full Year 30-Jun-14 \$	Full Year 30-Jun-15 \$	Full Year 30-Jun-14 \$
Elgra Consultancy Pty Ltd	(i)	Reimbursement from Elgra for corporate administration costs	-	2,975	-	-
Verona Capital Pty Ltd	(ii)	(Re-charges to)/reimbursement from Verona for technical support and corporate administration costs and re-charges	(1,500)	(11,084)	31,025	163,975
Tamaska Oil & Gas Ltd	(iii)	Reimbursement from TMK for corporate administration costs	-	35	-	-
Citation Resources Ltd	(iv)	(Re-charges to)/reimbursement from CTR for corporate administration costs	(6,490)	1,834	966	1,449
Cradle Resources Ltd	(v)	(Re-charges to) CXX for corporate administration costs	-	(1,410)	-	(1,410)
Panda Hill Mining Pty Ltd	(vi)	(Re-charges to) PHM for corporate administration costs	-	(13,616)	-	(13,743)
Sibella Capital Pty Ltd	(vii)	(Re-charges to)/reimbursement from Sibella for corporate administration costs	(1,067)	-	1,173	-
Digital CC Ltd	(viii)	(Re-charges to)/reimbursement from DCC for corporate administration costs	(547)	-	427	-

(i) Elgra Consultancy Pty Ltd is a company associated with Mr Grant Davey, who resigned as non-executive director on 12 May 2014.

(ii) Verona Capital Pty Ltd, a company controlled 30% by Grant Davey and 20% by Brett Mitchell.

(iii) Tamaska Oil & Gas Ltd (TMK) is a company associated with Mr Brett Mitchell, who resigned as a director of TMK on 1 February 2015.

(iv) Citation Resources Ltd (CTR) is a company associated with Mr Brett Mitchell who is currently a director of CTR.

(v) Cradle Resources Ltd (CXX) is a company associated with Mr Grant Davey, who resigned as non-executive director on 12 May 2014.

(vi) Panda Hill Mining Pty Ltd (PHM) is a company associated with Mr Grant Davey, who resigned as non-executive director on 12 May 2014.

(vii) Sibella Capital Pty Ltd is a company associated with Mr Brett Mitchell.

(viii) Digital CC Ltd (DCC) is a company associated with Mr Brett Mitchell who is currently a director of DCC.

c) Transactions with Related Subsidiaries

At the end of the year the following loans were owed by wholly owned subsidiaries of the Company:

Entity	Relationship	Amount owed 30-Jun-15 \$	Amount owed 30-Jun-14 \$
<i>Subsidiaries of Erin Resources Limited:</i>			
Erin Minerals Resources Ltd	A wholly owned subsidiary	3,432,389	3,160,306
<i>Subsidiaries of Erin Minerals Resources Ltd:</i>			
Erin Minerals Pty Ltd	A wholly owned subsidiary	15,315,296	15,044,027
<i>Subsidiaries of Erin Minerals Pty Ltd:</i>			
Erin Senegal S.A.U	A wholly owned subsidiary	340,628	314,470

Details of interests in wholly owned controlled entities are set out in note 13.

Notes to the Financial Statements

NOTE 25: RELATED PARTY TRANSACTIONS (CONTINUED)

Loans between entities in the wholly owned group are denominated in AU dollars and CFA Franc, are non-interest bearing, unsecured and are repayable upon reasonable notice having regard to the financial stability of the Company.

d) Other Related Party Transactions

There were no other related party transactions during the year.

NOTE 26: FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of cash at bank, payables and receivables.

The group has not formulated any specific management objectives and policies in respect to debt financing, derivatives or hedging activity. As a result the group has not formulated any specific management objectives and policies in respect to these types of financial instruments. Should the group change its position in the future, a considered summary of these policies will be disclosed at that time.

The Company's current exposure to the risk of changes in the market is managed by the Board of Directors.

Market risks

The group is exposed to a variety of financial risks through its financial instruments for example, interest rate risk, liquidity risk and credit risk, as well as foreign currency risk.

Interest rate risk

At reporting date, the group does not have long term borrowings and its exposure to interest rate risk is assessed as low. The risk monitors its interest rate risk through sensitivity analysis, as outlined below.

The consolidated group's exposure to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets of the group are summarised in the following tables:

CONSOLIDATED GROUP						
	Floating interest rate	1 Year or less	Over 1 to 5 years	Non-interest bearing	Remaining contractual maturities	Weighted average interest rate
	\$	\$	\$	\$	\$	%
30 June 2015						
Financial assets						
Cash and cash equivalents	427,133	427,133	-	9,852	436,985	1.35%
Other receivables	-	-	-	83,618	83,618	
	427,133	427,133	-	93,470	520,603	
Financial liabilities						
Other payables and sundry accruals	-	-	-	398,792	398,792	
Loans payable	-	-	-	195,000	195,000	
	-	-	-	593,792	593,792	
30 June 2014						
Financial assets						
Cash and cash equivalents	578,826	578,826	-	16,262	595,088	1.19%
Other receivables	-	-	-	68,302	68,302	
	578,826	578,826	-	84,564	663,390	
Financial liabilities						
Other payables and sundry accruals	-	-	-	234,294	234,294	
Loans payable	-	-	-	195,000	195,000	
	-	-	-	429,294	429,294	

Notes to the Financial Statements

NOTE 26: FINANCIAL RISK MANAGEMENT (CONTINUED)

At 30 June 2015, if interest rates had changed by +/-100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been \$4,271 lower/higher (2014: \$5,788)

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. The group monitors forecast cash flows on regular basis to manage its liquidity risk.

Credit risk

Management has assessed the credit risk exposure as minimal at reporting date. Credit risk arises from exposure to customers and deposits with banks. Management monitors its exposure to ensure recovery and repayment of outstanding amounts. Cash deposits are only made with reputable banking institutions.

Foreign currency risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Senegal currency, CFA Franc (XOF) and United States Dollars (USD).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting.

Fair Value of Financial Instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 27: DIVIDENDS

No dividends have been paid or provided during the year.

Directors' Declaration

The Directors' of the Company declare that in their opinion:

1. The financial statements and notes, as set out in pages 17 to 43, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards and the Corporations Regulations 2001;
 - b) are in accordance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
 - c) give a true and fair view of the Company's and consolidated group's financial position as at 30 June 2015 and their performance for the year ended on that date.
2. The Directors have been given the declaration required by section 295A of the Corporations Act 2001.
3. The remuneration disclosures contained in the Remuneration Report comply with s300A of the Corporations Act 2001.
4. 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.



Brett Mitchell
Executive Chairman
Dated 18 August 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERIN RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Erin Resources Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of Erin Resources Limited (the company) and the entities it controlled (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

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 internal 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

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Opinion

In our opinion:

- (a) the financial report of Erin Resources Limited is 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 2015 and their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 13 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Erin Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.



PKF MACK



SIMON FERMANIS
PARTNER

18 AUGUST 2015
WEST PERTH,
WESTERN AUSTRALIA

Corporate Governance

OVERVIEW

ASX Principles of Corporate Governance

The Company, as a listed entity, must comply with the Corporations Act 2001 (*Cth*), the Australian Securities Exchange Limited ("ASX") Listing Rules ("ASX Listing Rules"), and other laws applicable in Australia and in countries where the Company operates.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the Corporate Governance Principles and Recommendations ("ASX Principles") 3rd Edition released by the ASX Corporate Governance Council on 27 March 2014, which take effect for the Company from 1 July 2014. The ASX Principles require the Board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles.

Compliance with ASX Principles of Corporate Governance

The Company's corporate governance practices were in place throughout the year ended 30 June 2015 and comply in all material respects with the ASX Principles unless otherwise stated.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

Details of the Company's compliance with the ASX Principles are set out below.

Copies of corporate governance policies are accessible on the Company's website at www.erinresources.com.au

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.

RECOMMENDATION 1.1: A listed entity should disclose:

- a. the respective roles and responsibilities of its board and management; and
- b. those matters expressly reserved to the board and those delegated to management.

The Company's practice:

The Board considers that the essential responsibility of directors is to oversee the Company's activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value. Responsibility for management of the Company's business is delegated to the Executive Chairman, who is accountable to the Board.

Further, the Board takes specific responsibility for:-

- Contributing to the development of and approving corporate strategy;
- Appointing, assessing the performance of and, if necessary removing the Executive Chairman;
- Reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- Overseeing and monitoring:
 - Organizational performance and the achievement of strategic goals and objectives
 - Compliance with the Company's code of conduct
 - Progress of major capital expenditures and other corporate projects including acquisitions, mergers and divestments;
- Monitoring financial performance including approval of the annual, half yearly and quarterly reports and liaison with the auditor;
- Ensuring there are effective management processes in place, including reviewing and ratifying systems of risk identification and management, ensuring appropriate and adequate internal control processes, and that monitoring and reporting procedures for these systems are effective;
- Enhancing and protecting the Company's reputation;
- Approving major capital expenditure, capital management, acquisitions and divestments;
- Reporting to shareholders;
- Appointment of directors; and
- Any other matter considered desirable and in the interest of the Company.

Corporate Governance

RECOMMENDATION 1.2: A listed entity should:

- a. undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
- b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Company's Practice

Going forward, the Company will ensure that appropriate checks as to character, experience, education, are undertaken before it appoints a person, or puts forward to security holders a new candidate for election, as a director. In addition, the Company will provide the following information to security holders in relation to all candidates standing for election or re-election as a director: biographical details, including qualifications, experience and skills, details of any other material directorships held by the candidate, any material adverse information revealed by the relevant checks, and details of any factors that may influence the candidate's capacity to bring an independent judgement to bear on issues before the Board.

In addition, security holders are provided with the following information in the case of all candidates standing for re-election: the term of office currently served by the director, a statement as to whether the Board considers the candidate to be an independent director, and whether the Board supports the re-election of the candidate.

RECOMMENDATION 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company's Practice

The Company ensures that a letter of appointment is in place for each non-executive director, the Executive Chairman and each senior executive of the Company, which set out the roles and responsibilities of each director or executive.

RECOMMENDATION 1.4: The company secretary of a listed company should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

The Company's Practice

The company secretary of the Company is accountable to the Board, through the chair, and is responsible for advising the Board on governance matters, monitoring that Board policy and procedures are followed, coordinating the timely completion and despatch of Board papers, ensuring that the business at Board meetings is accurately captured in the minutes, and helping to organise and facilitate the induction and professional development of directors.

RECOMMENDATION 1.5: A listed entity should:

- a. have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
- b. disclose that policy or a summary of it; and
- c. disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
 - (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
 - (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

The Company's Practice

The Company has adopted a Diversity Policy, available on the Company's website, which includes a requirement that the Board set measurable objectives for achieving gender diversity that are appropriate for the Company. The Board has set measurable objectives for the Company's Diversity Policy, which are reviewed and assessed on

Corporate Governance

an annual basis at a Board level. The measurable objectives for the financial period ending 30 June 2015 are available on the Company's website.

As at the balance date the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation are as follows:

	Board	Senior Executives	Whole Organisation
Men	3	0	3
Women	0	2	4

The Company is not a "relevant employer" under the Workplace Gender Equality Act, as it is not a non-public sector employer with 100 or more employees in Australia.

RECOMMENDATION 1.6: A listed entity should:

- a. have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and
- b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Company's Practice

The Company has adopted a Board and Senior Executives Evaluation Policy which sets out the process of annual evaluation of the Board.

Evaluation of the Board is carried out on a continuing and informal basis.

A performance evaluation of the Board will be carried out annually in accordance with the process set out in the abovementioned policy.

RECOMMENDATION 1.7: A listed entity should:

- a. have and disclose a process for periodically evaluating the performance of its senior executives; and
- b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Company's Practice

The Company has adopted a Board and Senior Executives Evaluation Policy which sets out the process of annual evaluation of the Company's senior executives.

An informal assessment of progress is undertaken during each reporting period, and all senior executives are subject to an annual performance evaluation.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

RECOMMENDATION 2.1: The board of a listed entity should:

- a. have a nomination committee which:
 - (1) has at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director;
 and disclose:
 - (1) the charter of the committee;
 - (2) the members of the committee; and
 - (3) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Corporate Governance

The Company's Practice:

Given the Company's current size and stage of development, it is not considered necessary to have a separate Nomination Committee. The Board as a whole will identify candidates and assess their skills in deciding whether an individual has the potential to add value to the Company. The Board may also seek independent advice to assist with the identification process.

A separate policy for Selection and Appointment of New Directors has been adopted by the Board which provides for the proper assessment of prospective directors and includes, but is not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities.

RECOMMENDATION 2.2: A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership

The Company's Practice:

The Board considers that the composition of the existing Board is appropriate given the scope and size of the Company's operations and the skills matrix of the existing Board members, however, the Board does not consider it necessary to maintain a Board "skills matrix" at this stage of the Company's development.

The skills, experience and expertise of each of the Company's Directors are set out in the Directors' Report

RECOMMENDATION 2.3: A listed entity should disclose:

- a. the names of the directors considered by the board to be independent directors;
- b. if a director has an interest, position, association or relationship of the type described in the ASX Principles but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- c. the length of service of each director.

The Company's Practice:

The Board considers Nicholas Poll to be an independent Director of the Company.

The length of service of each director is as follows:

Director	Title	Appointment Date	Length of Service
Brett Mitchell	Executive Chairman	4 April 2013	2 years and 5 months
Nicholas Castleden	Non-Executive Director	12 May 2014	1 year and 3 months
Nicholas Poll	Non-Executive Director	4 April 2013	2 years and 5 months

RECOMMENDATION 2.4: A majority of the board of a listed entity should be independent directors.

The Company's Practice:

The Board consists of one independent Director, a Non-Executive Director (not independent) and an Executive Chairman (not independent). Given the scope and size of the Company's current operations and the skills matrix of the existing Board members, the Board considers that the composition of the existing Board is appropriate.

The Company's non-executive directors meet periodically without executive directors or other senior executives present.

RECOMMENDATION 2.5: The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

The Company's Practice:

The Chairman, Mr Brett Mitchell, is not an independent Director, given that he is a shareholder of the Company, however the Board considers that this is appropriate given the stage of development of the Company. The role of CEO is also filled by Mr Brett Mitchell. Given the scope and size of the Company's current operations and the skills matrix of the existing Board members, the Board considers that the composition of the existing Board is appropriate.

Corporate Governance

RECOMMENDATION 2.6: A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The Company's Practice:

The Board regularly and informally reviews whether the Directors as a group have the skills, knowledge and familiarity with the Company and its operating environment requirement to fulfil their role on the Board effectively. If any gaps are identified, the Board will consider what training or development could be undertaken to fill those gaps.

Where necessary, the Company will provide resources to help develop and maintain the Directors' skills and knowledge.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

A listed entity should act ethically and responsibly

RECOMMENDATION 3.1: A listed entity should:

- a. have a code of conduct for its directors, senior executives and employees; and
- b. disclose that code or a summary of it.

The Company's Practice:

The Company has established a formal code of conduct to guide the Directors, the Managing Director (or equivalent), management and employees with respect to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account legal obligations and reasonable expectations of stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. The code of conduct is disclosed on the Company's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

RECOMMENDATION 4.1: The board of a listed entity should:

- a. have an audit committee which:
 - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - (2) is chaired by an independent director, who is not the chair of the board, and disclose:
 - (1) the charter of the committee;
 - (2) the relevant qualifications and experience of the members of the committee; and
 - (3) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company's Practice:

The Board considers that due to the current size and scope of operations of the Company, it does not merit the establishment of a separate audit committee. Until the situation changes the Board carries out any necessary audit committee functions.

The Board meets on a regular basis and discusses matters normally captured under the terms of reference of an audit committee, being company risk, controls and general and specific financial matters.

The appointment and removal of the Company's external auditor is subject to approval of the Board and the security holders, and the Company's current external auditors rotate the relevant audit engagement partner every five (5) years.

Corporate Governance

RECOMMENDATION 4.2: The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company's Practice:

The Company ensures that a declaration is issued by the Executive Chairman and the Financial Controller in accordance with the abovementioned requirement.

RECOMMENDATION 4.3: A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The Company's Practice:

The Company ensures that its external auditor is notified in advance of each AGM and that a representative of the external auditor attends the AGM and is available to answer questions from security holders.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

RECOMMENDATION 5.1: A listed entity should:

- a. have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
- b. disclose that policy or a summary of it.

The Company's Practice:

The Company has a formal Continuous Disclosure Policy as required by Recommendation 5.1. This policy was introduced to ensure the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules and ensuring The Company and individual officers do not contravene the Corporations Act or ASX Listing Rules. A full copy of this policy can be found on the Company's website.

The Company is required to immediately tell the ASX once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

Therefore to meet this obligation the Company undertakes to:

- (a) Notify the ASX immediately it becomes aware of any information that a reasonable person would expect to have a material effect on the price and value of the companies securities, unless that information is not required to be disclosed under the listing rules;
- (b) Disclose notifications to the ASX on the Company website following confirmation of the publishing of the information by the ASX; and
- (c) Not respond to market speculation or rumor unless the ASX considers it necessary due to there being, or likely to be, a false market in the Company's securities.

The Executive Chairman and the Company Secretary are responsible for co-ordinating the disclosure requirements. To ensure appropriate procedure all directors, officers and employees of the Company coordinate disclosures through the Executive Chairman and the Company Secretary, including:

- (a) Media releases;
- (b) Analyst briefings and presentations; and
- (c) The release of reports and operational results.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

Corporate Governance

RECOMMENDATION 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

The Company's Practice:

The Company has established and regularly maintains and updates a website at www.erinresources.com.au, which provides information to security holders and members of the public regarding the Company's project, profile, Board, management, corporate governance, ASX releases and reports and analyst reports.

RECOMMENDATION 6.2: A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company's Practice:

The Company has adopted a Shareholder Communication Policy, which sets out the Company's communications strategy with its stakeholders including the effective use of an electronic distribution list.

RECOMMENDATION 6.3: A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Company's Practice:

The Board encourages the attendance of shareholders at the General or Annual General Meetings and sets the time and place of each General or Annual General Meeting to allow maximum attendance by shareholders. Notices of Meeting are released to ASX and mailed out or emailed to all security holders in advance of all General or Annual General Meetings.

RECOMMENDATION 6.4: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company's Practice:

The Company and its security registry provide all security holders with the option to receive communications from, and send communications to, the Company and the security registry.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

RECOMMENDATION 7.1: The board of a listed entity should:

- a. have a committee or committees to oversee risk, each of which:
 - (1) as at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director,And disclose:
 - (1) the charter of the committee;
 - (2) the members of the committee; and
 - (3) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Company's Practice:

The Board considers that due to the current size and scope of operations of the Company, it does not merit the establishment of a separate risk management committee. Until such time as determined by the Board, the Board of Directors is responsible for overseeing and approving policies for the management and oversight of material business risks, internal compliance and internal controls.

Corporate Governance

The Board meets on a regular basis and discusses matters normally captured under the terms of reference of a risk management committee, including recognition and management of company risk, implementation and review of risk management practices, and management of risk that may impact the Company, its security holders and other stakeholders such as employees, suppliers, creditors and the broader community in which the Company operates.

The objectives of the Company's risk management program are contained in the Risk Management Policy which is available on the Company's website.

RECOMMENDATION 7.2: The board or a committee of the board should:

- a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- b. disclose, in relation to each reporting period, whether such a review has taken place.

The Company's Practice:

The Board requires management to design and implement the risk management and internal control system to manage the Company's material business risks, and report to it on whether those risks are being managed effectively. Management reports to the Board, and the Board reviews, on at least an annual basis, regarding the Company's risk management framework and as to the effectiveness of the Company's management of its material business risks.

RECOMMENDATION 7.3: A listed entity should disclose:

- a. if it has an internal audit function, how the function is structured and what role it performs; or
- b. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company's Practice:

The Company does not have an internal audit function, however it has in place a system of risk management that identifies and categorises and manages material business risks faced by the Company.

The Board has delegated responsibility for establishing and maintaining effective management strategies for material business risk to the Executive Chairman, to whom the Company's Financial Controller reports. The Board requires that the Executive Chairman reports regularly as to the effectiveness of the Group's risk management systems.

The Board recognises that no cost effective internal control system will preclude all errors and irregularities. The Board of Directors reviews the business and financial risk management systems and internal control systems implemented by management to obtain reasonable assurance that the entity's assets are safeguarded and that the reliability and integrity of its financial information is maintained.

RECOMMENDATION 7.4: A listing entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Company's Practice:

Any exposure to economic, environmental, social sustainability and any other risks are disclosed periodically, and as otherwise required, by the Company in its Quarterly, Half-Yearly and Annual Reports to ASX and regular ASX announcements regarding the Company's project.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

Corporate Governance

RECOMMENDATION 8.1: The board of a listed entity should:

- a. have a remuneration committee which:
 - (1) has at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director,and disclose:
 - (3) the charter of the committee;
 - (4) the members of the committee; and
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have a remuneration committee, disclose that fact and the processes it employs for overseeing for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Company's Practice:

The Board considers that due to the current size of the Company and its operations, it does not merit the establishment of a separate remuneration committee. Until the situation changes the Board of Erin Resources will carry out any necessary remuneration committee functions. The Board undertakes this role with the assistance of any external advice which may be required from time to time.

RECOMMENDATION 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company's Practice:

The Company has separate policies relating to the remuneration of Non-Executive Directors as opposed to Executive Directors and Senior Executives. These policies provide a basis for distinguishing the type of remuneration which is suitable for the two classes.

The level of remuneration packages and policies applicable to directors are detailed in the Remuneration Report which forms part of the Directors' Report in this Financial Report.

RECOMMENDATION 8.3: A listed entity which has an equity-based remuneration scheme should:

- a. have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- b. disclose that policy or a summary of it.

The Company's Practice:

The Company does not currently have an equity-based remuneration scheme, however certain non-executive directors and senior executives have been issued with equity-based remuneration for incentive purposes, as outlined in the Company's Remuneration Report.