



TAWANA RESOURCES NL

ABN 69 085 166 721

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
30 JUNE 2015

This information should be read in conjunction with the
31 December 2014 Annual Report

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Corporate Directory

Directors

Mr Wayne Richards Executive Chairman and
Chief Executive Officer
Mr Michael Naylor Executive Director
Mr Michael Bohm Non-Executive Director

Company Secretary

Mr Michael Naylor

Principal Place of Business and Registered Office

288 Churchill Avenue
Subiaco WA 6008

Contact Details

Website: www.tawana.com.au
Tel: +61 8 9489 2600

Solicitors to the Company

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Share Registry

Computershare Investor Services Pty Ltd
GPO Box 2975
Melbourne VIC 3001

Tel: +61 3 9415 5000
Fax: +61 3 9473 2500

Auditor

Ernst & Young
The Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000

Stock Exchange

Australian Securities Exchange
ASX Code: TAW

JSE Limited (South Africa)
JSE Code: TAW

Directors' Report

Your Directors present their report on the Company and its controlled entities ("consolidated entity") for the half-year ended 30 June 2015.

Directors

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

Mr Wayne Richards – Executive Chairman and Chief Executive Officer
Mr Michael Naylor – Executive Director
Mr Michael Bohm – Non-Executive Director (appointed 1 August 2015)
Mr Len Kolff - Technical Director (resigned 1 August 2015)

All Directors have been in office for this entire period unless otherwise stated.

Operating results

The loss of the consolidated entity for the half-year ended 30 June 2015 after providing for income tax amounted to \$875,536 (to 30 June 2014: \$1,223,879).

No dividends were declared or paid during the half-year ended 30 June 2015.

Review of operations

Mofe Creek Iron Ore Project

Tawana Resources NL is an iron ore focused ASX and JSE-listed Company with its principal project in Liberia, West Africa. Tawana's 100% owned Mofe Creek Project ("the Project") is a new discovery in the heart of Liberia's historic iron ore district, located 20km from the coast and 80km from the country's capital city and major port, Monrovia (refer figure 1).

Tawana is committed to becoming a mid-tier iron ore producer through the development of the Mofe Creek Project, which covers 475km² of highly prospective tenements in Grand Cape Mount County. The Project hosts high-grade Direct Shipping Ore (DSO) and friable itabirite mineralisation which can be easily upgraded to a superior quality iron ore product of +65% Fe, for which there is consistent global demand.

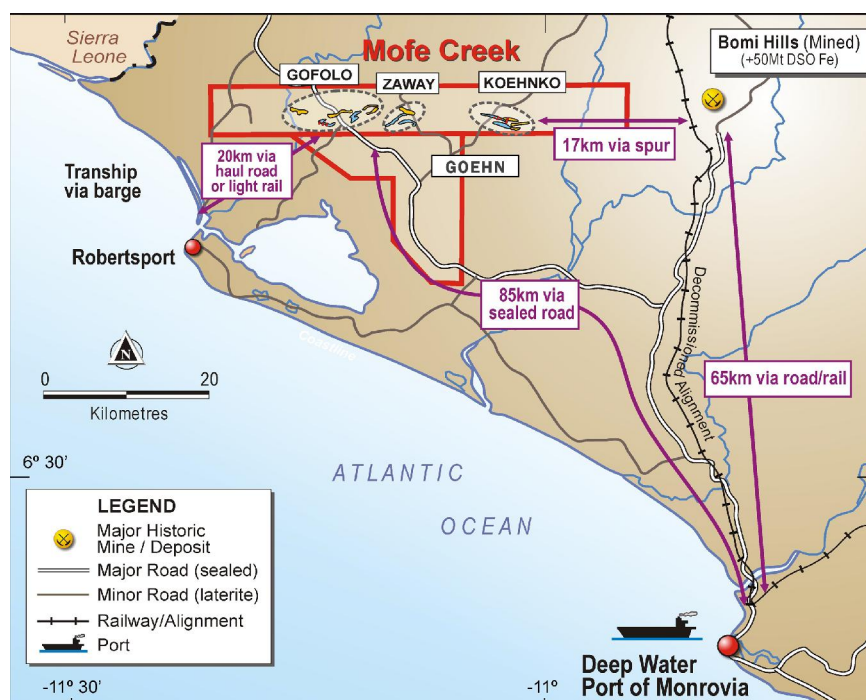


Figure 1 | Project tenement location relative to possible infrastructure scenarios and historic resources.

Development and Infrastructure

- A number of significant milestones were achieved in the advancement of the Mineral Development Agreement (MDA) including:
 - The President of the Republic of Liberia, the honorable Ellen Johnson Sirleaf officially appointing an Inter-Ministerial Concessions Committee (IMCC) to negotiate Tawana's MDA.
 - A formal presentation of Tawana's Mofe Creek Iron Ore Project to the IMCC in Monrovia was successfully concluded in April 2015.
 - A draft MDA was submitted to the Government of Liberia for their review and advancement in May 2015.
- The discovery of Direct Shipping Ore (DSO) on the newly acquired tenement MEL1223/14 has presented the Company with a potential strategic opportunity to mine and supply high-grade feed to an early start-up, low capital intensity project at a significantly reduced operating and capital cost, due to very simple crushing and screening requirements only (i.e. no beneficiation).
- A Memorandum of Understanding (MoU) was executed between the Company and WISCO-CAD (WISCO) for the use of the Freeport iron ore facility in Monrovia¹. WISCO is the owner-operator of the iron ore port facility and is currently exporting iron ore. A draft Cooperation Agreement has been forwarded to WISCO for review and negotiation. The MoU provides the platform for negotiating a commercially viable end-to-end logistics solution for the Mofe Creek project during its early stages of development and ramp-up.
- The Company was granted an eight-month extension of the initial three-year exploration term for both licences MEL12029 and MEL1223/14 by the Ministry of Lands, Mines and Energy (MLME), in consideration of the Ebola outbreak and acknowledged Force Majeure event.

Environment and Community

- Liberia was declared Ebola-free by the World Health Organisation (WHO) on 9 May 2015. The Company remobilised Liberian and expatriate staff in March as a result of significant advances in the containment of the disease as well as the proactive management of the Ebola Virus Disease by the Government of Liberia, the international community, health organisations and NGO's.
- As part of the Environmental and Social Impact Assessment, the Company commenced an independent and targeted campaign of local community consultation and briefing meetings with stakeholders within and around the proposed mining areas.
- Tawana was awarded its Environmental Protection Agency (EPA) permit for the Southern Licence - MEL1223/14. This permit allows the Company to progress field exploration activities and is a legal requirement under Liberian regulation.
- A Scoping Report and Terms of Reference report for an Environmental and Social Impact Assessment (ESIA), for the Company's Mofe Creek project (Project) was submitted for review to the Environmental Protection Agency (EPA) of Liberia.

Exploration

- The Company announced the discovery of a new **high-grade Direct Shipping Ore (DSO) hematite mineralisation, averaging 62.8% Fe and up to 66% Fe²**, located a short trucking distance to the operating port of Freeport, Monrovia. Additionally the Company has discovered greater than 2.2km strike of friable itabirite mineralisation in the Goehn prospect as part of its ongoing low-cost exploration strategy over the Company's recently acquired, 100% owned MEL1223/14 Mofe Creek South licence (refer figure 2).
- New and additional iron ore mineralisation was identified from outcropping iron formations at both the Koehnko North East and Koehnko East prospects within Tawana's 100% owned Mofe Creek project.*
- Field teams continued low-cost geological mapping and rock-chip sampling of high-priority targets within the wholly owned southern MEL1223/14 tenement.

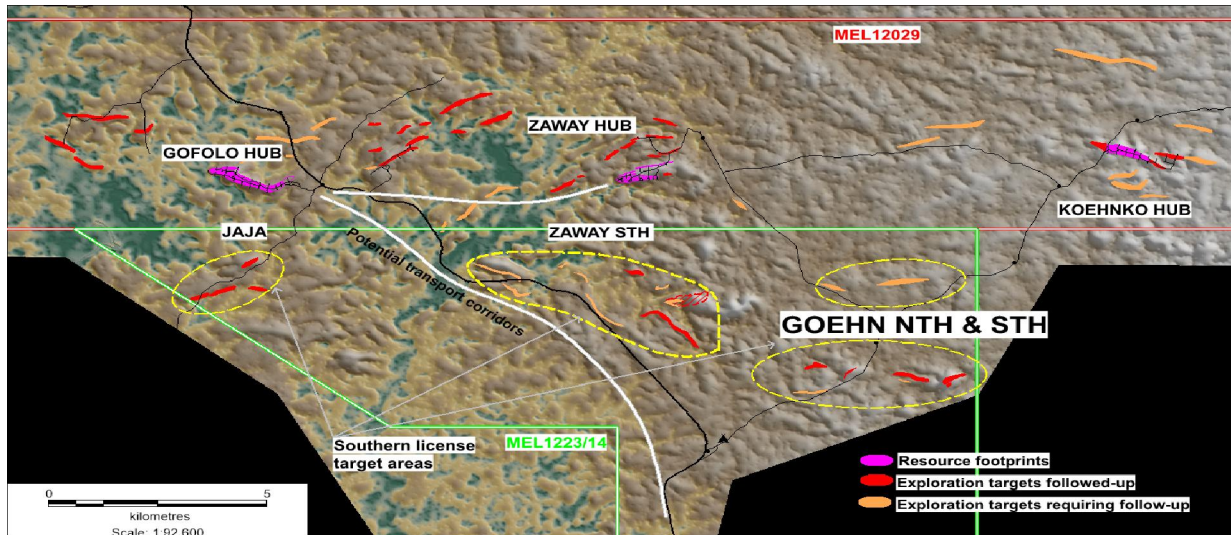


Figure 2 | Southern licence exploration target areas (circled yellow), known resource footprints (pink) and Northern licence targets (red and orange), over a Digital Elevation Model (DEM) image background.

Corporate

- Appropriate fiscal management programs and policies continue to be implemented to minimise expenditure both at a corporate and project level. The Company will continue to manage low cost, value-accretive activities, which will include the advancement of the MDA and targeted exploration activities.
- Expressions of interest have been received to purchase the Company's total shareholding and loan account in Diamond Resources (a 100% owned subsidiary of Tawana Resources NL).

Events occurring after the reporting period

Effective 1 August 2015, Mr Michael Bohm was appointed an Independent Non-Executive Director of the Company and Mr Lenard Kolff resigned as a Director.

Auditor's independence declaration

The lead auditor's independence declaration for the half-year ended 30 June 2015 has been received and is attached to this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

Mr Wayne Richards
Executive Chairman/Chief Executive Officer

Dated this 11th day of September 2015

Competent Persons Statement

The information in this report that relates to Exploration Results and Resources is based on information compiled by Len Kolff, who is a member of the Australian Institute of Geoscientists. Len Kolff 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'. Len Kolff consents to the inclusion of the matters in this report based on his information in the form and context in which it appears.

* The information in this paragraph that relates to Exploration Results and Resources is based on information compiled by Shane Tomlinson, who is a member of the Australian Institute of Geoscientists. Shane Tomlinson 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'. Shane Tomlinson consents to the inclusion of the matters in this paragraph based on his information in the form and context in which it appears.

Notes

¹: Disclaimer

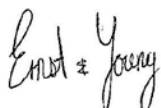
- (i) The MOU represents a non-binding intention of the parties to negotiate a formal cooperation agreement in good faith. The parties are yet to agree on any definitive operational, commercial and/or legal terms (including tonnage capacity or delivery schedules) for the cooperation agreement;
- (ii) the obligation to negotiate in good faith comes to an end on the earlier of execution of a definitive cooperation agreement or 31 December 2015; and
- (iii) there is no certainty or assurance that parties will reach a final agreement on the terms of the cooperation agreement.

Refer to ASX announcement on 18 May 2015 for further information.

²: For more information, refer ASX announcement 8 July 2015. Tawana Resources is not aware of any new information or data that materially effects the information included in the said announcement.

Auditor's Independence Declaration to the Directors of Tawana Resources NL

In relation to our review of the financial report of Tawana Resources NL for the half-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.



Ernst & Young



R J Curtin
Partner
11 September 2015

General Information

The financial statements cover Tawana Resources NL as a consolidated entity consisting of Tawana Resources NL and its subsidiaries. The financial statements are presented in Australian dollars, which is Tawana Resources NL's functional and presentation currency.

Tawana Resources NL is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principle place of business are:

288 Churchill Avenue
SUBIACO WA 6008
Telephone: +61 8 9489 2600
website: www.tawana.com.au

A description of the nature of the consolidated entity's operations and its principle activities are included in the directors' report which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors on 11 September 2015.

Consolidated Statement of Comprehensive Income
For the half-year ended 30 June 2015

		30 June 2015 \$	30 June 2014 \$
Continuing operations			
Interest income	3	18,953	32,919
Corporate costs	3	(461,138)	(768,921)
Depreciation		(34,166)	(6,528)
Employee benefits expense	3	(315,645)	(452,452)
Share-based payments		(118,421)	(6,948)
Exploration expenses written off		-	(1,514)
Foreign exchange gain/(loss)		67,081	1,908
Loss before income tax expense		(843,336)	(1,201,536)
Income tax expense		-	-
Net loss for the period from continuing operations		(843,336)	(1,201,536)
Loss from discontinued operations after tax	4	(32,200)	(22,343)
Net loss for the period attributable to Tawana Resources NL		(875,536)	(1,223,879)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Gain/(loss) on translation of foreign operations		208,868	(310,583)
Total comprehensive loss for the period attributable to Tawana Resources NL		(666,668)	(1,534,462)
Basic and diluted loss per share from continuing and discontinued operations (cents)		(0.06)	(0.09)
Basic and diluted loss per share from continuing operations (cents)		(0.06)	(0.09)
Basic and diluted loss per share from discontinued operations (cents)		(0.002)	(0.002)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2015

	Note	30 June 2015 \$	31 December 2014 \$
Current assets			
Cash and cash equivalents	5	1,612,576	2,802,978
Trade and other receivables		535,538	33,080
Total current assets		<u>2,148,114</u>	<u>2,836,058</u>
Non-current assets			
Trade and other receivables		-	47,027
Plant and equipment		75,090	104,733
Exploration expenditure		7,157,354	6,868,805
Total non-current assets		<u>7,232,444</u>	<u>7,020,565</u>
Total assets		<u>9,380,558</u>	<u>9,856,623</u>
Current liabilities			
Trade and other payables		368,125	259,626
Provisions		48,891	54,090
Total current liabilities		<u>417,016</u>	<u>313,716</u>
Non-current liabilities			
Provisions		13,632	44,750
Total non-current liabilities		<u>13,632</u>	<u>44,750</u>
Total liabilities		<u>430,648</u>	<u>358,466</u>
Net assets		<u>8,949,910</u>	<u>9,498,157</u>
Equity			
Contributed equity	7(a)	54,419,776	54,419,776
Reserves		2,840,352	3,015,277
Accumulated losses		(48,310,218)	(47,936,896)
Total equity		<u>8,949,910</u>	<u>9,498,157</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2015

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 January 2015	54,419,776	3,015,277	(47,936,896)	9,498,157
Loss for the period	-	-	(875,536)	(875,536)
Other comprehensive loss for the period	-	208,868	-	208,868
Total comprehensive loss for the period	-	208,868	(875,536)	(666,668)
<i>Transactions with owners in their capacity as owners</i>				
Options exercised or lapsed	-	(502,214)	502,214	-
Options issued and vested	-	118,421	-	118,421
Balance at 30 June 2015	54,419,776	2,840,352	(48,310,218)	8,949,910
Balance at 1 January 2014	49,107,032	3,049,143	(46,967,781)	5,188,394
Loss for the period	-	-	(1,223,879)	(1,223,879)
Other comprehensive income for the period	-	(310,583)	-	(310,583)
Total comprehensive income/(loss) for the period	-	(310,583)	(1,223,879)	(1,534,462)
<i>Transactions with owners in their capacity as owners</i>				
Shares issued, net of costs	5,311,744	-	-	5,311,744
Options exercised or lapsed	-	(846,871)	846,871	-
Options issued and vested	-	6,948	-	6,948
Balance at 30 June 2014	54,418,776	1,898,637	(47,344,789)	8,972,624

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the half-year ended 30 June 2015

	Note	30 June 2015 \$	30 June 2014 \$
Cash flows from operating activities			
Payments to suppliers and employees		(823,579)	(1,095,961)
Interest received		18,953	32,919
Net cash flows used in operating activities		<u>(804,626)</u>	<u>(1,063,042)</u>
Cash flows from investing activities			
Payments for plant and equipment		-	(2,525)
Payments for exploration		(423,557)	(2,079,236)
Cash disposed as a part of discontinued operations	4	(32,650)	(27,038)
Net cash flows used in investing activities		<u>(456,207)</u>	<u>(2,108,799)</u>
Cash flows from financing activities			
Proceeds from issue of shares		-	5,608,034
Capital raising costs		-	(296,290)
Net cash flows from financing activities		<u>-</u>	<u>5,311,744</u>
Net (decrease)/increase in cash and cash equivalents		(1,260,833)	2,139,903
Cash and cash equivalents at beginning of period		2,802,978	2,045,163
Effects of exchange rates on cash holdings in foreign currencies		70,431	(9,450)
Cash and cash equivalents at end of period	5	<u><u>1,612,576</u></u>	<u><u>4,175,616</u></u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Basis of preparation

These half-year consolidated financial statements are general purpose condensed financial statements prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 31 December 2014 and any public announcements made by Tawana Resources NL and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial statements do not include full disclosures of the type normally included in annual financial statements.

The accounting policies applied by the Group in the consolidated interim financial statements are the same as those applied by the Group in its consolidated financial report for the year ended 31 December 2014.

All new and amended Accounting Standards and Interpretations effective from 1 January 2015 (listed below) have been adopted:

- AASB 2014-1 Part A Annual Improvements 2010-2012 Cycle
- AASB 2014-1 Part A Annual Improvements 2011-2013 Cycle

The adoption of these new standards and interpretations had no effect on the financial position of performance of the Group.

Reporting Basis and Conventions

The half-year financial statements have been prepared on an accruals basis and are based on historical costs.

Going Concern Basis

The Group recorded a loss of \$875,536 (2014: loss \$1,223,879) and had cash outflows from operating and investing activities of \$1,260,833 (2014: \$2,139,903) for the half year ended 30 June 2015. The Group had cash and cash equivalents at 30 June 2015 and 3 September 2015 of \$1,612,576 and \$1,632,774 respectively.

The Group's cash flow forecast reflects that the Group needs to raise funds during the first half of 2016 to enable it to meet its working capital requirements and its committed and planned exploration expenditure in connection with its exploration projects. The Directors are currently reviewing a range of financing options which may include the further issue of new equity. The Directors are satisfied they will be able to raise additional capital as required and thus it is appropriate to prepare the financial statements on a going concern basis.

In the event that the Group is unable to raise additional funds to meet the Group's planned exploration expenditure and working capital requirements, there is a significant uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern

2. Dividends

No dividend has been declared or paid during the half-year or the previous corresponding period.

Notes to the Financial Statements
For the half-year ended 30 June 2015

3. Revenue and Expenses

	30 June 2015 \$	30 June 2014 \$
Revenue		
Interest Received	18,953	32,919
	<u>18,953</u>	<u>32,919</u>
Expenses		
<i>Corporate expenses include:</i>		
Auditors' remuneration	49,194	24,000
Compliance and regulatory fees	48,395	213,817
Consultancy and legal fees	141,818	91,998
Travel expenses	50,236	101,299
Other expenses	171,495	337,807
	<u>461,138</u>	<u>768,921</u>
<i>Employee benefits expenses include:</i>		
Salaries and wages	232,374	347,716
Superannuation	27,817	32,233
Directors' fees	47,395	47,460
Other employee expenses	8,059	25,043
	<u>315,645</u>	<u>452,452</u>

4. Discontinued operations

In 2010 the Board decided to discontinue its operations in Botswana and South Africa after selling or planning to relinquish all the tenements held by the Company's subsidiaries in those countries. The subsidiaries that relate to discontinuing operations are Seolo Botswana (Pty) Ltd, Tawana Resources (Pty) Ltd and Diamond Resources (Pty) Ltd.

	30 June 2015 \$	30 June 2014 \$
<i>Profit/loss from discontinued operations</i>		
Revenue	3,980	-
Expenses	(36,180)	(22,343)
Loss from discontinued operations	<u>(32,200)</u>	<u>(22,343)</u>
<i>Cash outflow</i>		
Cash outflow as part of discontinued operations	(32,650)	(27,038)
	<u>(32,650)</u>	<u>(27,038)</u>

5. Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	30 June 2015 \$	31 December 2014 \$
Cash at bank and in hand	1,090,002	1,748,000
Short term deposits	522,574	1,054,978
Total cash and cash equivalents	<u>1,612,576</u>	<u>2,802,978</u>

6. Property, Plant and Equipment

There were no additions or disposals during the period.

Notes to the Financial Statements
For the half-year ended 30 June 2015

7. Contributed equity

(a) Movements in share capital

	30 June 2015 \$	31 December 2014 \$
Ordinary shares, fully paid	54,419,776	54,419,776
<i>Movement in ordinary shares on issue</i>		
	Number	\$
Balance at 1 January 2015	1,475,250,387	54,419,776
Shares issued	-	-
Share issue costs	-	-
Balance at 30 June 2015	1,475,250,387	54,419,776

(b) Share options

	Exer- cise price	Expiry date	Balance at beginning of period Number	Issued during the period Number	Exercised during the period Number	Expired or forfeited during the period Number	Balance at end of period Number
Unlisted options	\$0.036	30 Apr 15	26,500,000	-	-	(26,500,000)	-
Unlisted options	\$0.05	10 Nov 15	1,250,000	-	-	-	1,250,000
Unlisted options	\$0.046	12 Dec 16	10,000,000	-	-	-	10,000,000
Unlisted options	\$0.018	12 Dec 16	10,000,000	-	-	-	10,000,000
Unlisted options	\$0.015	18 Dec 16	30,000,000	-	-	(3,500,000)	26,500,000
Unlisted options	\$0.039	20 Jan 17	1,000,000	-	-	-	1,000,000
Unlisted options	\$0.0001	30 Aug 15	-	10,000,000	-	-	10,000,000
Unlisted options	\$0.0001	30 Aug 16	-	10,000,000	-	-	10,000,000
Unlisted options	\$0.0001	30 Aug 17	-	10,000,000	-	-	10,000,000
Unlisted options	0.0089	26 May 18	-	11,000,000	-	-	11,000,000
			78,750,000	41,000,000	-	(30,000,000)	89,750,000

The model inputs for the options granted during the half-year were as follows:

Quantity	10,000,000	10,000,000	10,000,000	11,000,000
Grant date	23 Feb 15	23 Feb 15	23 Feb 15	12 Jun 15
Expiry date	30 Aug 15	30 Aug 16	30 Aug 17	26 May 18
Grant date share price	\$0.008	\$0.008	\$0.008	\$0.005
Exercise price	\$0.0001	\$0.0001	\$0.0001	\$0.0089
Expected volatility	124%	124%	124%	130%
Option life (years)	0.52	1.52	2.52	2.96
Expected dividend yield	0%	0%	0%	0%
Risk free rate at grant date	1.96%	1.87%	1.87%	2.07%

8. Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group only has one segment being, mineral exploration in Liberia. Accordingly, all significant operating disclosures are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

9. Contingent assets and liabilities and commitments

There has been no significant change to contingent liabilities and commitments since 31 December 2014.

10. Related party transactions

Other than the issue of share options to key management personnel disclosed in Note 7 (b), there have been no other significant transactions with related parties that were entered into during the period.

11. Financial instruments

The fair value of financial assets and financial liabilities of the Group approximated their carrying amount.

12. Loss per share

	30 June 2015	30 June 2014
Loss from continuing and discontinuing operations used in the calculation of basic EPS	(875,536)	(1,223,879)
Loss from continuing operations used in the calculation of basic EPS	(843,336)	(1,201,536)
Loss from discontinued operations used in the calculation of basic EPS	(32,200)	(22,343)
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	<u>1,475,250,387</u>	<u>1,331,478,068</u>

The loss per share calculation as disclosed on the Consolidated Statement of Profit and Loss and Other Comprehensive Income does not include instruments that could potentially dilute basic earnings per share in the future as these instruments were anti-dilutive in the periods presented.

Headline loss per share disclosed as required by the JSE Limited is detailed below:

	30 June 2015	30 June 2014
Loss from attributable to ordinary holders of the parent entity	(875,536)	(1,223,879)
Headline loss	(875,536)	(1,223,879)
Headline loss per share (cents)	0.06	0.09

13. Subsequent events

Effective 1 August 2015, Mr Michael Bohm was appointed an Independent Non-Executive Director of the Company and Mr Len Kolff resigned as a Director.

Directors' Declaration

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) Comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) Give a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and of its performance for the half-year ended on that date.
2. Subject to the achievement of the matters set out in Note 1, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

A handwritten signature in dark ink, appearing to read 'W. Richards', with a long, sweeping horizontal stroke underneath.

Mr Wayne Richards
Executive Chairman/Chief Executive Officer

Dated this, 11 September 2015

To the members of Tawana Resource NL

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Tawana Resources NL, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tawana Resources NL and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

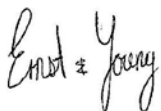
Opinion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tawana Resources NL is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



Ernst & Young



R J Curtin
Partner
Perth

11 September 2015