



**TAWANA RESOURCES NL**

**ABN 69 085 166 721**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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## CORPORATE DIRECTORY

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### Directors

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Mr Michael Bohm	Non-Executive Chairman
Mr Robert Benussi	Non- Executive Director
Mr Michael Naylor	Executive Director

### Company Secretary

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Mr Michael Naylor

### Principal Place of Business and Registered Office

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288 Churchill Avenue  
Subiaco WA 6008

### Contact Details

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Website: [www.tawana.com.au](http://www.tawana.com.au)  
Tel: +61 8 9489 2600

### Solicitors to the Company

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

### Share Registry

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Computershare Investor Services Pty Ltd  
GPO Box 2975  
Melbourne VIC 3001

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

### Auditor

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

### Stock Exchange

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Australian Securities Exchange  
ASX Code: TAW

JSE Limited  
JSE Code: TAW

## CHAIRMAN'S STATEMENT

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Dear Shareholders

On behalf of the Directors of Tawana Resources Limited ("Tawana"), I present to shareholders the Company's annual report for the year ended 31 December 2015.

The past 12 months have been challenging for both the broader resources sector as well as for the Company. The Company did achieve a number of significant milestones at the Mofe Creek Iron Project during the year, including:

- The President of the Republic of Liberia, Ellen Johnson Sirleaf officially appointed an Inter-Ministerial Concessions Committee (IMCC) to negotiate the Mofe Creek Mineral Development Agreement (MDA).
- The Environmental Protection Agency (EPA) of Liberia approved the Scoping Report and Terms of Reference Report for an Environmental and Social Impact Assessment (ESIA).
- Tawana and WISCO CAD (Hong Kong) Mining Company Limited (WISCO) signed a non-binding memorandum of understanding (MoU) to negotiate in good faith, a potential definitive Cooperation Agreement between the parties in relation to use of WISCO CAD's port facilities in Monrovia.
- The discovery of a new high-grade Direct Shipping Ore (DSO) mineralisation, averaging 62.8% Fe and up to 66% Fe at the Company's 100% owned MEL1223/14 Mofe Creek South license, located a short trucking distance from the port in Monrovia.

This last point presents as a potential opportunity for an early project start-up should iron ore prices re-bound, as a DSO-type operation could provide a low-capital intensity mining and trucking scenario in the early project years.

Despite the above positive achievements, and against a backdrop of a significant decline in the iron ore price and reduced investor appetite for iron ore in West Africa, a decision was made to reduce project activities and project spend in late 2015 to conserve funds. The Company is considering a range of options to continue the advancement of the Mofe Creek Project, including potential joint venture opportunities, royalty positions, or an outright sale. The Directors assessed the carrying value of capitalised exploration expenditure on the balance sheet in light of the accounting *standard AASB 6 Exploration and Evaluation of Mineral Resources* and concluded that given the current financial position of the company, it could not commit to a significant exploration program in 2016 unless available funds were raised. As this was not guaranteed, it triggered a requirement to review the carrying value of capitalised exploration expenditure under AASB 6. Though the Directors consider the project has significant value in a "normal" capital market and iron ore price, a valuation was not undertaken hence was written down to nil.

Your Director's retain a cautious but positive outlook for the year ahead as the Company explores suitable investment opportunities within a range of sectors.

I thank all shareholders for their support during the year and in closing, I welcome Rob Benussi to the Board of Directors. Rob was appointed in December 2015 and brings with him an impressive range of skills that will assist the Company as it moves forward. I look forward to working with Rob and the board during the year ahead.

Michael Bohm  
Non-Executive Chairman  
Tawana Resources NL

## DIRECTORS' REPORT

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Your directors submit their report for the year ended 31 December 2015 for Tawana Resources NL ("the "Company") and its controlled entities (the "Consolidated Entity" or "Group").

### Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

#### **Mr Michael Bohm – Non-Executive Chairman**

Appointed 1 August 2015

Mr Bohm is an experienced mining professional with extensive corporate, project and operational management experience in the minerals industry in Australia, South East Asia, Africa, Chile, Canada and Europe/UK. A graduate of the WA School of Mines, Mr Bohm has worked as a mining engineer, mine manager, study manager, project manager, project director and managing director. He has been directly involved in a number of project developments in the resources sector both in Australia and offshore.

Over the past three years, Mr Bohm has also held directorships with the following listed companies:

<b>Other current directorships</b>	<b>Commenced</b>	<b>Ceased</b>
Purseus Mining Limited	15 October 2009	-
Ramelius Resources Limited	29 November 2012	-
<b>Former directorships in the last 3 years</b>		
Herencia Resources plc	14 June 2006	31 August 2013

#### **Mr Robert Benussi – Non-Executive Director**

Appointed 4 December 2015

Mr Benussi was the founding shareholder and director of Bligh Resources Limited holding the positions of Managing Director / Chief Financial Officer. Prior to this role he held various positions at Jupiter Mines Limited as Chief Financial Officer, Company Secretary and General Manager, Corporate and was a Non-Executive Director of Resource Star Limited.

Mr Benussi brings extensive experience in finance, corporate advisory, stockbroking and business development to the Tawana Board.

Over the past three years, Mr Benussi has also held directorships with the following listed companies:

<b>Former directorships in the last 3 years</b>		
Bligh Resources Limited	1 July 2011	8 October 2015
Resource Star Limited	9 July 2009	31 March 2013

#### **Mr Michael Naylor – Executive Director, Chief Financial Officer and Company Secretary**

Appointed 1 January 2015

Michael has 20 years' experience in corporate advisory and public company management since commencing his career and qualifying as a chartered accountant with Ernst & Young. Michael has been involved in the financial management of mineral and resource focused public company's serving on the board and in the executive management team focusing on advancing and developing mineral resource assets and business development. He has previously worked as the Financial Controller of ASX listed Resolute Mining Limited, Finance Director and Company Secretary of ASX listed Dragon Mining Limited and as the Chief Executive Officer and Managing Director of dual ASX/TSX-V listed Coventry Resources Inc where he oversaw the completion of the Preliminary Economic Assessment of the Cameron Gold Project and the listing on the TSX-V.

## DIRECTORS' REPORT

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Over the past three years, Mr Naylor has also held directorships with the following listed companies:

<b>Other current directorships</b>	<b>Commenced</b>	<b>Ceased</b>
Equator Resources Limited	15 February 2016	-
<b>Former directorships in the last 3 years</b>		
Dragon Mining Limited	4 July 2008	27 April 2012
Coventry Resources Inc.	2 July 2012	29 April 2013

**Mr Wayne Richards – Executive Chairman and Chief Executive Officer**

Appointed 15 August 2013, resigned 4 December 2015.

**Mr Len Kolff – Technical Director**

Appointed 27 October 2011, resigned 1 August 2015.

**Mr Matthew Bowles – Non-Executive Director**

Appointed 30 May 2011, resigned 1 January 2015.

### Interests in the shares and options of the Company

As at the date of this report, the interests of the directors in the shares and options of Tawana Resources NL were:

<b>Name</b>	<b>Number of ordinary shares</b>	<b>Number of options over ordinary shares</b>
Mr M Bohm	-	-
Mr R Benussi	450,000	-
Mr M Naylor	800,000	3,000,000

### Company Secretary

Michael Naylor was appointed company secretary on 30 November 2014.

Prior to this Mr Winton Willesee (resigned 30 November 2014) and Mr Aaron Finlay (resigned 30 September 2014) served as the Company Secretary.

### Operating results

The loss of the Consolidated Entity for the year ended 31 December 2015 after providing for income tax amounted to \$9,402,364 (2014: \$2,299,246). The loss is mainly due to the exploration write-off of \$7,728,558 (see note 9). The Directors assessed the carrying value of capitalised exploration expenditure on the balance sheet in light of the accounting *standard AASB 6 Exploration and Evaluation of Mineral Resources* and concluded that given the current financial position of the company, it could not commit to a significant exploration program in 2016 unless available funds were raised. As this was not guaranteed, it triggered a requirement to review the carrying value of capitalised exploration expenditure under AASB 6. Though the Directors consider the project has significant value in a "normal" capital market and iron ore price, a valuation was not undertaken hence was written down to nil.

### Financial position

The net assets of the Consolidated Entity are \$592,617 as at 31 December 2015 (2014: \$9,279,777).

### Principal activities

Tawana Resources NL's principal activities consisted of mineral exploration, in particular iron ore exploration and development.

## Review of Operations

### Mofe Creek Iron Ore Project, LIBERIA - Executive Summary

Tawana Resources NL is an ASX and JSE-listed Company with its principal project in Liberia, West Africa. Tawana's 100% owned Mofe Creek Iron ore Project ("Mofe Creek" or the "Project") lies in the heart of Liberia's historic iron ore district, located 20km from the coast and 85km from the country's capital city and major port, Monrovia.

Tawana is committed to realising value from the Mofe Creek project, which covers 475km<sup>2</sup> of highly prospective tenements in Grand Cape Mount County, with all options open to consideration including potential joint venture or royalty positions with third parties. The Project hosts DSO and high-grade friable itabirite mineralisation which can be upgraded to a superior quality iron ore product in the 64-68% Fe grade range.

The Project's proximity to existing infrastructure, recently commissioned mines and an operational deep-water iron ore port in Monrovia, along with the confirmation that the mineralisation is coarse-grained, friable itabirite with exceptionally low contaminants, sets the Project apart from other West African iron ore projects.

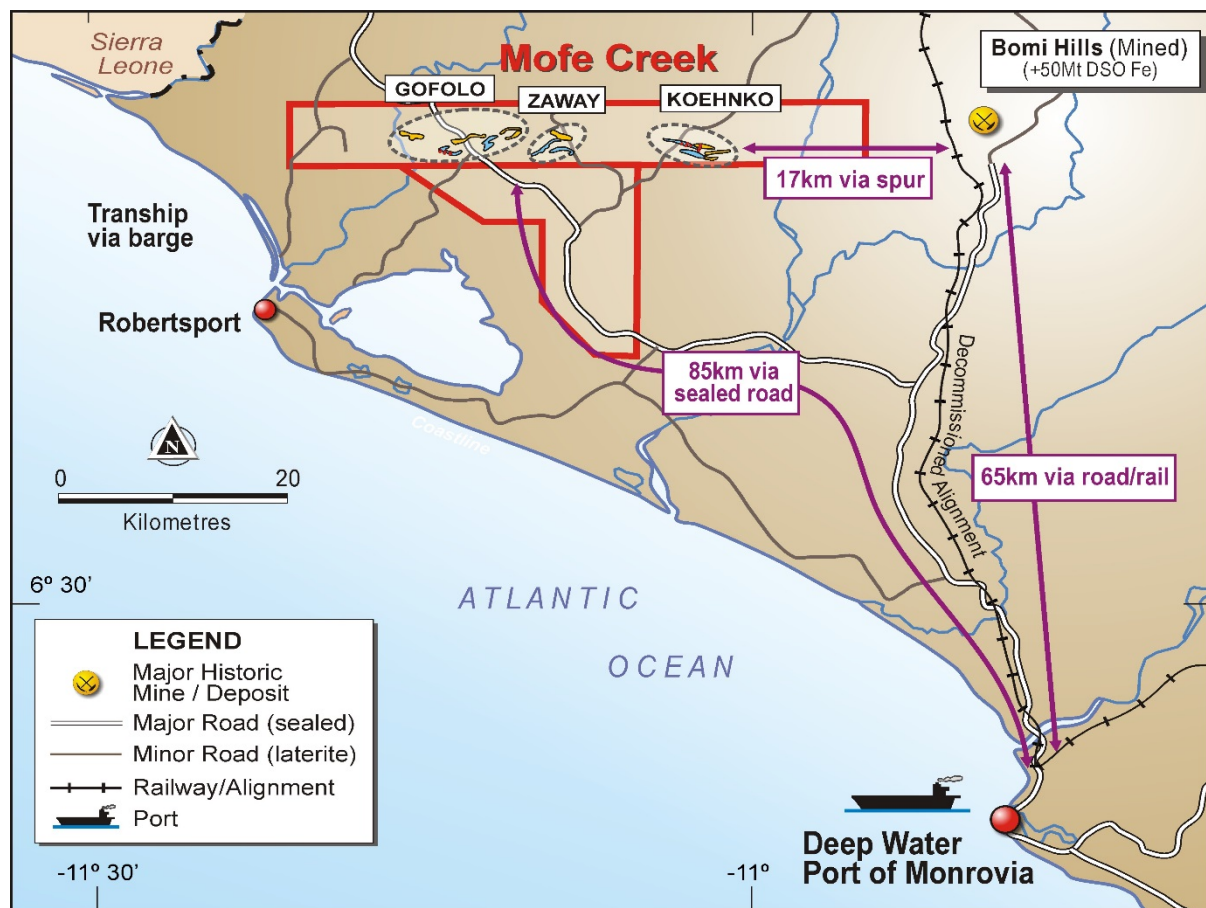


Figure 1 | Project location relative to possible infrastructure scenarios and historic resources.

The Project is located 80km northwest of the operating deep-water port of Monrovia, the capital city of Liberia, West Africa. The project is well serviced by a sealed bitumen road from Monrovia through the licence area which is located within 20km of the Liberia coastline. The Company through its wholly owned Liberian subsidiary, Tawana Liberia Inc. was granted a mineral exploration licence MEL12029 in December 2012 and MEL 1223/14 in September 2014, for a period of three years and renewable for an additional two years. The Company has a 100% beneficial interest in the tenement.

## DIRECTORS' REPORT

### Resource Estimate

In 2014, a Maiden Mineral Resource of 61.9Mt with an in-situ iron grade of 33% ("Maiden Resource") was calculated for the Mofe Creek Project and comprises the Gofolo Main, Zaway and Koehnko deposits (refer to ASX announcement of 31 March 2014)<sup>1</sup>.

Coffey Mining Pty Ltd (Coffey) was retained by Tawana to undertake the Maiden Resource estimates for the above mentioned three prospects at the Project.

The Maiden Mineral Resource includes Indicated Mineral Resources of 16.2Mt at 35.4% Fe, with the balance of the Mineral Resource classified as Inferred (45.7Mt at 32.1% Fe –refer summary Table 1).

The Mofe Creek deposits consist of a series of approximately 1km to 3km strike length semi-contiguous hills with coincident magnetic anomalies within an approximate 65km strike length of prospective magnetic anomalies interpreted. The Company has only drilled 8km of a total 65km of potential interpreted prospective strike within its 100%-owned Mofe Creek licence area, with the potential for resource expansion remaining extremely viable.

Classification	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)	MnO (%)	S (%)	TiO <sub>2</sub> (%)
Total Indicated Zaway	6	33.4	43.3	4.4	0.03	1.7	0	0	0.2
Total Indicated Gofolo Main	10.2	36.5	38.8	3.4	0.05	2.9	0.1	0.1	0.1
Total Indicated	16.2	35.4	40.5	3.8	0.04	2.5	0.1	0.1	0.1
Total Inferred Koehnko	16	31	42.5	7.9	0.04	3.4	0	0	0.2
Total Inferred Zaway	6.3	33.7	40.9	5.7	0.03	3.3	0	0	0.3
Total Inferred Gofolo Main	23.4	32.5	36.3	8.4	0.04	5.8	0.1	0.1	0.3
Total Inferred	45.7	32.1	39.1	7.9	0.04	4.6	0.1	0.1	0.3
TOTAL Indicated + Inferred	61.9	33.0	39.5	6.8	0.04	4.0	0.1	0.1	0.2

Table 1 | Summary Grade-Tonnage for Mofe Creek (20 % Fe lower cut-off is applied)<sup>1</sup>

### Scoping Study<sup>2</sup>

In July 2014, in conjunction with the publication of a Maiden Mineral Resources Estimate for the Mofe Creek Project, Tawana completed the required engineering, mining, metallurgical and environmental studies, along with the logistics design and costings, to finalise the Mofe Creek Project Scoping Study.

The key findings of the Project were released on 3 July, 2014 (Refer to the ASX Announcement dated 3 July 2014)<sup>2</sup>. The Project Development Plan envisaged a staged production ramp up commencing at 1.2 Mtpa (Stage 1A) then increasing production to 2.5 Mtpa (Stage 1B).

### Mofe Creek Iron Ore Project, LIBERIA – 2015 Overview

2015 was a challenging year for Tawana due to the fall in the iron ore price and the outbreak of the Ebola Virus Disease in Liberia.

The Company had temporarily suspended all non-essential field activities within Liberia, in response to the Ebola Virus Disease ('EVD'), in August 2014 and didn't remobilise Liberian and expatriate staff until April 2015 as a result of significant improvements and ongoing proactive management of the Ebola Virus Disease (EVD) by the Government of Liberia, supporting countries, health organisations and NGOs.



During the remainder of the year the Company focused on the Mineral Development Agreement, infrastructure solutions (particularly for a potential Direct Shipping Ore (DSO) operation), environmental and social impact assessments and exploration for DSO material.

### *Mineral Development Agreement*

In order to obtain a Class A mining licence it is necessary for the applicant to conclude a Mineral Development Agreement (MDA) with the Government; the terms of which are no more than 25 years and are subject to periodic review every five (5) years.

The MDA contains basic provisions relevant to the erection of buildings (e.g. office buildings, habitations, etc.), roads, drainage, developing trenches and other mining operations, clearing timber for construction and use of water and other resources among other provisions necessary for Project development.

A number of significant milestones were achieved in the advancement of the MDA during the year.

In February 2015, the President of the Republic of Liberia, Ellen Johnson Sirleaf officially appointed an IMCC to negotiate Tawana's Mofe Creek MDA.

The role of the IMCC in the MDA process is to oversee and coordinate the entire investment concessional review process and its due diligence functions, for the benefit of all parties. All natural resource concession agreements in Liberia, including mining concessions, are negotiated by the IMCC.

An IMCC meeting was held in April 2015 and chaired by the Liberian National Investment Committee Chairman, and further constituted by a co-chair from the Ministry of Lands, Mines, and Energy, the Ministry of Justice, and deputy ministers from the Ministries of Labour and Finance. The presentation was also attended by government department representatives and members of the Inter-Ministerial Technical Committee (IMTC), and was very well received.

The IMCC presentation and corresponding negotiations regarding the technical, commercial, financial and socio-economic and labour aspects of the MDA, represent a critical step forward in the advancement and conclusion of Tawana's MDA.



Figure 2 | Key Liberian government representatives and Tawana representatives present at Tawana's formal IMCC presentation in April 2015.

The Company is awaiting a formal response from Liberia's IMCC with regard to the first pass submission of Tawana Liberia Inc.'s Mineral Development Agreement. A response is anticipated in the June 2016 quarter.

### *Environmental and Social Impact Assessment (ESIA)*

The Company, through an independent environmental and social consulting group, Earth Environmental Consultancy Inc. of Liberia (EarthCons), completed the requisite site visits and submitted an independent environmental audit report to the Environmental Protection Agency (EPA) in March 2015, as required under the Liberian Exploration Regulations.

The EPA subsequently awarded Tawana a permit for its wholly-owned southern exploration licence MEL1223/14. This permit allows the Company to progress field exploration activities and is a legal requirement under Liberian regulations.

In addition, on 20 October 2015, the Environmental Protection Agency (EPA) of Liberia approved the Scoping Report and Terms of Reference Report for an Environmental and Social Impact Assessment (ESIA), for the Company's Mofe Creek project.

This approval represents a key step forward in the ESIA process, and forms part of Tawana's commitment to obtaining an Environmental Permit and Mining Licence for the Project. The approval represents the culmination of over a year's technical and geological field work in conjunction with community and stakeholder consultative work within the Project area.

### *Infrastructure & Logistics*

In May 2015, Tawana and WISCO CAD (Hong Kong) Mining Company Limited (WISCO) signed a non-binding memorandum of understanding (MoU)<sup>3</sup> (refer ASX announcement of 18 May 2015) to negotiate in good faith, a potential definitive Cooperation Agreement between the parties in relation to access and use of WISCO CAD's port facilities in the port of Freeport, Monrovia.

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 production and export of initial smaller scale tonnages from the Mofe Creek project is designed to establish the Company within Liberia, while minimising capital expenditure and creating revenue and employment opportunities within the community.

WISCO and Tawana continued negotiations towards executing a definitive Cooperation Agreement. In particular the key logistics and commercial/technical terms associated with the co-export and shipping requirements of the respective companies ores, using the existing port storage, reclaim and ship loading plant and equipment, operated by WISCO are being negotiated.

### *Potential DSO Start Up*

The DSO mineralisation defined within the Goehn Prospect (refer Exploration section) falls within 6km of the bitumen road between the Mofe Creek Project area and the operational port of Monrovia; only 85km away. This new discovery represents a strategic opportunity to structure an early-start-up operation with minimal capital intensity, using the existing highway and a working port within Monrovia. The mineralisation is readily accessible and presents from surface.

The Goehn Prospect also supports the opportunity for a potential early start-up, low-capital intensity mining and trucking operation within the initial years of production and project life cycle. Due to the hematite DSO style mineralisation discovered, a beneficiation process may not be required at start-up and will only be introduced as the mineralisation transitions from DSO into friable itabirite mineralization. This mining methodology ensures the delayed capital requirements of a processing facility and allows the wet plant to be potentially funded from cashflow and/or strategic debt, once the Company is operational and generating an income.

This potential development is further enhanced by the infrastructure sharing MoU executed between the Company and WISCO-CAD; the owner-operator of the Monrovia port iron ore handling facilities.

### Exploration

In 2014, the Company was awarded a new exploration licence (MEL 1223/14 – Refer Figure 3) to Tawana Liberia Inc.; a wholly owned subsidiary of Tawana Resources NL.

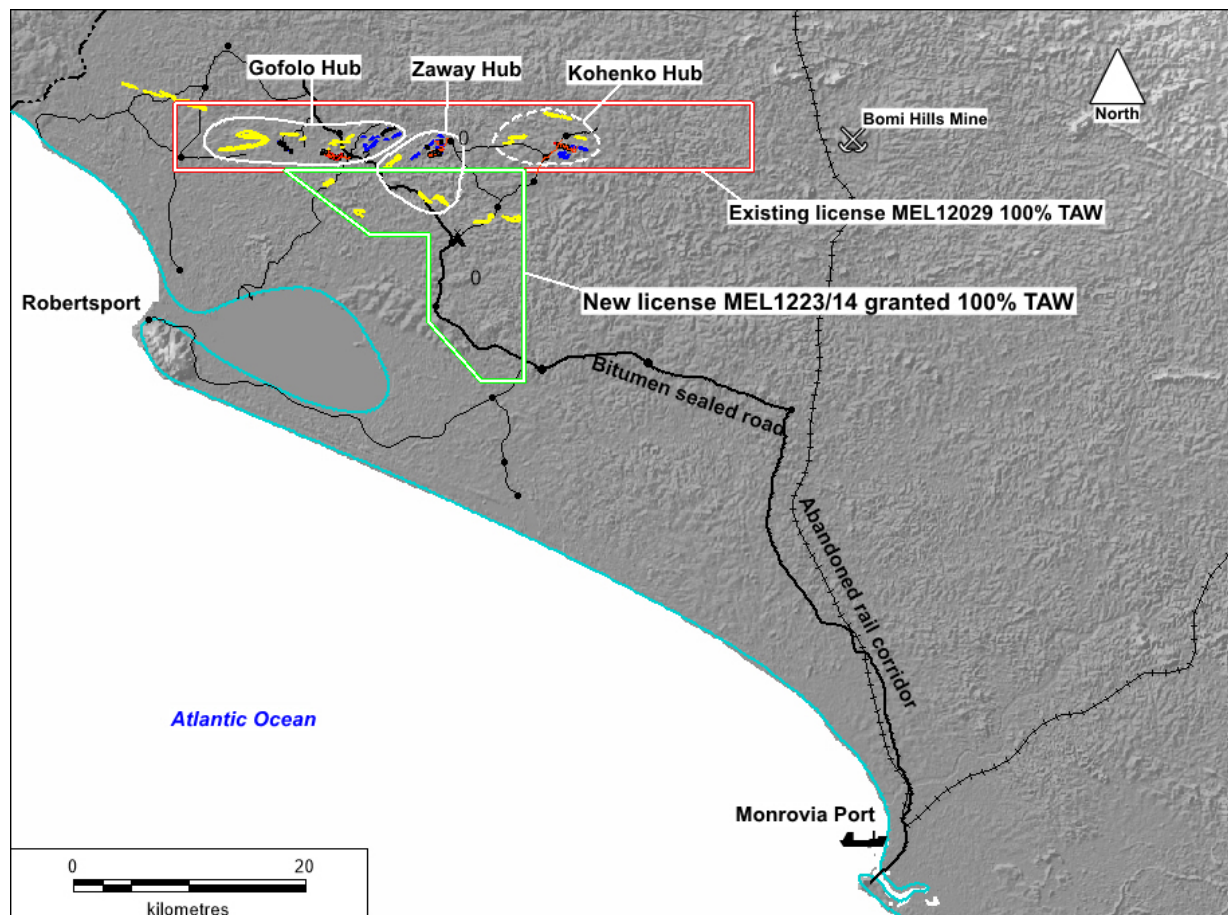


Figure 3 | New MEL 1223/14 location relative to MEL12029 and infrastructure. Main mineralisation hubs shown with exploration targets yet to be tested in yellow, advanced targets in blue and drilled targets in red.

During the year, the Company discovered a new high-grade Direct Shipping Ore (DSO) hematite mineralisation, averaging 62.8% Fe and up to 66% Fe, located a short trucking distance to the operating port of Freeport, Monrovia at the 100% owned MEL1223/14 Mofe Creek South licence.

A diamond drilling program conducted in November and December 2015 confirmed the presence of high grade DSO hematite mineralisation, with iron grades up to 66% Fe, located a short trucking distance to the operating port of Freeport, Monrovia.

Six diamond drill holes (376.5m) were drilled over the north east section of the Goehn Prospect where there was a concentration of high grade Magnetite/Hematite mineralisation mapped and samples reported an average grade of 66% Fe (Refer to ASX Announcement of 8 July 2015)<sup>4</sup>.



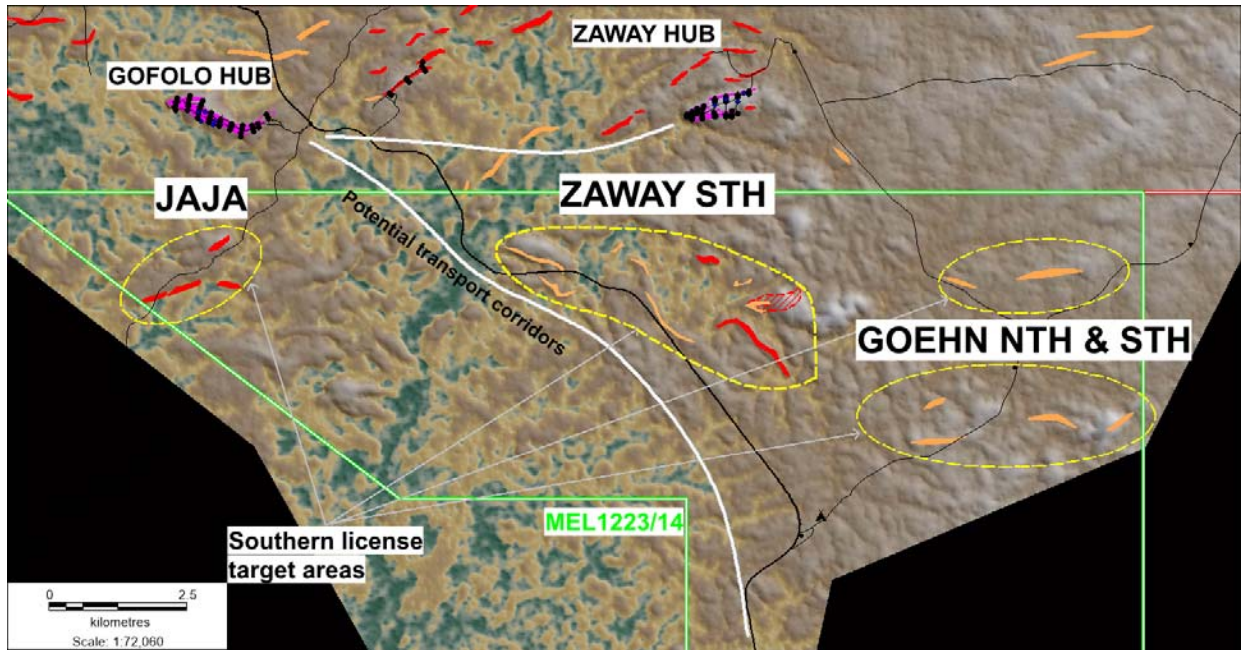


Figure 4 | Location of Gohn Prospect

Six diamond holes were drilled across two lines 200m apart on nominal 50m drill spacing. The program was designed to test at depth the identified DSO and high grade friable iron formation from previous field work. The program was successful as all the holes intersected either DSO or high grade friable iron formation or a combination of both, see Figure 6.

The core was processed on site with assays taken every meter by a hand held XRF machine with appropriate QAQC procedures followed. Table 3 lists all significant assay results from the six drilled holes.

Table 2 | Drill program for Goehn prospect.

Hole ID	Hole Type	East	North	RL	Dip	Azimuth	Hole depth (m)
GSEDD01	NQ core	269,303	755,744	107	-50	330	40
GSEDD02	NQ core	269,337	755,694	96	-50	330	66
GSEDD03	NQ core	269,431	755,856	93	-50	305	53.4
GSEDD03A	NQ core	269,431	755,847	92	-60	305	77.4
GSEDD04	NQ core	269,397	755,879	110	-50	305	68.4
GSEDD05	NQ core	269,361	755,910	112	-50	125	71.3

Co-ordinate system: UTM WGS84 Zone 29N

Table 3 | Significant assay results (Refer to ASX Announcement of 18 February 2016)<sup>4</sup>

Hole ID	Depth From (m)	Depth To (m)	Intersection (m)	Fe %	Si %	Al %	P %	S %
GSEDD001	<b>1</b>	<b>12</b>	<b>11</b>	<b>60.2</b>	<b>1.8</b>	<b>6.3</b>	<b>0.03</b>	<b>0.04</b>
	20	36	16	45.0	4.4	5.7	0.03	BDL
GSEDD002	3	14	11	50.9	2.1	4.7	0.01	BDL
	27	45	18	44.9	5.2	5.2	0.02	BDL
	51	66	15	44.5	3.2	1.6	0.02	0.08
GSEDD003	1	29	28	51.5	1.1	1.4	BDL	BDL
<i>including</i>	<b>1</b>	<b>5</b>	<b>4</b>	<b>63.3</b>	<b>0.6</b>	<b>0.8</b>	<b>BDL</b>	<b>BDL</b>
GSEDD003A	surface	11	11	52.9	1.7	2.2	BDL	BDL
<i>including</i>	<b>1</b>	<b>5</b>	<b>4</b>	<b>60.9</b>	<b>1.4</b>	<b>1.7</b>	<b>BDL</b>	<b>BDL</b>
GSEDD004	2	20	18	51.2	1.3	1.9	BDL	BDL
<i>including</i>	<b>4</b>	<b>9</b>	<b>5</b>	<b>59.0</b>	<b>0.8</b>	<b>1.3</b>	<b>BDL</b>	<b>BDL</b>
	<b>28</b>	<b>42</b>	<b>14</b>	<b>61.1</b>	<b>0.9</b>	<b>1.3</b>	<b>BDL</b>	<b>BDL</b>
	49	62	13	51.7	1.0	0.7	BDL	BDL
GSEDD005	surface	22	22	54.5	1.6	2.0	BDL	BDL
<i>including</i>	<b>3</b>	<b>15</b>	<b>12</b>	<b>62.1</b>	<b>1.4</b>	<b>1.8</b>	<b>BDL</b>	<b>BDL</b>
	26	35	9	52.1	1.9	3.1	BDL	BDL
<i>including</i>	<b>31</b>	<b>34</b>	<b>3</b>	<b>62.1</b>	<b>1.8</b>	<b>3.2</b>	<b>BDL</b>	<b>BDL</b>
	41	48	7	55.0	2.0	2.3	BDL	BDL
<i>including</i>	<b>45</b>	<b>48</b>	<b>3</b>	<b>63.6</b>	<b>1.8</b>	<b>2.1</b>	<b>BDL</b>	<b>BDL</b>
	50	66	16	49.8	1.2	1.4	BDL	BDL

Note: All results reported using a handheld XRF machine and are considered semi-quantative in nature. BDL = Below detection limit.

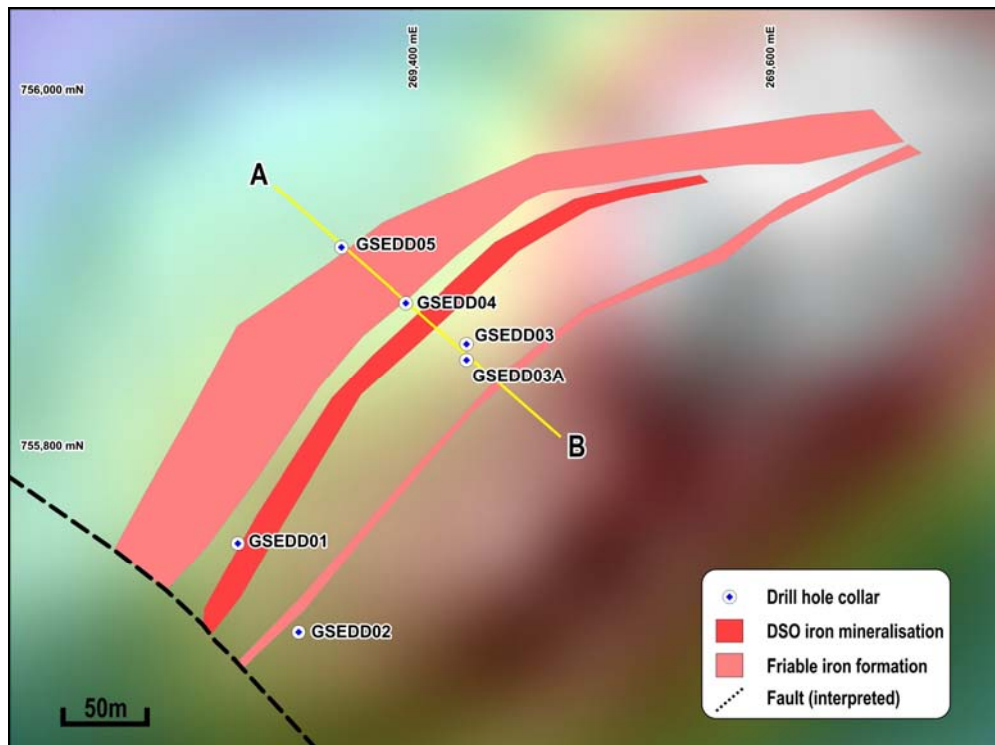


Figure 5 | Plan of drill collar locations over an ANSIG aeromagnetic image with interpreted iron formation from surface mapping

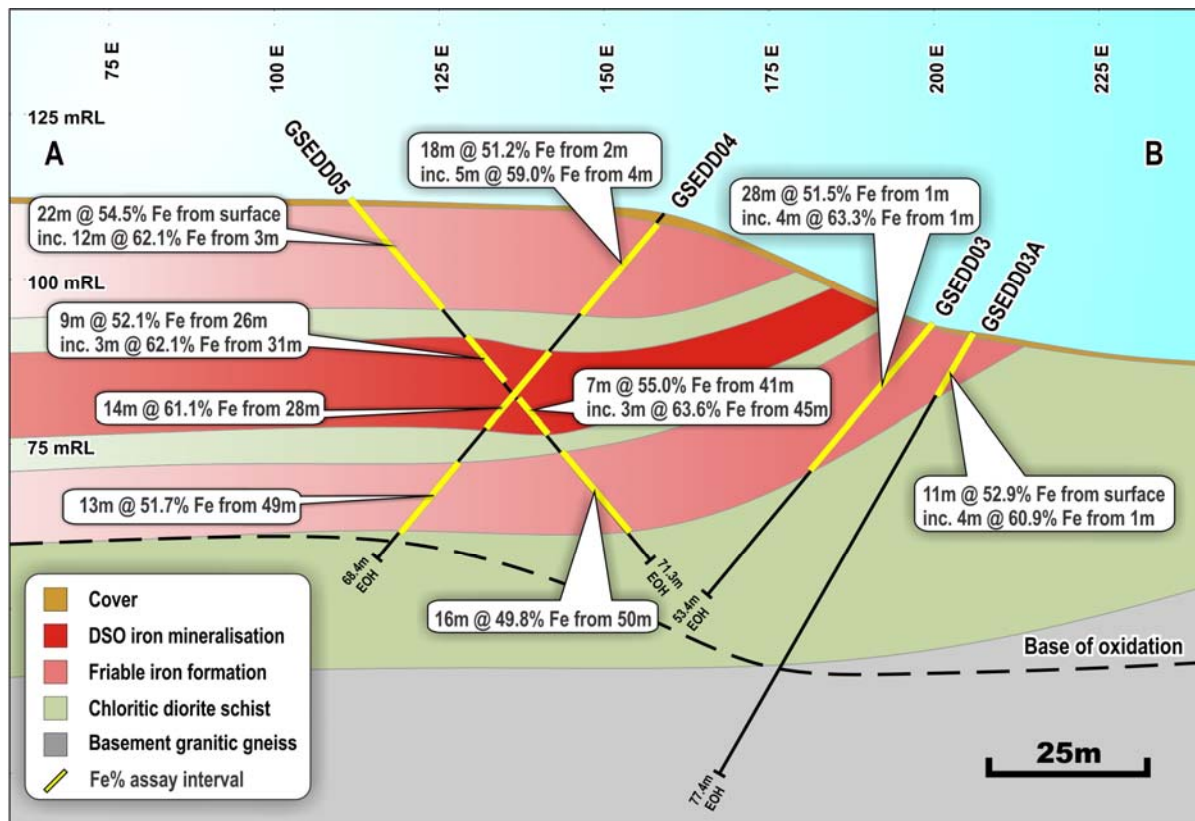


Figure 6 | Goehn prospect cross-section looking northeast

#### *Bomi Hills Analogue and Significance of Drilling Program*

Initial geological observations from drilling at the Goehn Prospect highlights the similarities in lithology and mineralisation setting as reported at the Bomi Hills mine.

The Goehn Prospect is along strike from the abandoned Bomi Hills iron ore mine which was in production from 1951 to 1977. Historic production at Bomi Hills is poorly documented; however estimated historic production by the Government of Liberia is 50Mt of high-grade DSO lump magnetite in addition to high-grade beneficiated sinter feed concentrate. DSO magnetite averaged 64.5% Fe, 4.5% SiO<sub>2</sub>, 1.5% Al<sub>2</sub>O<sub>3</sub> and 0.13% P, of which 53% formed lump material (average 11-37mm) and 47% formed fines (<11mm). Friable iron formation was beneficiated through Humphrey Spirals and a magnetic separator to produce sinter feed concentrate averaging 64% Fe, 6% SiO<sub>2</sub> and 0.04-0.05% P (Gruss, 1973).

The genesis of the Bomi Hills magnetite deposit is not clearly understood, however, general consensus is that it is hypogene and represents an itabirite that has come into direct contact with rising gneissic fronts causing enrichment to coarse massive magnetite by metamorphic differentiation (Gruss, 1973). Magnetite mineralisation is in direct contact with gneissic basement and is partially blind.

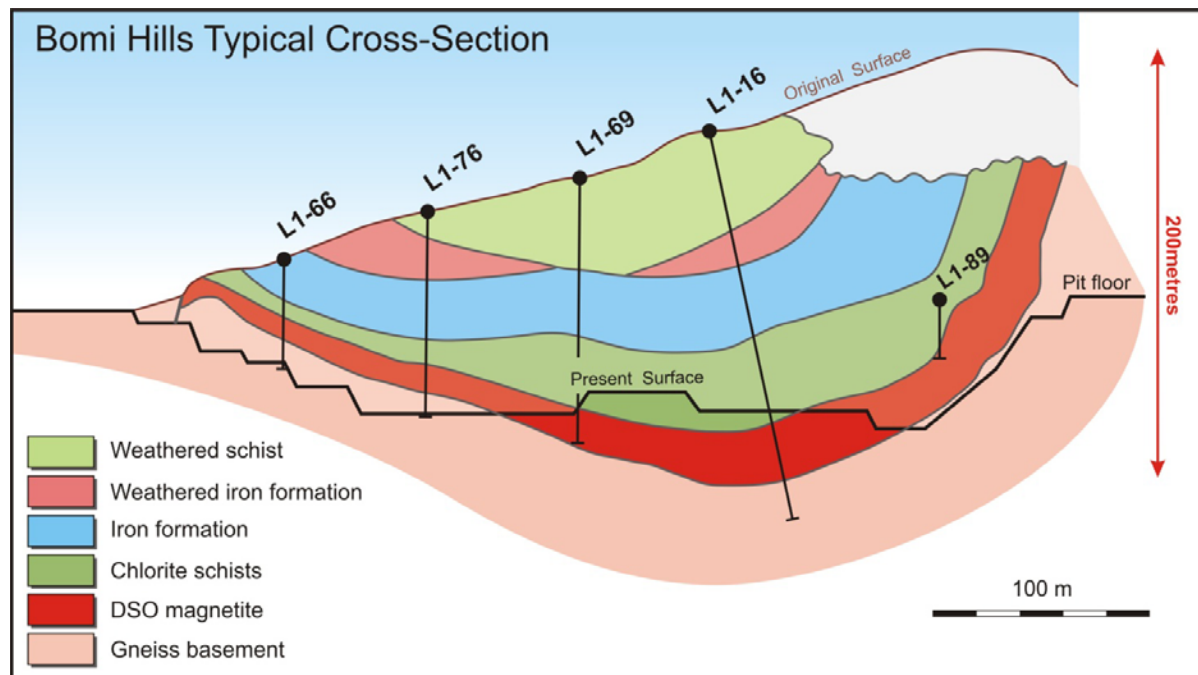


Figure 7 | Typical Bomi Hills cross-section after Gruss (1973) looking East

The Bomi Hills cross section at figure 4 has striking similarities between the lithologies intersected at Goehn (Refer Figure 7).

Drilling at Goehn has intersected a similar package of friable iron formation transitioning into hard iron formation from surface, through mafic schist and into footwall gneiss basement. DSO has been intersected within and directly below the mafic schists over variable widths and to a current average of 15m.

### Health, Safety, Environmental and Social

Tawana is committed to safety as its highest priority on site and continues to take action to reinforce this. Safety initiatives and policies developed and implemented included an Ebola Management Plan as a sub-set of the Company's Risk and Event Management Plan, which was incorporated into the site remobilisation plan.

Liberia was declared Ebola-free by the World Health Organisation (WHO) on 9 May 2015. The Company remobilised Liberian and expatriate staff in April 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.

Tawana is committed to maintaining its social licence to operate within Liberia, building stakeholder relationships, and protecting the environment whilst providing a safe working place for our employees.

### Corporate

#### *Board and Executive Team Restructure*

As part of the Company's cost cutting initiatives, the following Board and Executive Management changes were implemented during the year:

- Mr Michael Bohm was appointed a non-executive director on 1 August 2015 and assumed the role as non-executive chairman on 4 December 2015;
- Mr Rob Benussi was appointed non-executive director on 4 December 2015;
- Mr Wayne Richards resigned as Executive Chairman and CEO on 4 December 2015; and
- Mr Len Kolff resigned from the Board effective 1 August 2015.

#### *Divestment of Non-Core Assets*

The Company's Botswana subsidiary has been deregistered and the Company will no longer incur administration costs associated with this company.

### Subsequent Events

#### *Sale of Diamond Resources*

In January 2016, BlueRock Diamonds purchased the Company's total shareholding and loan account in Diamond Resources (a 100% -owned subsidiary of Tawana Resources NL) for ZAR 700,000 (A\$60,300).

#### *Consolidation of issued capital*

On 8 March 2016, the Company announced the proposal to undertake a one-for-twenty consolidation of its issued capital. The consolidation will create a more efficient and streamlined capital structure resulting in the shares on issue being reduced from approximately 1,475.3 million to 73.8 million.

All outstanding options will be consolidated on the same ratio which will result in a total of 1.12 million options on issue.

### Dividends paid or recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

### Likely Developments and Expected Results

The Consolidated Entity is committed to realising value from the Mofe Creek project, with all options open to consideration including potential joint venture or royalty positions with third parties.

The Company is also continuing to examine other prospective investment opportunities.

### Environmental issues

The consolidated entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The Directors have considered the National Greenhouse and Energy Reporting Act 2007 ('the NGER Act') and at the current stage of development and based on the locations of the Company's operations, the Directors have determined that the NGER Act will have no effect on the Group for the current or subsequent financial year. The Directors will reassess this position as and when the need arises. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 31 December 2015.

### Significant Changes in the State of Affairs

There have been no changes in the state of affairs of the Company other than those outlined in the Review of Operations.

### REMUNERATION REPORT (audited)

This remuneration report for the year ended 31 December 2015 outlines the remuneration arrangements of the Consolidated Entity in accordance with the requirements of the Corporations Act 2001(Cth), as amended (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly including any director (whether executive or otherwise) of the parent.

The table below outlines the KMP of the Consolidated Entity during the financial year ended 31 December 2015. Unless otherwise indicated, the individuals were KMP for the entire financial year.



## DIRECTORS' REPORT

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For the purposes of this report, the term “executive” includes the executive directors and senior executives of the Consolidated Entity.

### Executive directors

W Richards	Executive Chairman (resigned 4 December 2015)
L Kolff	Managing Director (resigned 1 August 2015)
M Naylor <sup>1</sup>	Executive Director (appointed 1 January 2015)

### Non-executive director

M Bohm	Non-Executive Chairman (appointed Non-Executive Director on 1 August 2015 and Non-Executive Chairman on 4 December 2015)
R Benussi	Non-executive Director (appointed 4 December 2015)
M Bowles	Non-executive Director (resigned 1 January 2015)

<sup>1</sup> Mr Naylor was appointed as the Chief Financial Officer on 28 February 2014 and Company Secretary on 30 November 2014. For comparative purposes, Mr Naylor is shown as a Director in 2014.

There were no other changes to KMP after reporting date and before the date the financial report was authorised for issue.

### Remuneration Governance

The Board has decided there are no efficiencies to be gained from forming a separate remuneration committee and hence the current board members carry out the roles that would otherwise be undertaken by a remuneration committee with each director excluding themselves from matters in which they have a personal interest.

The Board considers and recommends compensation arrangements for the executive chairman, directors and senior executives; remuneration policies and practices; retirement termination policies and practices; Company share schemes and other incentive schemes; Company superannuation arrangements and remuneration arrangements for members of the Board.

The Board obtains professional advice where necessary to ensure that the Company attracts and retains talented and motivated directors, executives and employees who can enhance Company performance through their contributions and leadership.

### Remuneration Framework

The Board recognises that the Company's performance and ultimate success in project delivery depends very much on its ability to attract and retain highly skilled, qualified and motivated people in an increasingly competitive remuneration market. At the same time, remuneration practices must be transparent to shareholders and be fair and competitive taking into account the nature and size of the organisation and its current stage of development.

The approach to remuneration has been structured with the following objectives:

- to attract and retain a highly skilled executive team at a critical stage in the Company's development of the Mofe Creek Project;
- to link remuneration with performance, based on long-term objectives and shareholder return, as well as critical short-term objectives which are aligned with the Company's business strategy;
- to set clear goals and reward performance for successful project development in a way which is sustainable, including in respect of health and safety, environment and community based objectives;
- to be fair and competitive against the market;
- to preserve cash where necessary for exploration and project development, by having the flexibility to attract, reward or remunerate executives with an appropriate mix of equity based incentives;
- to reward individual performance and Company performance thus promoting a balance of individual performance and teamwork across the executive management team and the organisation; and

- to have flexibility in the mix of remuneration, including offering a balance of conservative long term incentive instruments such as options to ensure executives are rewarded for their efforts, but also share in the upside of the Company's growth and are not adversely affected by tax consequences.

The remuneration framework provides a mix of fixed and variable "at risk" remuneration and a blend of short and long-term incentives.

The remuneration for executives has three components:

- Fixed remuneration, inclusive of superannuation and allowances;
- Short Term Incentives ("STI") under a performance based cash bonus incentive plan; and
- Long Term Incentives ("LTI") through participation in the Company's shareholder approved equity incentive plans.

These three components comprise each executive's total annual remuneration.

### Executive Director Remuneration

#### *Fixed Remuneration*

Executives receive a fixed base cash salary and other associated benefits. Executives also receive a superannuation guarantee contribution required by Australian legislation which was 9.5% at 31 December 2015. No executives receive any other retirement benefits.

Fixed remuneration of executives will be set by the Board each year and is based on market relativity and individual performance. In setting fixed remuneration for executives, individual performance, skills, expertise and experience are also taken into account to determine where the executive's remuneration should sit within the market range. Where appropriate, external remuneration consultants will be engaged to assist the Board to ensure that fixed remuneration is set to be consistent with market practices for similar roles.

Fixed remuneration for executives will be reviewed annually to ensure each executive's remuneration remains fair and competitive. However, there is no guarantee that fixed remuneration will be increased in any service contracts for executives.

If an executive resigns or is terminated for cause before the end of the financial year, no STI is awarded for that year. Similarly if any deferred STI awards are forfeited, unless otherwise determined by the Board.

If an executive ceases employment during the performance period by reason of redundancy, ill health, death, or other circumstances approved by the Board, the executive will be entitled to a pro-rata cash payment based on assessment of performance up to the date of ceasing employment for that year and any deferred STI awards will be retained (subject to Board discretion).

The treatment of vested and unexercised awards will be determined by the Board with reference to the circumstances of cessation.

#### *Short Term Incentives*

The executive directors and other executives were eligible to earn short-term cash bonuses upon achievement of significant performance based outcomes aligned with the Company's strategic objectives at that time. These performance based outcomes are considered to be an appropriate link between executive remuneration and the potential for creation of shareholder wealth. A short-term incentive was paid to Mr Richards by way of a cash bonus in July 2015.

#### *Long Term Incentives*

The objective of the LTI plan is to reward executives and directors in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such LTIs are made to executives and directors who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

LTI grants to executives and directors are delivered in the form of share options. Two types of options are issued to directors and executives being:

1. Those with an exercise price at a premium to the average of the Company's ordinary share price at the date issued; and
2. those issued with predetermined conservative performance hurdles with a low exercise price.

The Company prohibits directors or executives from entering into arrangements to protect the value of any Tawana Resources shares or options that the director or executive has become entitled to as part of his/her remuneration package. This includes entering into contracts to hedge their exposure.

### *Termination payments*

The following termination payments applied to Mr Richards in his capacity as CEO:

- A termination payment of \$283,723 exclusive of superannuation;
- All remaining LTI's were cancelled;
- Annual leave and superannuation entitlements.

### **Non-Executive Director Remuneration**

Non-executive directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are determined in accordance with the rules set out in the Company's Constitution and the Corporations Act at the time of the director's retirement or termination. Non-executive directors remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which is subject to shareholder approval in accordance with the ASX Listing Rules.

The aggregate remuneration, and the manner in which it is apportioned amongst non-executive directors, is reviewed annually. The Board considers the amount of director fees being paid by comparable companies with similar responsibilities and levels of experience of the non-executive directors when undertaking the annual review process.

The current maximum amount of non-executive directors fees payable is fixed at \$300,000 in total, for each 12 month period commencing 1 January each year, until varied by ordinary resolution of shareholders.

Non-executive directors are not entitled to any termination payments.

### **Use of Remuneration Consultants**

During the year ended 31 December 2015 the Board did not engage the services of remuneration consultants.

### **Voting and Comments Made at the Company's Last Annual General Meeting**

Tawana received more than 60.1% approval of its remuneration report, however this resulted in its "first strike" vote in relation to its Remuneration Report for the year ended 31 December 2014 as in accordance with ASX Listing Rules, it requires a majority of 75%.

The Company received a number of questions with regard to Wayne Richard's remuneration and he replied that he was comfortable with his remuneration given his level of experience. In addition concerns were raised with regard to the CEO and Chairman roles being performed by the same person. The Company believes these concerns have been resolved.

No other feedback was received regarding the 2014 Remuneration Report.

The Company believes it has worked hard to improve transparency of the Remuneration Report and ensure that remuneration reflects the challenging conditions impacting entities involved in mineral exploration and evaluation.

## DIRECTORS' REPORT

### Consequences of Performance on Shareholder Wealth

In considering the Consolidated Entity's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current financial year and the previous four financial years:

Item	2011	2012	2013	2014	2015
Revenue	173,413	98,526	22,377	68,576	38,217
Net loss	10,102,492	6,473,524	3,315,988	2,299,246	9,402,364
Share Price	0.022	0.017	0.033	0.007	0.002

### Details of Remuneration for Year Ended 31 December 2015

Details of the remuneration of the Directors of Tawana Resources NL and its controlled entities, are set out in the following tables.

	Short-term benefits			Post employment	Share-based payments	Total	Performance related
	Salary and fees	Cash bonus	Termination payment	Super-annuation			
2015	\$	\$	\$	\$	\$	\$	%
<b>Directors</b>							
Mr M Bohm <sup>(1)</sup>	18,750	-	-	1,781	-	20,531	-
Mr R Benussi <sup>(2)</sup>	3,285	-	-	-	-	3,285	-
Mr W Richards <sup>(3)</sup>	287,671	36,530	283,723	58,699	-	666,623	4.5
Mr L Kolff <sup>(4)</sup>	89,875	-	-	13,935	-	103,810	-
Mr M Naylor <sup>(5)</sup>	123,996	-	-	-	9,951	133,947	7.4
	523,577	36,530	283,723	74,415	9,951	928,196	

(1) Appointed as Non-Executive Director on 1 August 2015 and Non-Executive Chairman on 4 December 2015.

(2) Appointed as Non-Executive Director on 4 December 2015.

(3) Resigned 4 December 2015 and CEO role terminated on 4 December 2015.

(4) Resigned 1 August 2015.

(5) Appointed as Executive Director on 1 January 2015.

	Short-term benefits			Post employment	Share-based payments	Total	Performance related
	Salary and fees	Cash bonus	Termination payment	Super-annuation			
2014	\$	\$	\$	\$	\$	\$	%
<b>Directors</b>							
Mr W Richards	311,289	-	-	26,571	339,130	676,990	50.0
Mr L Kolff	288,546	-	-	25,210	-	313,756	-
Mr M Bowles	40,000	-	-	3,750	-	43,750	-
Mr M Naylor <sup>(1)</sup>	66,050	-	-	-	-	66,050	
	705,885	-	-	55,531	339,130	1,100,546	

(1) Appointed Chief Financial Officer on 28 February 2014 and Company Secretary on 30 November 2014.

## DIRECTORS' REPORT

### Shares Issues on Exercise of Options

There were no share issues on exercise of options in 2015.

### Value of Options Awarded, Exercised and Lapsed During the Year

#### 31 December 2015

Name	Financial Year	Value of Options Granted During the Year \$	Grant Date	Fair Value Per Option	Exercise Price	Expiry Date	Value of Options Exercised during the year \$*	Value of Options Lapsed or Cancelled During the Year*	Number of Options Lapsed or Cancelled During the Year*
Mr W Richards	2015	79,010	23 Feb 15	\$0.008	\$0.0001	30 Aug 15	-	79,010	10,000,000
		79,034	23 Feb 15	\$0.008	\$0.0001	30 Aug 16	-	79,034	10,000,000
		79,095	23 Feb 15	\$0.008	\$0.0001	30 Aug 17	-	79,095	10,000,000
	2013	754,020	18 Dec 13	\$0.015	\$0.0302	12 Dec 16	-	754,020	25,000,000
Mr L Kolff	2013	-	18 Dec 13	\$0.0291	\$0.046	12 Dec 16	-	291,050	10,000,000
	2012	-	28 May 12	\$0.0169	\$0.036	30 Apr 15	-	169,000	10,000,000
Mr M Naylor	2015	9,951	12 Jun 15	\$0.005	\$0.0089	26 May 18	-	-	-

\* Value at grant date

### Grant of Long Term Incentives

At 31 December 2015, 3,000,000 options were issued to Mr M Naylor.

All options issued to directors and KMP are issued for nil consideration.

All options issued carry no dividend or voting rights. When exercised, each option is converted into one ordinary share pari passu with existing ordinary shares.

### Shares Held by Directors and Key Management Personnel

The number of shares in the Company held during the financial year by each director of Tawana Resources NL and other KMP, including their personally related parties, is set out below.

#### 31 December 2015

Name	Balance at start of the year	Balance at date of appointment	Received during the year on exercise of options	Other acquisition/ disposal of shares during the year	Balance at date of resignation	Balance at end of the year
	Number	Number	Number	Number	Number	Number
<b>Directors</b>						
Mr W Richards	15,000,000	-	-	500,000	15,500,000	-
Mr L Kolff	-	-	-	-	-	-
Mr M Naylor	800,000	-	-	-	-	800,000
	15,800,000	-	-	500,000	15,500,000	800,000

## DIRECTORS' REPORT

### Options Held by Directors and Key Management Personnel

The number of options over ordinary shares in the Company held during the financial year by each director of Tawana Resources NL and other KMP of the Company, including their personally related parties, are set out below.

#### 31 December 2015

Name	Balance at start of the year	Granted during year as remuneration	Exercised during year	Options disposed / cancelled / Lapsed during year	Balance at end of year	Options vested and exercisable at end of year
	Number	Number	Number	Number	Number	Number
<b>Directors</b>						
Mr W Richards	25,000,000	30,000,000	-	(55,000,000)	-	-
Mr L Kolff	20,000,000	-	-	(20,000,000)	-	-
Mr M Naylor	-	3,000,000	-	-	3,000,000	3,000,000
	45,000,000	33,000,000	-	(75,000,000)	3,000,000	3,000,000

### Employment contracts of directors and senior executives

The Company has entered into an agreement with Mr Naylor commencing from 1 January 2015 for the provision of chief financial officer and company secretarial services. Mr Naylor is required to give the Company three months' notice to terminate the contract and the Company is required to give Mr Naylor three months' notice to terminate the contract or payment in lieu.

### Loans to key management personnel

There were no loans to key management personnel of the Consolidated Entity, including their personally related parties, as at 31 December 2015 or 31 December 2014.

### Other transactions with key management personnel

Mr M Naylor, an Executive Director of the Company, holds a senior position with Gryphon Minerals Limited, which received \$22,154 in fees for the provision of administration services. Payments were based on commercial terms and conditions.

## END OF REMUNERATION REPORT

### Meetings of directors

During the financial year, 10 meetings of directors were held. Attendances by each director during the year were as follows:

	Board meetings	
	Number attended	Number eligible to attend
Mr M Bohm	3	3
Mr R Benussi	1	1
Mr M Naylor	8	8
Mr W Richards	7	7
Mr L Kolff	5	5

Given the size of the Board the Company has decided that there are no efficiencies to be gained from forming separate committees.

**Share Options**

At the date of this report, the unissued ordinary shares of Tawana Resources NL under option are as follows:

Grant date	Date of expiry	Exercise price	Number under option
18 Dec 2013	12 Dec 2016	\$0.015	1,500,000
18 Dec 2013	12 Dec 2016	\$0.018	10,000,000
12 Feb 2014	20 Jan 2017	\$0.039	1,000,000
12 Jun 2015	26 May 2018	\$0.0089	3,000,000
12 Jun 2015	26 May 2018	\$0.0089	3,000,000
12 Jun 2015	26 May 2018	\$0.0089	5,000,000
9 Jul 2015	07 Jul 2018	\$0.004	2,000,000
			<hr/> 25,500,000 <hr/>

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

*Shares issued as a result of the exercise of options*

During the financial year, there were no exercised options.

**Indemnifying officers or auditor**

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001*, every officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The terms of the policy prevent disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

**Indemnifying of Auditors**

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify William Buck during or since the financial year.

**Proceedings on behalf of the 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 these proceedings.

The Company was not a party to any such proceedings during the year.

**Non-audit services**

With the exception of taxation compliance services, which the Board reviewed and approved as not affecting its external auditor's independence and being permissible under the Corporations Act and APES 110 Code of Ethics for Professional Accountants, the Company did not engage its external auditor to provide any non-audit services during or since the end of the financial year.

### Auditor's independence declaration

The lead auditor's independence declaration for the year ended 31 December 2015 has been received and is attached to this Directors' Report.

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



**Mr Michael Naylor**  
Director

Dated at Perth this 30<sup>th</sup> day of March 2016

### Notes

<sup>1</sup> The Mineral Resource estimate for the Mofe Creek project of 61.9Mt @ 33% Fe comprises Indicated Mineral Resources of 16.2Mt @35.4% Fe and Inferred Resources of 45.7Mt @32.1% Fe. For more information on the Resource estimate, refer to ASX announcement dated 31 March 2014. Tawana Resources is not aware of any new information or data that materially affects the information included in the said announcement.

There are no changes to the Mineral Resource from the previous reporting statement.

Governance controls – All Mineral Resource Estimates are prepared by qualified professionals following JORC-compliant procedures that ensure representative and unbiased samples are obtained with appropriate QA/QC practices in place. All Mineral Resource estimates quoted have been estimated or independently verified as outlined in the competent persons statement below.

<sup>2</sup> Full details of the Scoping Study referred to in this announcement were initially released to the ASX in an announcement dated 3 July 2014, and should be read in conjunction with this announcement. All material assumptions underpinning the Scoping Study, production targets and forecast financial information derived from the production targets as well as any cautionary statements and disclosures as required under the ASX Listing Rules and 2012 JORC Code are set out in the announcement dated 3 July 2014 and continue to apply and have not materially changed.

The Scoping Study referred to in this announcement is preliminary in nature as its conclusions are drawn on inferred (74%) and indicated mineral resources (26%). The Scoping Study is based on lower-level technical and economic assessments, and are insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. There is also no certainty that the forecast financial information derived from the production targets will be realised.

- <sup>3</sup>(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.
- (iv) Refer to ASX announcement on 18 May 2015 for further information.

<sup>4</sup> For full details of exploration results refer to ASX announcement. Tawana Resources is not aware of any new information or data that materially affects the information included in the said announcement.

### Competent Persons Statement

The information in this report that relates to Exploration Results 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 report based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Iain Macfarlane, who is a member of the Australian Institute of Geoscientists. Iain Macfarlane is a full-time employee of Coffey Mining Ltd 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'. Iain Macfarlane consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Forward Looking Statement**

This report may contain certain forward looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of Tawana Resources NL. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Tawana Resources NL does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither TAW or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of TAW, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortuous, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this presentation.

## **CORPORATE GOVERNANCE STATEMENT**

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Tawana reviews all of its corporate governance practices and policies on an annual basis to ensure they are appropriate for the Company's current stage of development. This year, the review was made against the new ASX Corporate Governance Council's Principles and Recommendations (third edition) which became effective for financial years beginning on or after 1 July 2014.

The Company's Corporate Governance Statement for the year ended 31 December 2015 was approved by the Board on 30 March 2016 and is available on the Company's website at [www.tawana.com.au](http://www.tawana.com.au)

The directors of Tawana Resources NL believe that effective corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Changes and improvements are made in a substance over form manner, which appropriately reflect the changing circumstances of the company as it grows and evolves. Accordingly, the Board has established a number of practices and policies to ensure that these intentions are met and that all shareholders are fully informed about the affairs of the Company.

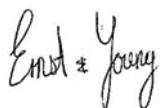
The Company has a corporate governance section on the website at [www.tawana.com.au](http://www.tawana.com.au). The section includes details on the company's governance arrangements and copies of relevant policies and charters.

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

As lead auditor for the audit of Tawana Resources NL for the financial year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tawana Resources NL and the entities it controlled during the financial year.



Ernst & Young



R J Curtin  
Partner  
Perth  
30 March 2016

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Consolidated 2015 \$	Restated 2014 \$
<b>Continuing operations</b>			
Revenue	4	38,217	68,576
Corporate costs	5	(755,869)	(1,241,184)
Depreciation		(52,333)	(19,127)
Employee benefits expense	5	(926,671)	(859,316)
Share-based payments		(45,435)	(358,979)
Exploration expenses written off	9	(7,728,558)	(20,877)
Foreign exchange gain		97,562	155,550
Loss on disposal of subsidiary	13	(27,775)	-
Other expenses		(1,502)	(19,601)
<b>Loss before income tax expense</b>		<b>(9,402,364)</b>	<b>(2,294,958)</b>
Income tax benefit	6	-	-
<b>Net loss for the year after tax from continuing operations</b>		<b>(9,402,364)</b>	<b>(2,294,958)</b>
Loss from discontinued operations after tax		-	(4,288)
<b>Net loss for the year attributable to members of Tawana Resources NL</b>		<b>(9,402,364)</b>	<b>(2,299,246)</b>
<b>Other comprehensive income that may be subsequently reclassified to profit or loss</b>			
Cumulative translation difference on foreign operations disposed during the period transferred to profit or loss		27,775	-
Gain on translation of foreign operations		641,994	718,906
Other comprehensive income for the period, net of tax		669,769	718,906
<b>Total comprehensive loss for the period attributable to members of Tawana Resources NL</b>		<b>(8,732,595)</b>	<b>(1,580,340)</b>
Loss per share from continuing and discontinuing operations			
Basic and diluted loss (cents)	19	(12.75)	(3.27)
Loss per share from continuing operations			
Basic and diluted loss (cents)	19	(12.75)	(3.27)
Loss per share from discontinued operations			
Basic and diluted loss (cents)	19	-	-

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Note	Consolidated 2015 \$	Restated 2014 \$
<b>Current assets</b>			
Cash and cash equivalents	17(a)	808,342	2,802,978
Trade receivables and other assets	7	82,549	33,080
<b>Total current assets</b>		<u>890,891</u>	<u>2,836,058</u>
<b>Non-current assets</b>			
Trade receivables and other assets	7	-	47,027
Plant and equipment	8	60,416	104,733
Exploration expenditure	9, 24	-	6,650,425
<b>Total non-current assets</b>		<u>60,416</u>	<u>6,802,185</u>
<b>Total assets</b>		<u>951,307</u>	<u>9,638,243</u>
<b>Current liabilities</b>			
Trade and other payables	10	339,088	259,626
Provisions		4,161	54,090
<b>Total current liabilities</b>		<u>343,249</u>	<u>313,716</u>
<b>Non-current liabilities</b>			
Provisions		15,441	44,750
<b>Total non-current liabilities</b>		<u>15,441</u>	<u>44,750</u>
<b>Total liabilities</b>		<u>358,690</u>	<u>358,466</u>
<b>Net assets</b>		<u>592,617</u>	<u>9,279,777</u>
<b>Equity</b>			
Contributed equity	11	54,419,776	54,419,776
Reserves	12	2,166,972	3,015,277
Accumulated losses		(55,994,131)	(48,155,276)
<b>Total equity</b>		<u>592,617</u>	<u>9,279,777</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 YEAR ENDED 31 DECEMBER 2015**

	Issued capital	Options reserve	Consolidated Foreign currency reserve	Other reserves	Accumulated losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2014	49,107,032	2,682,490	343,769	22,884	(46,967,781)	5,188,394
<b>Comprehensive income</b>						
Loss for the period as reported in 2014	-	-	-	-	(2,080,866)	(2,080,866)
Restatement of comparatives (note 24)	-	-	-	-	(218,380)	(218,380)
Restated loss for the period	-	-	-	-	(2,299,246)	(2,299,246)
Other comprehensive income for the year	-	-	718,906	-	-	718,906
Total comprehensive (loss)/income for the year	-	-	718,906	-	(2,299,246)	(1,580,340)
<b>Transactions with owners in their capacity as owners</b>						
Shares issued, net of costs	5,312,744	-	-	-	-	5,312,744
Share options expired	-	(1,111,751)	-	-	1,111,751	-
Share options issued and vested	-	358,979	-	-	-	358,979
Total transactions with owners in their capacity as owners	5,312,744	(752,772)	-	-	1,111,751	5,671,723
<b>Balance at 31 December 2014</b>	<b>54,419,776</b>	<b>1,929,718</b>	<b>1,062,675</b>	<b>22,884</b>	<b>(48,155,276)</b>	<b>9,279,777</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Issued capital	Options reserve	Consolidated Foreign currency reserve	Other reserves	Accumulated losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2015	54,419,776	1,929,719	1,062,674	22,884	(47,936,896)	9,498,157
Restatement of comparatives (note 24)	-	-	-	-	(218,380)	(218,380)
	54,419,776	1,929,719	1,062,674	22,884	(48,155,276)	9,279,777
<b>Comprehensive income</b>						
Loss for the period	-	-	-	-	(9,402,364)	(9,402,364)
Other comprehensive income for the year	-	-	669,769	-	-	669,769
Total comprehensive (loss)/income for the year	-	-	669,769	-	(9,402,364)	(8,732,595)
<b>Transactions with owners in their capacity as owners</b>						
Share options expired	-	(1,563,509)	-	-	1,563,509	-
Share options issued and vested	-	45,435	-	-	-	45,435
Total transactions with owners in their capacity as owners	-	(1,518,074)	-	-	1,563,509	45,435
<b>Balance at 31 December 2015</b>	<b>54,419,776</b>	<b>411,645</b>	<b>1,732,443</b>	<b>22,884</b>	<b>(55,994,131)</b>	<b>592,617</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Consolidated 2015 \$	Restated 2014 \$
<b>Cash flows from operating activities</b>			
Other receipts		2,874	20
Payments to suppliers and employees		(1,625,850)	(1,707,373)
Interest received		34,224	68,556
<b>Net cash flows used in operating activities</b>	17(b)	<u>(1,588,752)</u>	<u>(1,638,797)</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		-	(2,525)
Proceeds from sale of exploration assets		-	87,021
Payments for exploration		(928,516)	(3,409,013)
Proceeds from R&D refund		417,876	218,380
Proceeds from deposits and bonds		29,193	-
<b>Net cash flows used in investing activities</b>		<u>(481,447)</u>	<u>(3,106,137)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	5,609,034
Capital raising costs		-	(296,290)
<b>Net cash from financing activities</b>		<u>-</u>	<u>5,312,744</u>
Net (decrease)/increase in cash and cash equivalents		(2,070,199)	567,810
Cash and cash equivalents at beginning of the year		2,802,978	2,045,163
Effects of exchange rates on cash holdings in foreign currencies		75,563	190,005
<b>Cash and cash equivalents at end of the year</b>	17(a)	<u>808,342</u>	<u>2,802,978</u>

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



**1. Summary of significant accounting policies**

**Financial Reporting Framework**

The financial report is a general-purpose financial report that has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and complies with other requirements of the law. The financial report includes financial statements for Tawana Resources NL as the Consolidated Entity ("Group") consisting of Tawana Resources NL and its controlled entities. The Group is a for-profit entity for financial reporting purposes.

**Accounting policies**

Material accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

*Historical cost convention*

These financial statements have been prepared under the historical cost convention. A summary of the Group's significant accounting policies is set out below.

*Critical accounting estimates*

The preparation of financial statements in conformity with AASBs 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 3.

*Compliance with International Financial Reporting Standards*

This financial report complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

**(a) Going Concern**

The Group recorded a loss of \$9,402,364 (2014: loss \$2,299,246) and had cash outflows from operating and investing activities of \$2,070,199 (2014: \$4,744,934) for the year ended 31 December 2015. The Group had cash and cash equivalents at 31 December 2015 and 29 March 2016 of \$808,342 and \$375,546 respectively.

The Group's cash flow forecast reflects that the Group needs to raise funds during the quarter ending 30 June 2016 to enable it to meet its working capital requirements and planned exploration expenditure. 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.

**1. Summary of significant accounting policies (continued)**

**(b) Principles of consolidation**

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant
- activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

**1. Summary of significant accounting policies (continued)**

**(c) Foreign currency translation**

The presentation currency of Tawana Resources NL and its controlled entities is Australian Dollars ("A\$"). The functional currency of Tawana Resources NL is Australian Dollars and the functional currency of the overseas subsidiaries is South African Rand (Tawana Resources SA (Pty) Ltd and Diamond Resources (Pty) Ltd), Botswana Pula (Seolo Botswana Pty Ltd) and US Dollars (Tawana Liberia Inc).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are revalued at the rate of exchange prevailing at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at financial year end exchange rates are recognised in the profit and loss.

As at the end of the reporting period the assets and liabilities of foreign operations are translated into the presentation currency of Tawana Resources NL at the rate of exchange prevailing at the end of the reporting period and the Statement of Profit and Loss and Other Comprehensive Income is translated at the weighted average exchange rates for the period, where this rate approximates the spot rate prevailing at the date of transaction, otherwise specific spot rates are used for each transaction. All translation differences are recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign entity is recognised in the Statement of Profit and Loss and Other Comprehensive Income.

**(d) Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

*Interest*

Interest is recognised as it accrues using the effective interest method.

**(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 deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities with the carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to realise those temporary differences and losses.

**1. Summary of significant accounting policies (continued)**

**(e) Income tax (continued)**

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and the tax base of investments in controlled entities where the parent entity is able to control the timing of the reversal of temporary differences and it is probable that the differences will not be reversed in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group is entitled to claim special tax deductions and rebates on qualifying expenditure under Research and Development Tax Incentive Scheme in Australia.

**(f) Impairment of assets**

Assets, except for exploration and evaluation (refer to Note 1(h)) are reviewed for impairment on an annual basis and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets, other than goodwill that suffered an impairment, are reviewed for possible indicators for reversal of the impairment at each subsequent reporting date.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

**(g) Exploration and evaluation expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. The 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 that permits reasonable assessment of the existence of economically recoverable resources and further work is intended to be performed.

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

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable resources.

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.

**1. Summary of significant accounting policies (continued)**

**(h) Property, plant and equipment**

Plant and equipment and buildings are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on a straight line basis over the estimated useful life of the Group's assets which are set at between 4 and 10 years.

The carrying values of all assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable in accordance with Note 1(g).

The residual value, useful lives and depreciation methods are reviewed and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss and Other Comprehensive Income.

**(i) Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial realisation, and default or delinquency in payments, 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 Statement of Profit and Loss and Other Comprehensive Income 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 Statement of Profit and Loss and Other Comprehensive Income.

**(j) Cash and cash equivalents**

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with a maturity of three months or less that are readily converted into known amounts of cash which are subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**1. Summary of significant accounting policies (continued)**

**(k) Employee entitlements**

*Wages, salaries and leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. All other amounts are considered other long term benefits for measurement purposes and are measured at the present value of expected future payments to be made in respect of services provided by employees.

*Share-based payments*

Share-based compensation benefits are provided to employees in accordance with the Tawana Resources Employee Option Plan, an employee share scheme.

The fair value of options granted under the Tawana Resources Employee Option Plan is recognised as an employee benefit expense over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period) with a corresponding increase in equity. The fair value is measured at grant date. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

*Long Service Leave*

Liabilities for long service leave are recognised, and are measured as the present value of expected future payments to be made in respect of services provided by employees.

**(l) Provisions**

Provisions are recognised when the Consolidated Entity has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**(m) Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the Statement of Profit and Loss and Other Comprehensive Income on a straight-line basis over the period of the lease.

**1. Summary of significant accounting policies (continued)**

**(n) Provision for rehabilitation**

Environmental obligations associated with the retirement or disposal of long lived assets will be recognised when the disturbance occurs and is based on the extent of damage incurred. The provision is measured at the present value of the future expenditure, and a corresponding debit is recognised to the related mining asset. On an ongoing basis, the rehabilitation liability will be unwound in line with the changes in the time value of money which is recognised as an expense in the Statement of Profit and Loss and an increase in the provision), and additional disturbances will be recognised as additions to a corresponding asset and rehabilitation liability. These provisions have been created based on the Group's internal estimates, however, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the exploration activities cease.

**(o) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(p) Other taxes**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) or Value Added Tax (VAT) except:

- where the GST / VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST / VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST / VAT included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST / VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST / VAT recoverable from, or payable to, the taxation authority.

**(q) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**(r) Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit/(loss) 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 shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**1. Summary of significant accounting policies (continued)**

**(s) New, revised or amended Accounting Standards or Interpretations adopted**

In the year ended 31 December 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the Group and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to the Group's policies.

**(t) New standards and interpretations not yet adopted**

The following standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the period ended 31 December 2015 and the Group has not yet determined the impact on the financial statements:

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 <i>Revenue from Contracts with Customers</i> replaces the existing revenue recognition standards AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i> and related Interpretations (Interpretation 13 <i>Customer Loyalty Programmes</i>, Interpretation 15 <i>Agreements for the Construction of Real Estate</i>, Interpretation 18 <i>Transfers of Assets from Customers</i>, Interpretation 131 <i>Revenue—Barter Transactions Involving Advertising Services</i> and Interpretation 1042 <i>Subscriber Acquisition Costs in the Telecommunications Industry</i>). AASB 15 incorporates the requirements of IFRS 15 <i>Revenue from Contracts with Customers</i> issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB).</p> <p>AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <ul style="list-style-type: none"> <li>(a) Step 1: Identify the contract(s) with a customer</li> <li>(b) Step 2: Identify the performance obligations in the contract</li> <li>(c) Step 3: Determine the transaction price</li> <li>(d) Step 4: Allocate the transaction price to the performance obligations in the contract</li> <li>(e) Step 5: Recognise revenue when</li> </ul>	1 January 2018	1 January 2018 Note A



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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		<p>(or as) the entity satisfies a performance obligation</p> <p>AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p>		
AASB 16	Leases	<p>The key features of IFRS 16 are as follows:</p> <p>Lessee accounting</p> <ul style="list-style-type: none"> <li>(a) Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</li> <li>(b) A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.</li> <li>(c) Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.</li> <li>(d) IFRS 16 contains disclosure requirements for lessees.</li> </ul> <p>Lessor accounting</p> <ul style="list-style-type: none"> <li>(a) IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.</li> <li>(b) IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.</li> </ul> <p>IFRS 16 supersedes:</p> <ul style="list-style-type: none"> <li>(a) IAS 17 Leases;</li> <li>(b) IFRIC 4 Determining whether an</li> </ul> <p>Arrangement contains a Lease;</p> <ul style="list-style-type: none"> <li>(c) SIC-15 Operating Leases—</li> </ul>	1 January 2019	1 January 2019

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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		<p>Incentives; and</p> <p>(d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.</p> <p>The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16.</p>		
AASB 9	<i>Financial Instruments</i>	<p>AASB 9 (December 2014) is a new standard which replaces AASB 139.</p> <p>This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018.</p> <p>However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.</p> <p>Classification and measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities.</p> <p>The main changes are described below.</p> <p>Financial assets</p> <p>a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p>	1 January 2018	1 January 2018

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		<p>Financial liabilities</p> <p>Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> <li>▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</li> <li>▶ The remaining change is presented in profit or loss</li> </ul> <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.</p> <p>Impairment</p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p>Hedge accounting</p> <p>Amendments to AASB 9 (December 2009 &amp; 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p> <p>AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.</p>		
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB	AASB 116 Property Plant and Equipment and AASB 138 Intangible Assets both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future	1 January 2016	1 January 2016

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	138)	<p>economic benefits of an asset.</p> <p>The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.</p> <p>The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p>		
AASB 1057	Application of Australian Accounting Standards	<p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. Accordingly, paragraphs 5 and 22 respectively specify the application paragraphs for Standards and Interpretations in general. Differing application paragraphs are set out for individual Standards and Interpretations or grouped where possible.</p> <p>The application paragraphs do not affect requirements in other Standards that specify that certain paragraphs apply only to certain types of entities.</p>	1 January 2016	1 January 2016
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	<p>The subjects of the principal amendments to the Standards are set out below:</p> <p><i>AASB 5 Non-current Assets Held for Sale and Discontinued Operations:</i></p> <ul style="list-style-type: none"> <li>Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change.</li> </ul> <p><i>AASB 7 Financial Instruments: Disclosures:</i></p> <ul style="list-style-type: none"> <li>Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7.</li> <li>Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 <i>Disclosure–Offsetting Financial Assets and Financial Liabilities</i> is not specifically required for all interim periods.</li> </ul>	1 January 2016	1 January 2016

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		<p>However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 <i>Interim Financial Reporting</i> when its inclusion would be required by the requirements of AASB 134.</p> <p>AASB 119 <i>Employee Benefits</i>:</p> <ul style="list-style-type: none"> <li>Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.</li> </ul> <p>AASB 134 <i>Interim Financial Reporting</i>:</p> <ul style="list-style-type: none"> <li>Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.</li> </ul>		
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 January 2016

Any new, revised or amending Accounting Standards that are not yet mandatory have not been early adopted. The Group is yet to determine the impact of the new and revised accounting standards.

## 2. Financial Instruments, Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and short-term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also holds other financial instruments such as trade debtors and trade creditors which arise directly from its operations.

## **2. Financial Instruments, Risk Management Objectives and Policies (continued)**

The main risks arising from the Group's financial instruments are interest rate, foreign currency, credit and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

### **Market risk**

#### *Foreign currency risk*

The Group is exposed to fluctuations in foreign currencies arising from expenditure in currencies other than the Group's measurement currency.

The Consolidated Entity has foreign operations with functional currencies in the South African Rand, the Botswana Pula and the United States Dollar. The Group has not formalised a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements, and retains the right to withdraw from the foreign exploration commitments after the minimum expenditure targets have been met.

The Group's material exposures to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	<b>USD</b>	<b>ZAR</b>	<b>BWP</b>
31 December 2015	<b>A\$</b>	<b>A\$</b>	<b>A\$</b>
Cash & cash equivalents	146,317	14,341	-
Trade & other receivables	9,698	-	-
Trade & other payables	83,887	2,966	-

#### *Sensitivity*

The Group's main foreign exchange risk arises from cash and cash equivalents held in foreign currency denominated bank accounts, and trade and other payable amounts denominated in currencies other than the Group's functional currency. Based on the financial instruments held at 31 December 2015, had the Australian dollar strengthened/weakened by 10% against all of the above listed currencies with all other variables held constant, the Group's post-tax profit for the period would have been \$14,875 higher/\$18,180 lower. The board considers 10% to be appropriate measure of sensitivity given the Australian dollar's historical fluctuation against the US dollar and the ability of the Group. The board considers 10% to be appropriate measure of sensitivity given the Australian dollar's historical fluctuation against the US dollar.

### **Interest rate risk**

The Group's main interest rate risk arises from cash held on deposit by Australian financial institutions. Cash held in term deposits is subject to prevailing variable interest rates and expose the Group to cash flow interest rate risk. As at the end of the reporting period, the Group had \$40,000 (2014: \$1,054,978) on deposit in interest bearing accounts earning a weighted average interest rate of 2.95%.

#### *Sensitivity*

The Group's results are not materially exposed to interest rate risks.

### **Credit risk**

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of primarily dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

**2. Financial Instruments, Risk Management Objectives and Policies (continued)**

*Sensitivity*

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

**Liquidity risk and capital management**

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration and development, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the Consolidated Statement of Financial Position. All trade and other payables are non-interest bearing and due within 3 months of balance date.

**Fair value measurement**

*Fair value hierarchy*

The group assessed its assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their respective fair values. There have been no changes or transfers of financial assets or liabilities between levels 1, 2 or 3 by the Group during the current financial year.

**3. Critical accounting estimates and judgements**

The preparation of the financial statements requires that the Group make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The Group continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The Group bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, believed to be reasonable under current circumstances.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Exploration and evaluation expenditure*

Exploration and evaluation expenditure is capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful

**3. Critical accounting estimates and judgements (continued)**

development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

*Share based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes option pricing model or another appropriate valuation methodology, using the assumptions detailed in note 20, and taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*Functional currency*

The functional currency for the parent entity, each of its subsidiaries, is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgements to determine the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

*Environmental issues*

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the Directors understanding thereof. At the current stage of the Group's development and its current environmental impact the Directors believe such treatment is reasonable and appropriate.

*Taxation*

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of Directors pending an assessment by the Australian Taxation Office. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation.

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Refer to note 6 for further details.



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**4. Revenue and other income**

	Note	Consolidated 2015 \$	2014 \$
<i>Revenue from continuing operations</i>			
Interest received		35,343	68,556
Other		2,874	20
		<u>38,217</u>	<u>68,576</u>

**5. Expenses**

*Corporate expenses from continuing operations includes:*

Auditors' remuneration	18	96,292	81,440
Compliance and regulatory fees		115,918	218,118
Consultancy and legal fees		250,042	241,945
Travel expenses		65,730	140,493
Occupancy expenses		101,481	166,519
Other expenses		126,406	392,669
		<u>755,869</u>	<u>1,241,184</u>

*Employee benefits expense includes:*

Salaries and wages		522,020	666,297
Termination payment		283,723	-
Superannuation		72,337	63,543
Directors' fees		112,259	94,857
Other employee expenses including (decrease)/increase in provision for annual leave and long service leave		(63,668)	34,619
		<u>926,671</u>	<u>859,316</u>

**6. Income tax**

*Tax losses*

The Group has unused tax losses for which no benefit has been recognised. Unused tax losses carried forwarded in the parent entity as at 31 December 2014 is estimated to be \$28,824,498.

The future income tax benefit attributable to these losses has not been brought to account because the benefit is not probable of realisation. The potential future income tax benefits which may arise from these losses will only be realised if:

- the Consolidated Entity derives future assessable income of a nature and sufficient amount to enable the benefit of losses to be realised;
- the Consolidated Entity continues to comply with the conditions of deductibility imposed in each legislative environment, and
- no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit from the deduction for the losses.

**6. Income tax (continued)**

**Income tax recognised in profit or loss**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	<b>2015</b>	<b>Restated 2014</b>
	<b>\$</b>	<b>\$</b>
Loss before tax for the year	(9,402,364)	(2,299,246)
Income tax benefit calculated at 30% (2014: 30%)	(2,817,595)	(624,260)
Tax effect of permanent differences	539,032	125,610
Effect of unused tax losses not recognised as deferred tax assets	2,278,563	498,650
Total income tax benefit recognised in the current year relating to continuing operations	-	-

**Deferred tax balances**

Accruals	6,219	13,438
Provision – employee entitlements	1,248	24,104
Provision – unpaid superannuation	834	4,697
De-recognition of tax balances	(8,301)	(42,239)
Deferred income tax assets	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

**7. Trade receivables and other assets**

	<b>2015</b>	<b>Consolidated 2014</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade debtors	9,592	-
GST and VAT receivable	6,685	18,515
Prepayments	6,718	14,565
Refundable deposits	59,325	-
Other	229	-
	<u>82,549</u>	<u>33,080</u>
<b>Non-current</b>		
Other deposits	-	47,027

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**8. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b><i>Gross carrying amount</i></b>		
Balance at beginning of the year	1,210,415	1,287,495
Additions	-	2,525
Disposals	(926,237)	(85,313)
Foreign currency translation	8,107	5,708
Balance at end of the year	<u>292,285</u>	<u>1,210,415</u>
<b><i>Accumulated depreciation</i></b>		
Balance at beginning of the year	1,105,682	1,167,577
Depreciation	52,327	19,127
Depreciation reversal on disposal	(926,237)	(86,807)
Foreign currency translation	97	5,785
Balance at end of the year	<u>231,869</u>	<u>1,105,682</u>
<b>Net book value</b>	<u>60,416</u>	<u>104,733</u>

**9. Exploration expenditure**

The exploration and evaluation expenditure relates to the Consolidated Entity's projects in Liberia.

***Movement in carrying values***

	<b>Consolidated</b>	<b>Restated</b>
	<b>2015</b>	<b>Consolidated</b>
	<b>\$</b>	<b>2014</b>
		<b>\$</b>
Balance at beginning of year	6,650,425	3,105,123
Expenditure during the year	486,123	3,235,360
Expenditure written off during the year	(7,728,558)	(20,877)
Foreign currency translation	592,010	330,819
Balance at end of year	<u>-</u>	<u>6,650,425</u>

Exploration and evaluation activities at the Mofe Creek iron ore project were placed on care and maintenance during the financial year. Consequently its carrying value was written down to nil as at 31 December 2015.

**10. Trade and other payables**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b><i>Current</i></b>		
Trade creditors	100,511	179,202
Other creditors and accruals	<u>238,577</u>	<u>80,424</u>
	<u>339,088</u>	<u>259,626</u>

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**11. Contributed equity**

**(a) Issued capital**

	<b>Consolidated 2015</b>	<b>Consolidated 2014</b>
Ordinary shares, fully paid	54,419,776	54,419,776

**(b) Movements in share capital**

	<b>2015 Number</b>	<b>2014 Number</b>	<b>2015 \$</b>	<b>2014 \$</b>
Balance at beginning of year	1,475,250,387	1,225,629,043	54,419,776	49,107,032
Shares issued during year	-	213,871,344	-	5,346,784
Options exercised during year	-	35,750,000	-	262,250
Transaction costs relating to share issues	-	-	-	(296,290)
Balance at end of year	<u>1,475,250,387</u>	<u>1,475,250,387</u>	<u>54,419,776</u>	<u>54,419,776</u>

**(c) Terms and conditions of contributed equity**

*Ordinary shares*

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholder meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands. Shares have no par value.

*Equity Incentives*

Information relating to equity incentives including details of equity incentives exercised and lapsed during the financial year and equity incentives outstanding at the end of the financial year, is set out in note 20.

*Capital Management*

The Group's objectives when managing capital are to ensure that the Group can continue as a going concern in order to provide benefits for shareholders and other stakeholders. Due to the nature of the Group's activities being mineral exploration, the primary source of funding to the activities is equity raisings. The focus for the Group's capital risk management is the current working capital position against the Group's requirements to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements with a view to raise capital when required.

**12. Reserves**

	<b>Note</b>	<b>Consolidated 2015 \$</b>	<b>2014 \$</b>
Foreign currency translation	(a)	1,732,443	1,062,675
Options	(b)	411,645	1,929,719
Asset revaluation	(c)	22,884	22,884
		<u>2,166,972</u>	<u>3,015,277</u>

**(a) Foreign currency translation reserve**

Exchange differences arising from the translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 1(d).

**12. Reserves (continued)**

**(b) Options reserve**

The options reserve is used to recognise the fair value of options on issue at reporting date.

The movement in the option reserve during the period was as follows.

		<b>Consolidated</b>	
		<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
Balance at beginning of year		1,929,719	2,682,490
Options expense for year charged to profit or loss	20	45,435	358,979
Options expense charged to the cost of equity		-	-
Options exercised and expired during year		(1,563,509)	(1,111,751)
Balance at end of year		<u>411,645</u>	<u>1,929,718</u>

**(c) Asset revaluation reserve**

The asset revaluation reserve records revaluations of non-current assets. This is a historical reserve and there have been no movements in the years ended 31 December 2015 and 2014.

Balance at end of year	<u>22,884</u>	<u>22,884</u>
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**13. Disposal of subsidiary**

On 20 November 2015, the Company disposed of its existing interests in Seolo Botswana (Pty) Ltd. A loss of \$22,775 was recognised upon disposal.

The loss on disposal recognised in the profit or loss is reconciled as follows:

	<b>2015</b>
	<b>\$</b>
Cash received on disposal	-
Net assets disposed	-
Foreign exchange loss accumulated in equity now transferred to profit or loss on disposal	<u>22,775</u>
Loss on disposal of subsidiary	<u>22,775</u>

**14. Key management personnel compensation**

**(a) Directors and other key management personnel**

The following persons were directors of Tawana Resources NL during the financial year:

Michael Bohm (appointed as Non-Executive Director on 1 August 2015 and as Non-Executive Chairman on 4 December 2015)  
 Robert Benussi (appointed as Non-Executive Director on 4 December 2015)  
 Michael Naylor (appointed as Executive Director on 1 January 2015)  
 Wayne Richards (resigned 4 December 2015)  
 Lennard Kolff (resigned 1 August 2015)

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**14. Key management personnel compensation (continued)**

**(b) Compensation of key management personnel**

	2015 \$	2014 \$
Short-term employee benefits	560,107	705,885
Termination payment	283,723	-
Post-employment benefits	74,415	55,531
Share-based payments	9,951	339,130
	928,196	1,100,546

Detailed remuneration disclosures are provided within the audited remuneration report which can be found on pages 16 to 23 of the Directors Report.

**(c) Loans to key management personnel**

There were no loans to key management personnel of the consolidated entity, including their related parties, as at 31 December 2015 or 31 December 2014.

**(d) Other transactions with key management personnel**

Mr M Naylor, an Executive Director of the Company, holds a senior position with Gryphon Minerals Limited, which received \$22,154 in fees for the provision of administration services. Payments were based on commercial terms and conditions.

**15. Details of controlled entities**

Name	Country of incorporation	Interest held by the consolidated entity	
		2015 %	2014 %
<i>Parent</i>			
Tawana Resources NL	Australia		
<i>Controlled entities</i>			
Seolo Botswana (Pty) Ltd	Botswana	0	100
Tawana Resources SA (Pty) Ltd	South Africa	100	100
Diamond Resources (Pty) Ltd	South Africa	100	100
Kenema-Man Holdings Liberia Pty Ltd	Australia	100	100
Waba Holdings Pty Ltd	Australia	100	100
Tawana Gold (Pty) Ltd	Australia	100	0
Tawana Liberia Inc	Liberia	100	100
Archean Holdings Inc	Liberia	100	100

**16. Segment information**

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.

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**17. Notes to the Statement of Cash Flows**

**(a) Reconciliation of cash and cash equivalents**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call in deposits with banks. Cash at the end of the year is shown in the Consolidated Statement of Financial Position as:

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash on hand and at bank	788,342	1,748,000
Cash on deposit	20,000	1,054,978
	<u>808,342</u>	<u>2,802,978</u>

**(b) Reconciliation of net loss after tax to net cash flows from operations**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Net loss	(9,402,364)	(2,299,246)
<i>Adjustments for:</i>		
Depreciation	52,333	19,127
Impairment and write off of non-current assets	7,728,558	20,877
Share-based payments	45,435	358,979
Net foreign exchange differences	(97,562)	-
Gain on disposal of property, plant and equipment	(9,592)	-
Loss on disposal of subsidiary	27,775	-
<i>Changes in assets and liabilities</i>		
(Increase) / decrease in:		
Trade and other receivables	(375)	241,127
Increase / (decrease) in:		
Trade and other payables	146,278	2,520
Provisions	(79,238)	17,819
Net cash used in operating activities	<u>(1,588,752)</u>	<u>(1,638,797)</u>

**18. Auditors' remuneration**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<i>Ernst &amp; Young</i>		
Audit services	30,000	-
Non-audit services	41,314	-
	<u>71,314</u>	<u>-</u>
<i>William Buck</i>		
Audit services	-	50,500
Non-audit services	-	15,900
	<u>-</u>	<u>66,400</u>

**18. Auditors' remuneration (continued)**

*Auditor of subsidiaries*  
*Pricewaterhouse Coopers*  
 Audit services

66,292	30,940
<u>66,292</u>	<u>30,940</u>

There was a change in auditors in 2015.

**19. Loss per share**

	2015	2014
Loss from continuing and discontinuing operations used in the calculation of basic EPS	(9,402,364)	(2,299,246)
Loss from continuing operations used in the calculation of basic EPS	(9,402,364)	(2,294,958)
Loss from discontinued operations used in the calculation of basic EPS	-	(4,288)
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	<u>73,762,519</u>	<u>70,165,127</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.

The weighted average number of ordinary shares used in the calculation of loss per share has been adjusted for the share consolidation completed by the company on 8 March 2016.

**20. Share-based payments**

***Summary of options on issue***

The Company makes share based payments to executives and employees, as well as selected consultants and contractors in the form of unlisted share options to subscriber for ordinary shares in the Company.

Set out below is a summary of unlisted options movements:

	2015		2014	
	Weighted average exercise price per Option	Number of Options	Weighted average exercise price per Option	Number of Options
As at 1 January	\$0.027	78,750,000	\$0.023	148,000,000
Granted during the year	\$0.044	43,000,000	\$0.041	16,000,000
Exercised during the year	-	-	\$0.007	(35,750,000)
Lapsed during the year	\$0.026	(96,250,000)	\$0.033	(49,500,000)
As at 31 December	<u>\$0.012</u>	<u>25,500,000</u>	<u>\$0.027</u>	<u>78,750,000</u>
Vested and exercisable at 31 December	<u>\$0.012</u>	<u>25,500,000</u>	<u>\$0.027</u>	<u>78,750,000</u>



**20. Share-based payments (continued)**

Outstanding unlisted options at the end of the year have the following expiry date and exercise prices:

Grant date	Date of expiry	Exercise price	Number under option
18 Dec 2013	12 Dec 2016	\$0.046	1,500,000
18 Dec 2013	12 Dec 2016	\$0.018	10,000,000
12 Feb 2014	20 Jan 2017	\$0.039	1,000,000
12 Jun 2015	26 May 2018	\$0.0089	11,000,000
9 Jul 2015	7 Jul 2018	\$0.004	2,000,000
			<u>25,500,000</u>

The weighted average remaining contractual life of the unlisted options outstanding is 3 years.

***Fair value of options granted during the year***

The assessed fair value at grant date of options granted to individuals is allocated equally over the period from grant date to vesting date. Fair values at grant date are determined using a Black Scholes option pricing model that takes into account the exercise price, term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The following options were issued during the year ended 31 December 2015:

Issue date	Quantity	Grant date	Expiry date	Exercise price	Fair value per option	Total fair value
23 Feb 2015	10,000,000	23 Feb 2015	30 Aug 2015	\$0.0001	\$0.008	\$79,010
23 Feb 2015	10,000,000	23 Feb 2015	30 Aug 2016	\$0.0001	\$0.008	\$79,034
23 Feb 2015	10,000,000	23 Feb 2015	30 Aug 2017	\$0.0001	\$0.008	\$79,085
12 Jun 2015	11,000,000	12 Jun 2015	26 May 2018	\$0.0089	\$0.005	\$36,488
9 Jul 2015	2,000,000	9 Jul 2015	7 Jul 2018	\$0.004	\$0.005	\$7,796

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

Quantity	10,000,000	10,000,000	10,000,000	11,000,000	2,000,000
Grant date	23 Feb 2015	23 Feb 2015	23 Feb 2015	12 Jun 2015	9 Jul 2015
Expiry date	30 Aug 2015	30 Aug 2016	30 Aug 2017	26 May 2018	7 Jul 2018
Grant date share price	\$0.008	\$0.008	\$0.008	\$0.005	\$0.005
Exercise price	\$0.0001	\$0.0001	\$0.0001	\$0.0089	\$0.004
Expected volatility	124%	124%	124%	130%	132%
Option life (years)	0.5	1.5	2.5	2.9	3
Expected dividend yield	0%	0%	0%	0%	0%
Risk free rate at grant date	1.96%	1.87%	1.87%	2.07%	1.86%

The cost of the issue of options was recorded in the financial statements as follows:

- options which vested in the financial year for consulting work, employee benefits and directors' fees with a cost of \$115,671 (2014: \$358,979) were charged to the profit or loss; of which
  - \$70,236 (2014: \$339,130), relates to options that were issued and expensed over the vesting period in 2015; and
  - \$45,435 (2014: \$19,849) relates to options issued in 2015 which vested immediately.

**20. Share-based payments (continued)**

The following options were issued during the year ended 31 December 2014:

<i>Issue date</i>	<i>Quantity</i>	<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Fair value per option</i>	<i>Total fair value</i>
12 Feb 2014	1,000,000	12 Feb 2014	20 Jan 2017	\$0.039	\$0.021	\$21,000

The model inputs for the options granted in 2014 were as follows:

Quantity	1,000,000
Grant date	12 Feb 2014
Expiry date	20 Jan 2017
Grant date share price	\$0.030
Exercise price	\$0.039
Expected volatility	130%
Option life (years)	2.9
Expected dividend yield	0%
Risk free rate at grant date	2.50%

**21. Commitments and contingent assets and liabilities**

***Leasing commitments***

The Consolidated Entity has no material operating leases.

Annual license fees on exploration licenses held by the Company are \$48,129 (31 December 2014: \$33,591) with a minimum exploration commitment of \$1,097,951 (31 December 2014: \$386,512) per annum.

**22. Subsequent events**

***Sale of Diamond Resources***

In January 2016, BlueRock Diamonds purchased the Company's total shareholding and loan account in Diamond Resources (a 100% -owned subsidiary of Tawana Resources NL) for ZAR 700,000.

***Consolidation of issued capital***

On 8 March 2016, the Company announced the proposal to undertake a one-for-twenty consolidation of its issued capital. The consolidation will create a more efficient and streamlined capital structure resulting in the shares on issue being reduced from approximately 1,475.3 million to 73.8 million.

All outstanding options will be consolidated on the same ratio which will result in a total of 1.12 million options on issue.

**23. Supplementary information about the parent entity**

	<b>2015</b>	<b>Parent</b>	<b>2014</b>
	<b>\$</b>		<b>\$</b>
<b>Assets</b>			
Current assets	820,498		2,784,407
Total assets	975,931		14,593,335
<b>Liabilities</b>			
Current liabilities	225,271		259,917
Total liabilities	225,271		259,917
<b>Net assets</b>	750,660		14,333,418
<b>Equity</b>			
Issued capital	54,419,776		54,419,776
Reserves	434,529		1,952,603
Total equity	750,660		14,333,418
<b>Profit and loss</b>			
(Loss)	(13,368,304)		(1,379,445)
<b>Comprehensive income</b>			
Total comprehensive income	(13,438,540)		(1,379,445)

There were no contingent liabilities, guarantees or capital commitments of the parent entity not otherwise disclosed in these financial statements.

**24. Restatement of comparative information**

The comparative information for 31 December 2015 in these financial statements has been restated to adjust for the following to ensure compliance with Australian Accounting Standards:

- Reclassification of the R&D tax rebate of \$218,380 from the P&L to capitalised exploration expenditure.

The above has been restated for each of the affected 31 December 2014 full-year financial statement line items for the prior period, as follows:

	<b>2014</b>	<b>2014</b>
	<b>Restated</b>	<b>As previously stated</b>
	<b>\$</b>	<b>\$</b>
<b>Statement of profit or loss and other comprehensive income</b>		
Income tax benefit	-	218,380
Loss from continuing operations	(2,294,958)	(2,076,578)
<b>Statement of changes in equity</b>		
Accumulated Losses	(48,155,276)	(47,936,896)
<b>Statement of financial position</b>		
Exploration expenditure	6,650,425	6,868,805

**24. Restatement of comparative information (continued)**

	<b>2014 Restated</b>	<b>2014 As previously stated</b>
	<b>\$</b>	<b>\$</b>
<b>Statement of cash flows</b>		
Net cash flows used in operating activities	(1,638,797)	(1,420,417)
Net cash flows used in investing activities	(3,106,137)	(3,324,517)

**Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS:**

	<b>increase/ (decrease) in EPS</b>
<b>Earnings per share (EPS):</b>	
Basic, profit for the period attributable to members of the entity (cents per share)	(0.27) cents/share
Diluted, profit for the period attributable to members of the entity (cents per share)	(0.27) cents/share
<b>Earnings per share for continuing operations:</b>	
Basic, (Loss) from continuing operations attributable to members of the entity (cents per share)	(0.27) cents/share
Diluted (Loss) from continuing operations attributable to members of the entity (cents per share)	(0.27) cents/share

The above restatement did not impact the financial performance of the Group for the year ended 31 December 2013.

## DIRECTORS' DECLARATION

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In accordance with a resolution of the directors of Tawana Resources NL, I state that:

1. In the opinion of the directors:
  - (a) the financial statements and notes as set out on pages 28 to 60 of the Company and of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 31 December 2015 and of their performance for the year ended on that date; and
    - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
  - (b) subject to the achievement of the matters set out in Note 1 (b), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements.
3. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2015.

On behalf of the Board



Mr Michael Naylor  
Director

Perth, 30 March 2016

## Independent auditor's report to the members of Tawana Resources NL

### Report on the financial report

We have audited the accompanying financial report of Tawana Resources NL, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 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 controls as the directors determine are necessary to enable the preparation of the financial report that 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. 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*. 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

In our opinion:

- a) the financial report of Tawana Resources NL 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 31 December 2015 and of its 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.

## Emphasis of Matter

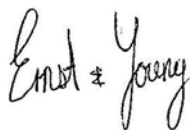
Without qualifying our opinion, we draw attention to Note 1(a) in the financial report. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be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

## Report on the remuneration report

We have audited the Remuneration Report included on pages 16 to 22 of the directors' report for the year ended 31 December 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 Tawana Resources NL for the year ended 31 December 2015, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



R J Curtin  
Partner  
Perth

30 March 2016

## **SCHEDULE OF MINING TENEMENTS**

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Mining & Exploration tenements currently held by the consolidated entity are as follows:

<b>Location</b>	<b>Title held by</b>	<b>% held by Tawana</b>	<b>Title</b>
Mofe Creek	Tawana Liberia Inc	100%	MEL 12029
Mofe Creek	Tawana Liberia Inc	100%	MEL 1223/14



Additional information included in accordance with the Listing Rules of the Australian Securities Exchange Limited. The information is current as at 24 March 2016.

## 1. Substantial shareholders

The substantial holders in the Company are set out below:

<i>Shareholder</i>	<i>Number of shares</i>	<i>Percentage of issued capital</i>
Gryphon Minerals Limited	135,050,000	9.15%

## 2. Statement of issued capital

### (a) Distribution of fully paid ordinary shareholders

<i>Size of holding</i>	<i>Number of holders</i>	<i>Shares held</i>
1 – 1,000	182	106,584
1,001 – 5,000	350	1,088,353
5,001 – 10,000	245	1,971,125
10,001 – 100,000	705	30,897,555
100,001 and over	791	1,441,186,770
	<u>2,273</u>	<u>1,475,250,387</u>

(b) All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(c) At the date of this report there were 1,739 shareholders who held less than a marketable parcel of shares.

## 3. Options

	<i>Exercise price</i>	<i>Expiry date</i>	<i>Number of options</i>	<i>Number of holders</i>
Unlisted options	\$0.0089	26 May 2018	11,000,000	3
Unlisted options	\$0.018	12 Dec 2016	10,000,000	1
Unlisted options	\$0.015	12 Dec 2016	1,500,000	1

## 4. Quotation

Listed securities in Tawana Resources NL are quoted on the Australian Securities Exchange and the Johannesburg Stock Exchange.

**5. Twenty largest shareholders**

The twenty largest shareholders hold 48.24% of the issued capital of the Company as at 24 March 2016.

No	Shareholder	Number of shares	Percentage of issued capital
1.	GRYPHON MINERALS LIMITED	135,050,000	9.15
2.	SAF REGISTER CONTROL A/C>	95,868,788	6.50
3.	SPRING PLAINS PAST CO (VIC) PL <SPRING PLAINS A/C>	68,000,000	4.61
4.	MERRIWEE PTY LTD <MERRIWEE SUPER FUND A/C>	62,000,000	4.20
5.	SISU INTERNATIONAL PTY LTD	45,447,000	3.08
6.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	42,498,423	2.88
7.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	36,904,721	2.50
8.	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	30,000,000	2.03
9.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	27,423,202	1.86
10.	J P MORGAN NOMINEES AUSTRALIA LIMITED	26,313,302	1.78
11.	BPM COMMODITIES LIMITED	20,000,000	1.36
12.	PAKASOLUTO PTY LIMITED <BARKL FAMILY SUPER FUND A/C>	19,175,500	1.30
13.	MR WILLIAM HENRY HERNSTADT	18,580,618	1.26
14.	MR NEVILLE JAMES MILES	14,681,147	1.00
15.	AUSTRALIAN GOOD FOOD GUIDE PUBLISHING PTY LTD	13,187,014	0.89
16.	QUALITY LIFE PTY LTD <THE VIKING FUND A/C>	12,500,000	0.85
17.	EXCEL SHARES PTY LTD <EXCEL SUPER FUND A/C>	12,000,000	0.81
18.	FELTRIM PASTORAL CO PTY LTD <SIMON STAUGHTON FAMILY A/C>	11,091,609	0.75
19.	MR NEVILLE JAMES MILES	10,501,101	0.71
20.	MR HAKAN AHISKA	10,500,000	0.71
		<b>711,722,425</b>	<b>48.24%</b>