FOYSON RESOURCES LIMITED

ABN 23 003 669 163

And Controlled Entities

HALF YEAR REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2014

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended June 30, 2014 and any public announcements made by Foyson Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Australian Corporations Act 2001.

TABLE OF CONTENTS

CORPORATE DIRECTORY

DIRECTORS	Paul Dickson	(Non-Executive Chairman)
	Bevan Dooley	(Non-Executive Director)
	David McIntosh	(Non-Executive Director)
	Clifford M James	(Non-Executive Director)
	Kilroy Genia	(Non-Executive Director)
	Mike Palmer	(Managing Director)

SECRETARY

Aliceson Rourke

REGISTERED OFFICE

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121 Walker Street
North Sydney, NSW, 2060
Ph: (02) 8920 2300

SHARE REGISTER

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney, NSW, 2000
Ph: 1300 737 760

AUDITOR

BDO East Coast Partnership
Level 11, 1 Margaret Street
Sydney, NSW, 2000
Ph: (02) 9251 4100

SOLICITOR

Allion Legal Pty Ltd
123 Pitt Street
Sydney, NSW, 2000

BANKERS

Westpac Bank Limited
275 George Street
Sydney, NSW, 2000

STOCK EXCHANGE LISTING

Foyson Resources Limited shares are listed on the Australian Securities Exchange.
ASX Code: FOY

WEBSITE ADDRESS

www.foyson.net

DIRECTORS REPORT

The Directors present their report together with the financial report of the consolidated entity consisting of Foyson Resources Limited and the entities it controlled, for the half year ended 31 December 2014 and Auditor's Report thereon.

DIRECTORS

The names of Directors in office at any time during or since the end of the half year and up to the date of this report are:

Name of Director	Appointed	Ceased
Paul Dickson	24-10-14	Current
Bevan Dooley	24-10-14	Current
David McIntosh	15-12-14	Current
Clifford M. James	22-12-14	Current
Kilroy Genia	21-01-15	Current
Mike Palmer	05-05-14	Current
Doug Halley	18-07-11	04-12-14
John Holliday	18-07-11	24-10-14

REVIEW OF OPERATIONS

The Board of Foyson Resources Limited (“Foyson” or the “Company”) is pleased to update shareholders on the Company’s activities for the half year ended 31 December 2014.

As previously advised to Shareholders, the Board has determined that with the continued decline in commodity prices, the poor state of the capital markets and the minimal market interest in junior resource companies, that the most secure method of sourcing the ongoing funding required to develop its resource exploration assets, specifically the Amazon Bay project, was through internal funding, by way of a cash flow project.

The criteria developed by the Board to search for such a cash flow project included the following:

- Minimal upfront capital needs – ideally less than A$10 million;
- Early cash flow;
- Located in Australia;
- Growth leverage available;
- Strong market for product.

The Company identified in mid-2014 a project opportunity held by an Australian company, Integrated Green Energy Limited (“IGE”), as an ideal opportunity to achieve this self-funding model.

IGE was selected as meeting all these criteria:

- Upfront capital of approximately $4million;
- Cash flow available immediately on completion;
- Located in New South Wales, approximately 100kms north of Sydney and within 10kms of major transport routes;
- Large quantities of feedstock available and vast market for petroleum products (diesel and petrol).

IGE is currently constructing a commercial "waste plastics to diesel conversion" plant ("Commercial Plant") at Berkeley Vale, approximately 100kms north of Sydney. The Commercial Plant is based on an existing pilot plant and has an initial 50tonnes per day feedstock capacity.

IGE and the Company have spent several months developing a business model which provides benefits to both parties and meets all regulatory requirements ("Proposed Transaction").

Under the Proposed Transaction, Foyson would acquire:

- exclusive licenses in Australia, New Zealand, China, North America, South East Asia, India, Papua New Guinea and Fiji to commercialize the plastics to fuel technology and biomass to both fuel and energy conversion technologies;
- one of three non-exclusive technology licenses in all other jurisdictions; and
- the completed Commercial Plant.

The Independent Directors believe that the Proposed Transaction with IGE will secure the long term future of the Company and create significant Shareholder value.

The Company's due diligence program and the drafting of the long form documentation with regards to the Proposed Transaction is well progressed. The Company's independent Directors have previously commissioned both a detailed technical assessment of the IGE technology and a comprehensive Business Plan of the Berkeley Vale operations. To date the independent Directors consider that the results of the technical assessment and the business plan have each reported positive outcomes.

The Company has been in consultation with the Australian Stock Exchange Limited ("ASX") to ensure that the Proposed Transaction meets all required ASX regulatory requirements and is structured appropriately to the benefit of all shareholders.

On 29 December 2014, the Company announced that the ASX had determined that the Proposed Transaction constituted a change in the nature and scale of the Company's activities. Therefore the Company will be taking specific steps to ensure full compliance with Chapters 1 and 2 of the Listing Rules as it moves towards completion of the Proposed Transaction. A key component of these arrangements is that the funding of the Proposed Transaction will now be undertaken on the basis of a full Prospectus

The independent Directors expect the current negotiations and the execution of long form documentation will be completed shortly, at which time the Company will advise the ASX of a summary of the key terms and provide an updated timetable for implementation and completion of the Proposed Transaction.

Moore Stephens, Accountants and Advisors, have been appointed to provide an Independent Experts' Report on the Proposed Transaction. Allion Legal Pty Ltd has been retained to assist in preparing the Prospectus and completion of the final legal documentation between the parties.

FUNDING

The Company does not currently generate any revenue and relies solely on equity fundraising and / or debt financing to fund its operations.

On 26 February 2015, the Company announced its intention to raise $1,000,000 through the issue of Capital Promissory Notes ("Notes") to various sophisticated investors.

The purpose of the issue of the Notes is to fund the Company's immediate needs for its Amazon Bay Project in Papua New Guinea, general working capital requirements and to fund expenses associated with advancing the Proposed Transaction to the stage of receiving Shareholder approval and re-complying with Chapters 1 and 2 of the ASX Listing Rules.

The Notes are debt securities with a face value of $1.00 each, which contain conversion rights that are conditional on, and of no force and effect until, Shareholder approval is obtained under ASX Listing Rule 7.1 and, where relevant, Listing Rule 10.11 at the Extraordinary General Meeting to be held on 31 March 2015.

If shareholder approval is not obtained, the Notes remain a basic promissory note and the holder will be repaid their money plus interest (at the default rate of 18% per annum) on the maturity date 15 May 2015.

If Shareholder approval is obtained, the Notes become equity securities and may be converted by the holder at any time from the issue date until the maturity date and will automatically convert on the Maturity Date, into fully paid ordinary shares in the Company at a conversion price of $0.0029 per share plus one attaching option per share. The options will be exercisable until and including 31 December 2019 and have an exercise price of $0.008. The Company will repay interest accrued on the subscription amount during the Interest Period at an interest rate of 12% per annum within 5 business days of the maturity date.

Paul Dickson and Bevan Dooley (each Directors of IGE and the Company) and Clifford James and Mike Palmer (each Directors of the Company) took up Notes under the issue. TVI Pacific Inc., a significant shareholder in Foyson holding 20.06%, also took up Notes under the issue.

PNG STRATEGY

The Board remains committed to its existing PNG assets, specifically the Amazon Bay Project. A comprehensive strategy is being prepared in order to leverage the Company's experience, knowledge and exploration assets in PNG and bring long term benefits to the Company's shareholders.

To this extent, the Company announced on 21 January 2015 the appointment of an Independent PNG based Director, Mr. Kilroy Genia who has engaged with both the relevant PNG Government departments including the Minerals Resource Authority as well as the local landowners with a view to ensuring that the Company activities are aligned with the Government and community expectations.

The Company will continue to meet with the PNG Government and the Minerals Resource Authority over the next few months to discuss its future strategy for the Amazon Bay Project. However with the demand for and pricing of iron ore at the current depressed levels, the Company needs to introduce a significant new initiative to the Project to ensure it can remain viable and worthy of further expenditure.

The major operating cost for the Amazon Bay Project was identified as power in previous studies, but as there is no local grid supply, the Project would be dependent on locally produced diesel generated power, which is prohibitively expensive. Therefore in conjunction with the Government meetings, the Company has requested IGE management to provide the PNG authorities with a proposal to introduce one of the IGE power generating technologies to the country.

Subject to negotiation and completion of the Proposed Transaction, the Company will acquire an exclusive licence to operate this biomass to power technology in PNG. The biomass to power technology may be able to service remote rural communities and remote industrial developments, such as Amazon Bay, at a much lower cost than other currently available power alternatives, in addition to also providing local employment and infrastructure investment.

The Company believes this will provide an ideal means of demonstrating to the PNG Government, the Company's ongoing interest in Amazon Bay and in PNG generally, and may lead to further resource opportunities.

The Company has progressed its exploration activities during the period including completion of a comprehensive Environmental Management Plan. The Environmental Management Plan is a requirement as part of the process required by the Department of Conservation in order to progress the Company's application to obtain an Environmental Permit to undertake a drilling program at Amazon Bay.

The Company has continued to engage with the local landowners through various consultations to explain the progress on the Project and the concept of the remote generation of power will be also formally introduced to the local Amazon Bay communities.

FINANCIAL RESULT

The Group has incurred a net loss of $565,613 for the six months ended 31 December 2014. (2013: net loss $4,166,913) primarily as a result of the relinquishment of its tenement at Sandbank Bay. The Board made the decision to relinquish Sandbank Bay and New Britain over the period as these were considered to be the least prospective of the Company's PNG tenements and the Company has continued to strategically focus on the Amazon Bay project.

The Company continues to make a concerted effort to reduce its operating costs including obtaining a waiver from the Directors and the Managing Director to their entitlement to all remuneration during the period required to complete the Proposed Transaction and until the Company is operating on a cash flow positive basis.

SUMMARY OF PNG TENEMENTS

Project	Tenement	Interest
Amazon Bay	EL 1396	90% interest. TVI Pacific Inc. (Foyson substantial shareholder) holds the remaining 10%.
Maruta	EL 2281	100% interest
Amazon Bay North	EL 2149	100% interest

GOING CONCERN BASIS OF ACCOUNTING

During the half year ended 31 December 2014, the Group incurred an operating loss before tax of $565,613 and net cash inflows from operating activities of $69,126 as disclosed respectively in the statement of profit or loss and the statement of cash flows.

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

Refer Note 1: "Going concern basis of accounting"

EVENTS SUBSEQUENT TO REPORTING DATE

On 26 February 2015, the Company announced the issue of Capital Promissory Notes to raise up to $1,000,000 from various sophisticated investors. At the date of this report, the Company has successfully raised $550,000. The Notes are debt securities with a face value of $1.00 each, which contain conversion rights that are conditional on, and of no force and effect until, Shareholder approval is obtained under ASX Listing Rule 7.1 and, where relevant, Listing Rule 10.11 at the Extraordinary General Meeting to be held on 31 March 2015.

If shareholder approval is not obtained, the Notes remain a basic promissory note and the holder will be repaid their money plus interest (at the default rate of 18% per annum) on the maturity date 15 May 2015.

If Shareholder approval is obtained, the Notes become equity securities and may be converted by the holder at any time from the issue date until the Maturity Date and will automatically convert on the Maturity Date, into fully paid ordinary shares in the Company at a conversion price of $0.0029 per share plus one attaching option per share. The options will be exercisable until and including 31 December 2019 and have an exercise price of $0.008. The Company will repay interest accrued on the subscription amount during the Interest Period at an interest rate of 12% per annum within 5 business days of the Maturity Date.

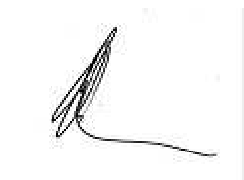
On 16 March 2015, the Company announced it had entered into an agreement to acquire the remaining 50% shareholding in its subsidiary Titan Mines Limited for a cash consideration plus an ongoing royalty payment of 0.50% on gross revenue received from the sale or disposal of all minerals extracted from the Amazon Bay project.

The agreement terminates all contractual obligations under the previous Amazon Bay Option agreement which included a currently due $300,000 option payment, and the exercise consideration of $10 million cash and 2.16% of the issued capital in Foyson.

DIVIDENDS PAID, RECOMMENDED OR DECLARED

No dividends were paid, declared or recommended during the half year and up to the date of this report.

This Report is made in accordance with a resolution of the Directors.



Mike Palmer
Managing Director
16 March 2015

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Australia

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF FOYSON RESOURCES LIMITED

As lead auditor for the review of Foyson Resources Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

Gareth Few

Gareth Few
Partner

BDO East Coast Partnership

Sydney, 16 March 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Note	Consolidated 31/12/2014 $	Consolidated 31/12/2013 $
Revenue from continuing operations			
Other revenue			
Finance income		4,374	2,579
Other income	2	317,061	590,018
Expenses			
Administrative expenses		(139,309)	(229,279)
Consultants expenses		(137,266)	(350,306)
Corporate expenses		(54,510)	(45,188)
Depreciation and amortisation		(5,271)	(6,071)
Employment expenses		(12,571)	(92,770)
Finance costs		(66,274)	(24,398)
Insurance expenses		(23,689)	(39,601)
Occupancy expenses		(22,628)	(21,887)
Impairment expense		(424,673)	(4,933,833)
Loss on disposal of fixed asset		(858)	-
Loss before income tax expense		**(565,614)**	**(5,150,736)**
Income tax benefit		-	983,823
Net loss for the period		**(565,614)**	**(4,166,913)**
Other comprehensive income			
Items that may be subsequently be classified to profit or loss			
Exchange differences arising in translation of foreign operations		165,082	(796,211)
Total comprehensive income for the period, net of tax		**(400,532)**	**(4,963,124)**

	Cents / Share 31/12/2014 $	Cents / Share 31/12/2013 $
Basic and diluted loss per share	(0.06)	(0.54)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	Consolidated 31/12/2014 $	Consolidated 30/06/2014 $
Current assets			
Cash and cash equivalents	4	107,284	32,762
Trade and other receivables		21,503	432,265
Other current assets		68,125	79,742
Total current assets		196,912	544,769
Non-current assets			
Property, plant and equipment		18,814	27,525
Mineral rights	5	12,924,467	12,924,467
Exploration and evaluation assets	6	3,125,409	3,203,263
Total non-current assets		16,068,690	16,155,255
Total assets		**16,265,602**	**16,700,024**
Current liabilities			
Trade and other payables		405,897	622,801
Provisions		-	26,466
Financial liabilities	7	710,079	393,801
Total current liabilities		1,115,976	1,043,068
Non-current liabilities			
Deferred tax liabilities	3	-	-
Total non-current liabilities		-	-
Total liabilities		**1,115,976**	**1,043,068**
Net assets		**15,149,626**	**15,656,956**
Equity			
Issued capital	8	107,920,522	107,727,320
Share reserve	8	2,088,906	2,088,906
Acquisition reserve	8	(900,000)	(600,000)
Foreign currency reserve	8	717,662	552,580
Accumulated losses		(106,632,464)	(106,066,850)
Shareholders equity before non-controlling interest		**3,194,626**	**3,701,956**
Non controlling interest TVI Pacific		200,000	200,000
Non controlling interest Titan Mines Limited		11,755,000	11,755,000
Total equity		**15,149,626**	**15,656,956**

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Consolidated					
	Issued capital	**Foreign currency reserve**	**Share reserve**	**Acquisition reserve**	**Accumulated losses**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**
Balance 1 July 2013	106,948,685	1,239,832	1,957,836	(300,000)	(100,092,993)	9,753,360
Net loss for the year	-	-	-	-	(4,166,913)	(4,166,913)
Other comprehensive income	-	(796,211)	-	-	-	(796,211)
Total comprehensive expense for the period	-	(796,211)	-	-	(4,166,913)	(4,963,124)
Transactions with owners in their capacity as owners:						
Shares issued net of transaction costs	284,954	-	-	-	-	284,954
Acquisition of Titan Mines Limited	-	-	-	(300,000)	-	(300,000)
Total transactions with owners recorded directly in equi	284,954	-	-	(300,000)	-	(15,046)
Balance 31 December 2013	**107,233,639**	**443,621**	**1,957,836**	**(600,000)**	**(104,259,906)**	**4,775,190**

		Consolidated				
	Issued capital	**Foreign currency reserve**	**Share reserve**	**Acquisition reserve**	**Accumulated losses**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**
Balance 1 July 2014	107,727,320	552,580	2,088,906	(600,000)	(106,066,850)	3,701,956
Net loss for the year	-	-	-	-	(565,614)	(565,614)
Other comprehensive income	-	165,082	-	-	-	165,082
Total comprehensive expense for the period	-	165,082	-	-	(565,614)	(400,532)
Transactions with owners in their capacity as owners:						
Shares issued net of transaction costs	193,202	-	-	-	-	193,202
Acquisition of Titan Mines Limited	-	-	-	(300,000)	-	(300,000)
Total transactions with owners recorded directly in equi	193,202	-	-	(300,000)	-	(106,798)
Balance 31 December 2014	**107,920,522**	**717,662**	**2,088,906**	**(900,000)**	**(106,632,464)**	**3,194,626**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Consolidated	
	31/12/2014 $	31/12/2013 $
Cash flows from operating activities		
Payment to suppliers and employees inclusive of goods and services tax	(202,284)	(498,959)
	(202,284)	(498,959)
R & D tax refund received	317,031	-
Interest received	4,374	2,579
Finance costs paid	(49,995)	(398)
Net cash outflow from operating activities	**69,126**	**(496,778)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,362)	-
Exploration expenditure	(186,444)	(400,646)
Farm-in project contribution received	-	412,981
Payments for funding of transaction costs	-	50,000
Net cash outflow from investing activities	**(187,806)**	**62,335**
Cash flows from financing activities		
Proceeds from the issue of shares, net of transaction costs	193,202	284,954
Net cash inflow from financing activities	**193,202**	**284,954**
Net inflow / (outflow) in cash and cash equivalents	74,522	(149,489)
Cash and cash equivalents at the beginning of the period	32,762	662,270
Cash and cash equivalents at the end of the period	**107,284**	**512,781**

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 1. BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

(a) Statement of compliance

This consolidated financial report for the half year reporting period ended December 31, 2014 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

(b) Basis of preparation

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

Accordingly this report is to be read in conjunction with the annual report for the year ended June 30, 2014 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The interim consolidated financial statements have been presented in Australian dollars unless otherwise stated.

The accounting policies adopted were consistent with those of the previous financial year and corresponding interim reporting periods.

Going concern basis of accounting

During the half year ended 31 December 2014, the Group incurred an operating loss before tax of $565,613 and net cash inflows inflows from operating activities of $69,126 as disclosed in the statement of profit or loss and the statement of cash flows, respectively. The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Group being successful with fundraising and other options outlined below:

a) The ability of the Group to raise additional funds from shareholders and new investors. The Group has successfully raised $550,000 through a capital promissory note subsequent to period end. The purpose of the issue of the Notes is to fund the Company's immediate needs for its Amazon Bay Project in Papua New Guinea, general working capital requirements and to fund expenses associated with advancing the proposed transaction with Integrated Green Energy Limited.
b) Completion of the proposed transaction with Integrated Green Energy Limited, fundraising on the basis of a further placement and rights issue to develop the project and re-complying with Chapters 1 and 2 of the ASX Listing Rules.
c) The conversion of existing debt finance to equity. TVI have agreed to convert their existing loan of A$400,000 to equity at $0.0025 per share subject to Shareholder approval at the Extraordinary General Meeting to be held on 31 March 2015.
d) Continuation of the close and effective monitoring of the Group's operating expenditure;
e) Consideration of options that might include the sale of part of the business.

As a result, there is material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements.

However, the Directors believe that the Group will be successful in achieving favourable outcomes on the above matters and that it will have sufficient funds to pay its debts and meet its commitments for at least the next 12 months from the date of this financial report, and accordingly, have prepared the financial report on a going concern basis. At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 December 2014. As such, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or classification of liabilities that might be necessary should the Group not continue as a going concern.

New and amended accounting standards and interpretations

The accounting policies adopted in the preparation of the half-year report are consistent with those followed in preparation of the Groups annual consolidated financial statements for the year ended 30 June 2014, except for the adoption of new and amended standards and interpretations noted below;

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- Annual Improvements to IFRSs 2010-2012 Cycle
- Annual Improvements to IFRSs 2011-2013 Cycle

Accounting policies have been updated as a result of the new and amended standards, however, the adoption of the above had no material impact on the financial position or performance of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Critical Accounting Estimates and Judgments.
The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Impairment of capitalised exploration and evaluation expenditure
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the consolidated group successfully recovers the related exploration and evaluation asset through sale of the asset.

Factors that could impact the future recoverability include but not limited to the level of reserves and resources, technological changes, changes in the legal and political environment, costs of exploration and production, environmental restoration obligations and changes in commodity prices.

Option agreement for Titan Mines Limited
The Group entered into an option agreement for the acquisition of the remaining 50% of Titan Mines Limited. The terms of the option agreement which were approved by shareholders on 15 October 2012 are as follows:
- $150,000 payable within 7 days following shareholder approval of the Amazon Bay Resolutions;
- the issue of 10 million Shares within 7 days following shareholder approval of the Amazon Bay Resolutions;
- $150,000 payable not later than the earlier of 7 days following completion of the Tranche 2 Placement and 6 months following shareholder approval of the Amazon Bay Resolutions;
- $300,000 payable on 31 July 2013; and
- $300,000 payable on 31 July 2014; and

If the Amazon Bay Option is exercised, Foyson must pay the following exercise consideration:
- payment of $10 million;
- the issue of Shares representing 2.16% of the issued capital of Foyson at that time; and
- provision of a 0.5% royalty on all concentrate produced from the Amazon Bay Project.

If at the term of the agreement (i.e. October 2017 at the latest), the option is not exercised by the Group, the Group is obliged to return all of the shareholding it currently owns to the remaining shareholders of Titan Mines Limited.

Under the terms of the Amazon Bay option agreement, the Group were due to pay to the vendors of Titan Mines Limited $300,000 at 31 July 2014 in order to preserve the right to acquire the remaining 50% of Titan Mines Limited. The vendors of Titan Mines Limited have agreed to defer the payment until 31 March 2015. The Group has agreed to pay $10,000 per month to the vendors of Titan Mines Limited as compensation for the deferred payment.

On 16 March 2015, the Company announced it had entered into an agreement to acquire the remaining 50% shareholding in its subsidiary Titan Mines Limited for $150,000 plus an ongoing royalty payment of 0.50% on gross revenue received from the sale or disposal of all minerals extracted from the Amazon Bay project.
The agreement terminates all contractual obligations under the previous Amazon Bay Option agreement which included a $300,000 option payment that was payable, an exercise price is $10 million cash, 2.16% of the issued capital in Foyson, and a 0.50% gross royalty on concentrate from Amazon Bay.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 2: OTHER INCOME	**Consolidated 31/12/2014 $**	**Consolidated 31/12/2013 $**
R&D tax refund	317,061	-
Farmee release of financial liability	-	590,018
Total other income	317,061	590,018

	Consolidated 31/12/2014 $	**Consolidated 31/12/2013 $**
NOTE 3: INCOME TAX BENEFIT		
Numerical reconciliation of income tax benefit to prima facie tax payable		
Loss before income tax	(565,614)	(5,150,736)
Tax at the Australian tax rate 30%	(169,684)	(1,545,221)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development claim	(95,118)	-
Other permanent differences	128,749	1,481,887
Movement in timing differences	14,999	(984,721)
Income tax expense/(benefit)	(121,054)	(1,048,055)
Less: Income tax benefit not recognised	121,054	64,232
Income tax benefit	-	(983,823)
Deferred tax		
Deferred tax relates to the following:		
Deferred tax assets - timing		
The balance comprises:		
Tax losses carried forward	27,103,890	27,461,597
Timing differences	53,905	61,532
Total deferred tax assets	27,157,795	27,523,129
Deferred tax assets - recognised in equity		
Section 40-880 costs	2,286	21,597
Deferred tax liabilities		
The balance comprises:		
Exploration and evaluation assets	-	271,221
Total deferred tax liabilities	-	271,221

Deferred tax assets have not been recognised at reporting date as it is not probable that future taxable profits will be available against which the unused tax losses can be utilised.

NOTE 4: CASH AND CASH EQUIVALENTS	**Consolidated 31/12/2014 $**	**Consolidated 30/06/2014 $**
Cash at bank	107,284	32,762
	107,284	32,762

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 5: MINERAL RIGHTS

	Consolidated	
	31/12/2014 $	30/06/2014 $
Mineral rights	12,924,467	12,924,467
	12,924,467	12,924,467

Reconciliations
Movement of mineral rights expenditure at the beginning and end of the current period and previous financial year is set out below:

	Consolidated	
	31/12/2014 $	30/06/2014 $
Balance at beginning of financial period	12,924,467	17,194,695
Movement in foreign currency reserve	-	(72,769)
Impairment of mineral rights	-	(4,197,459)
Balance at the end of the financial period	12,924,467	12,924,467

Following the implementation of the shareholders' agreement and management agreements between the Group and the other shareholders of Titan Mines Limited as well as the option agreement the Group entered into for the acquisition of the remaining 50% of Titan Mines Limited, the Group determined that it controls Titan Mines Limited and has therefore consolidated this entity into the financial statements. In order to correctly represent the value of the non-controlling interest upon the consolidation of this entity, an adjustment to the value of the mineral rights of $11,845,000 was recorded at 30 June 2013. This asset is allocated to the Amazon Bay Project which is held by Titan Mines Limited.

The Directors have assessed the Group's carrying value of the capitalised mineral rights and note that the future recoverability is subject to the successful development and exploitation of the exploration assets or sale of those assets.

NOTE 6: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31/12/2014 $	30/06/2014 $
Exploration expenditure	3,125,409	3,203,263
	3,125,409	3,203,263

Reconciliations
Movement of exploration and evaluation expenditure at the beginning and end of the current period and previous financial year is set out below:

	Consolidated	
	31/12/2014 $	30/06/2014 $
Balance at beginning of financial period	3,203,243	7,532,743
Exploration and evaluation expenditure in current period	197,259	674,708
Movement in foreign currency reserve	149,580	(635,310)
Impairment of tenements	(424,673)	(3,980,680)
Non controlling interest in tenements	-	(388,218)
	3,125,409	3,203,243

During the period, the company undertook a review of its Papua New Guinea tenements. The decision was made to relinquish the South New Britain and Sandbank Bay tenements in order to focus the Group's resources on its more prospective assets. This resulted in the recognition of an impairment expense of $424,673.

The Directors have assessed the Group's carrying value of the capitalised exploration and evaluation expenditure and note that the future recoverability is subject to the successful development and exploitation of the exploration property or the sale of the tenement at an amount at least equal to the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 7: FINANCIAL LIABILITIES

	Consolidated	
	31/12/2014 $	30/06/2014 $
Loan - TVI Pacific Inc.	410,079	393,801
Loan - vendors of Titan Mines Limited	300,000	-
	710,079	393,801

At 30 June 2014, under Australian Accounting Standards, the loan from TVI Pacific was required to reflect a notional equity component based on TVI's ability to convert the loan to shares and a discounted cash flow interest expense to reflect the interest free terms.
The principal amount of the loan was $400,000.

On 15 October 2014, TVI Pacific Inc. agreed to convert the financial liability to shares based on the same terms and conditions as any new Placements offered to other shareholders. Placement 1 to a sophisticated investor was completed on 23 October 2014 with a share issue price of $0.0025. The conversion is subject to Shareholder approval at the Extraordinary General Meeting scheduled to occur on 31 March 2015.

As compensation to TVI, the Group has agreed to pay interest at 8% per annum on the outstanding balance and TVI has agreed to extend the loan to 31 March 2015.

Under the terms of the Amazon Bay option agreement, the Group were due to pay to the vendors of Titan Mines Limited $300,000 at 31 July 2014 in order to preserve the right to acquire the remaining 50% of Titan Mines Limited. The vendors of Titan Mines Limited have agreed to defer the payment until 31 March 2015. The Group has agreed to pay $10,000 per month to the vendors of Titan Mines Limited as compensation for the deferred payment.

On 16 March 2015, the Company announced it had entered into an agreement to acquire the remaining 50% shareholding in its subsidiary Titan Mines Limited for $150,000 plus an ongoing royalty payment of 0.50% on gross revenue received from the sale or disposal of all minerals extracted from the Amazon Bay project.
The agreement terminates all contractual obligations under the previous Amazon Bay Option agreement which included a $300,000 option payment that was payable, an exercise price is $10 million cash, 2.16% of the issued capital in Foyson, and a 0.50% gross royalty on concentrate from Amazon Bay.

NOTE 8: EQUITY - ISSUED CAPITAL AND RESERVES

	Period Ended		Period Ended	
	31/12/2014 Shares	30/06/2014 Shares	31/12/2014 $	30/06/2014 $
Ordinary shares				
Ordinary shares - authorised and fully paid	1,051,402,335	916,402,335	107,920,522	107,727,320
	1,051,402,335	916,402,335	107,920,522	107,727,320

	Consolidated No. of shares	Consolidated $
Movements in ordinary share capital		
Opening balance 1 July 2014	916,402,335	107,727,320
Share placement - Placement 1 IGE Transaction 23 October 2014	135,000,000	337,500
Transaction costs	-	(144,298)
Balance at 31 December 2014	1,051,402,335	107,920,522

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Period Ended	
NOTE 8: EQUITY - ISSUED CAPITAL AND RESERVES (CONTINUED)	**31/12/2014 $**	**30/06/2014 $**
Share reserve		
(i) Nature and purpose of reserve		
This reserve is used to record the fair value of converting redeemable preference shares and options.		
Balance at beginning of year	2,088,906	1,957,836
Share compensation expense	-	30,585
Options issued to TVI on completion of Tranche 2	-	100,485
Balance at end of year	2,088,906	2,088,906
At 31 December 2014 there were 33,333,333 converting redeemable preference shares and 29,729,405 unlisted options on issue.		
Foreign currency reserve		
(i) Nature and purpose of reserve		
This reserve is used to record the exchange differences arising on translation of a foreign entity.		
Balance at beginning of year	552,580	1,239,832
Foreign currency movements	165,082	(687,252)
Balance at end of year	717,662	552,580
Acquisition reserve		
(i) Nature and purpose of reserve		
This reserve is used to record the value of payments made in consideration of the option to acquire the remaining shares in Titan Mines Limited.		
Balance at beginning of year	(600,000)	(300,000)
Amazon Bay acquisition payment	(300,000)	(300,000)
Balance at end of year	(900,000)	(600,000)

	Consolidated	
NOTE 9. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES	**31/12/2014 $**	**31/12/2013 $**
Operating loss after income tax	(565,614)	(4,166,913)
Depreciation and amortisation	5,271	6,071
Foreign exchange movement mineral rights	-	(67,319)
Impairment expense	418,223	4,933,833
Interest expense	16,278	24,000
Loss on disposal of fixed asset	858	-
Mineral rights	-	(300,000)
Transaction costs	-	(50,000)
Changes in operating assets and liabilities:		
Increase / (decrease) in trade and other receivables	410,762	(522,699)
Increase / (decrease) in other operating assets	11,617	11,157
Increase / (decrease) in trade and other payables	(201,804)	617,292
(Decrease) / increase in provisions	(26,466)	1,623
Decrease in deferred tax liability	-	(983,823)
Net cash outflow from operating activities	69,125	(496,778)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 10: OPERATING SEGMENTS

Foyson Resources Limited has two operating segments and two geographical segments. For management reporting purposes, the group is organised into business units based on its activities and has identified its business segments as follows:

- The exploration areas segment undertakes exploration and evaluation activities. Exploration and evaluation activities are currently being undertaken in the geographical segment of Papua New Guinea.

- The Corporate activities which incorporates the corporate functions of the parent entity including regulatory activities and the development of new markets and business opportunities. It is based in the geographical segment of Australia.

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and financial income) and income taxes are managed on a group basis and are not allocated to operating segments.

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 of the financial statements. Transfer prices between operating segments are on an arms length basis in a manner similar to transactions between third parties.

	Geographical Segments		
	Papua New Guinea	Australia	Total
31 December 2014	Operational Segments		
	Exploration	Corporate	Total
Other Income			
Finance income	-	4,374	4,374
R&D tax refund	-	317,061	317,061
Expenses			
Administrative expenses	(5,977)	(133,331)	(139,308)
Consultants expenses	-	(137,266)	(137,266)
Corporate expenses	-	(54,510)	(54,510)
Depreciation and amortisation	-	(5,271)	(5,271)
Employment expenses	-	(12,571)	(12,571)
Finance costs	-	(66,274)	(66,274)
Insurance expenses	-	(23,689)	(23,689)
Occupancy expenses	-	(22,628)	(22,628)
Impairment expense	(424,673)	-	(424,673)
Loss on disposal of fixed assets	-	(858)	(858)
Loss before income tax	(430,650)	(134,963)	(565,613)
Income tax benefit	-	-	-
Net loss for the period	(430,650)	(134,963)	(565,613)
Other comprehensive income			
Exchange differences arising in translation of foreign operations	-	165,082	165,082
Total comprehensive income, net of tax	**(430,650)**	**30,119**	**(400,531)**
Operating assets	16,079,080	186,522	16,265,602
Operating liabilities	(127,536)	(988,440)	(1,115,976)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 10: OPERATING SEGMENTS (CONTINUED)

	Geographical Segments		
	Papua New Guinea	Australia	Total
	Operational Segments		
31 December 2013	Exploration	Corporate	Total
Other Income			
Finance income	3	2,576	2,579
Farmee release of financial liability	-	590,018	590,018
Expenses			
Administrative expenses	(33,746)	(195,533)	(229,279)
Consultants expenses	-	(350,306)	(350,306)
Corporate expenses	(13,826)	(31,362)	(45,188)
Depreciation and amortisation	-	(6,071)	(6,071)
Employment expenses	-	(92,770)	(92,770)
Finance costs	-	(24,398)	(24,398)
Insurance expenses	(14,713)	(24,888)	(39,601)
Occupancy expenses	-	(21,887)	(21,887)
Impairment expense	(4,933,833)	-	(4,933,833)
Loss before income tax	(4,996,115)	(154,621)	(5,150,736)
Income tax benefit	-	983,823	983,823
Net loss for the period	(4,996,115)	829,202	(4,166,913)
Other comprehensive income			
Exchange differences from translation of foreign operations	-	165,082	165,082
Total comprehensive income, net of tax	**(4,996,115)**	**994,284**	**(4,001,831)**

	Operational Segments		
	Exploration	Corporate	Total
31 December 2013			
Operating assets	19,715,500	1,093,985	20,809,485
Operating liabilities	(268,130)	(1,711,165)	(1,979,295)
Non financial liabilities	(2,000,000)	-	(2,000,000)

NOTE 11: CONTINGENCIES

The Company and consolidated entity have no contingent assets or liabilities at the date of this report.

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

On 26 February 2015, the Company announced the issue of Capital Promissory Notes to raise up to $1,000,000 from various sophisticated investors. At the date of this report the Company has successfully raised $550,000. The Notes are debt securities with a face value of $1.00 each, which contain conversion rights that are conditional on, and of no force and effect until, Shareholder approval is obtained under ASX Listing Rule 7.1 and, where relevant, Listing Rule 10.11 at the Extraordinary General Meeting to be held on 31 March 2015.

If shareholder approval is not obtained, the Notes remain a basic promissory note and the holder will be repaid their money plus interest (at the default rate of 18% per annum) on the maturity date 15 May 2015. If Shareholder approval is obtained, the Notes become equity securities and may be converted by the holder at any time from the issue date until the Maturity Date and will automatically convert on the Maturity Date, into fully paid ordinary shares in the Company at a conversion price of $0.0029 per share plus one attaching option per share. The options will be exercisable until and including 31 December 2019 and have an exercise price of $0.008. The Company will repay interest accrued on the subscription amount during the Interest Period at an interest rate of 12% per annum within 5 business days of the Maturity Date.

On 16 March 2015, the Company announced it had entered into an agreement to acquire the remaining 50% shareholding in its subsidiary Titan Mines Limited for $150,000 plus an ongoing royalty payment of 0.50% on gross revenue received from the sale or disposal of all minerals extracted from the Amazon Bay project.

The agreement terminates all contractual obligations under the previous Amazon Bay Option agreement which included a $300,000 option payment that was payable, an exercise price is $10 million cash, 2.16% of the issued capital in Foyson, and a 0.50% gross royalty on concentrate from Amazon Bay.

DIRECTORS' DECLARATION

The Directors of Foyson Resources Limited declare that:

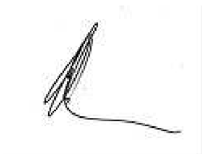
(a) the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting reporting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional requirements;

(b) the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Dated this 16th day of March 2015.

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Foyson Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Foyson Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Foyson Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Foyson Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon, the ability of the consolidated entity to raise funds from shareholders and new investors. These conditions, along with other matters as set out in Note 1, 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.

BDO East Coast Partnership

BDO

Gareth Few

Gareth Few

Partner

Sydney, 16 March 2015