



Interim Financial Report

For the half-year ended 31 December 2019

Directors' Report	3
Auditor's Independence Declaration	17
Condensed Statement of Profit or Loss and Other Comprehensive Income	18
Condensed Statement of Financial Position	19
Condensed Statement of Changes in Equity	20
Condensed Statement of Cash Flows	21
Notes to the Condensed Financial Statements	22
Directors' Declaration	27
Independent Auditor's Review Report	28

DIRECTORS' REPORT

Your Directors submit the financial report of the Company for the half-year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows.

The names of Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Will Burbury	Non-Executive Chairman
David Boyd	Managing Director
David Archer	Non-Executive Director
Bruce McQuitty	Non-Executive Director*

* retired 14 November 2019

REVIEW OF OPERATIONS

Carawine Resources Limited ("**Carawine**" or "**the Company**") is a mineral exploration company focused on creating value for its shareholders through the exploration, discovery and development of mineral deposits. The Company has four gold, copper and base metal projects, each targeting high grade deposits in well-established mineralised provinces throughout Australia (Figure 1). The Company received strong market and investor interest in its gold and copper projects in Victoria and Western Australia during the reporting period.

At the Jamieson project in northeast Victoria the Company established a link between mineralisation at the Hill 800 prospect and copper-gold porphyry mineral systems, increasing the potential size and scale of Hill 800 and lifting the prospectivity of surrounding areas and targets. Towards the end of the reporting period a diamond drilling program commenced at Jamieson, initially targeting down-dip extensions to mineralisation at Hill 800.

At the Paterson project in northwest Western Australia, after defining more than twenty high-priority target areas across two tenement areas and progressing three other tenement areas to grant, the Company entered into separate farm-in and joint venture agreements with Rio Tinto Exploration Pty Ltd ("RTX"), a wholly owned subsidiary of Rio Tinto Limited (ASX:RIO) over the Baton and Red Dog tenements and FMG Resources Pty Ltd, a wholly owned subsidiary of Fortescue Metals Group Ltd ("Fortescue") (ASX:FMG) over the Lamil Hills, Trotman South and Sunday tenements. The farm-in and joint venture agreements combined will see up to \$11.5 million in exploration expenditure on the tenements, with up to \$625,000 payable to Carawine in cash and a share subscription, as consideration payable to Carawine.

In November 2019 the Company completed a two-tranche share placement, raising \$3 million (before costs) from the issue of 21.4 million new fully paid ordinary shares to professional and sophisticated investors.

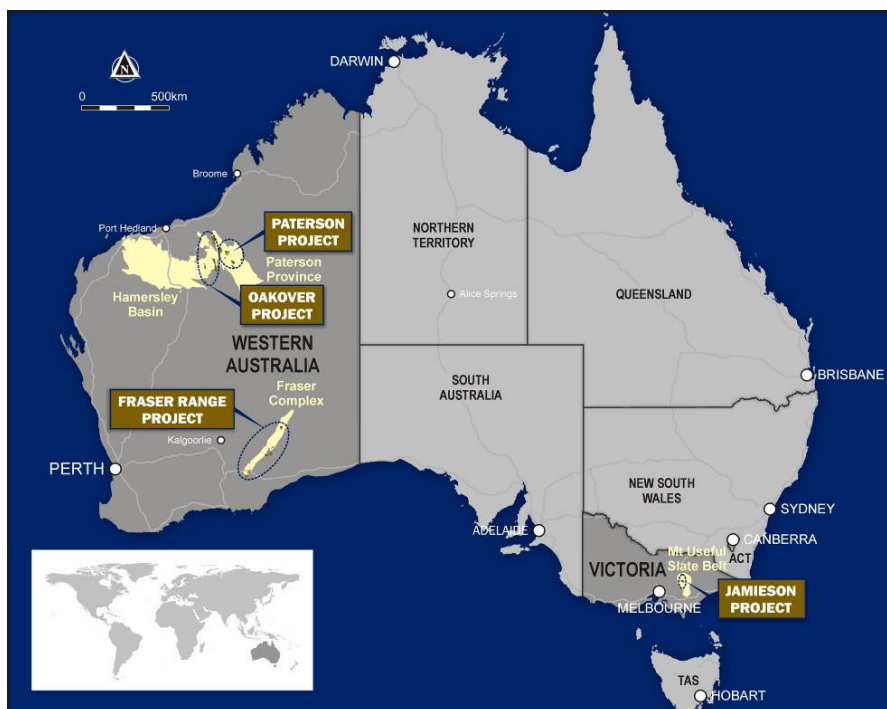


Figure 1: Location of Carawine's Projects throughout Australia.

EXPLORATION ACTIVITIES

JAMIESON PROJECT

The Jamieson Project is located on unrestricted crown land within the Mt Useful Slate Belt geological province. The region was founded on gold in the 1850s, with a number of gold mines that have operated or are currently in production. Carawine is advancing two main prospect areas at the Jamieson Project: Hill 800 and Rhyolite Creek.

The project comprises granted exploration licences EL5523 and EL6622, which cover an area of 146km² over Ordovician and Silurian aged sediments and Cambrian age volcanic rocks in the Mt Useful Slate Belt geological province, part of the Lachlan Fold Belt. The focus of Carawine's work is the Jamieson Volcanics "window" comprising Cambrian-aged calc-alkaline volcanic rocks which have a genetic link with the Stawell Volcanics in western Victoria and the Mt Read Volcanics in western Tasmania, host to several world-class gold, copper and base metal deposits (Figure 2) (refer ASX announcement 17 October 2019).

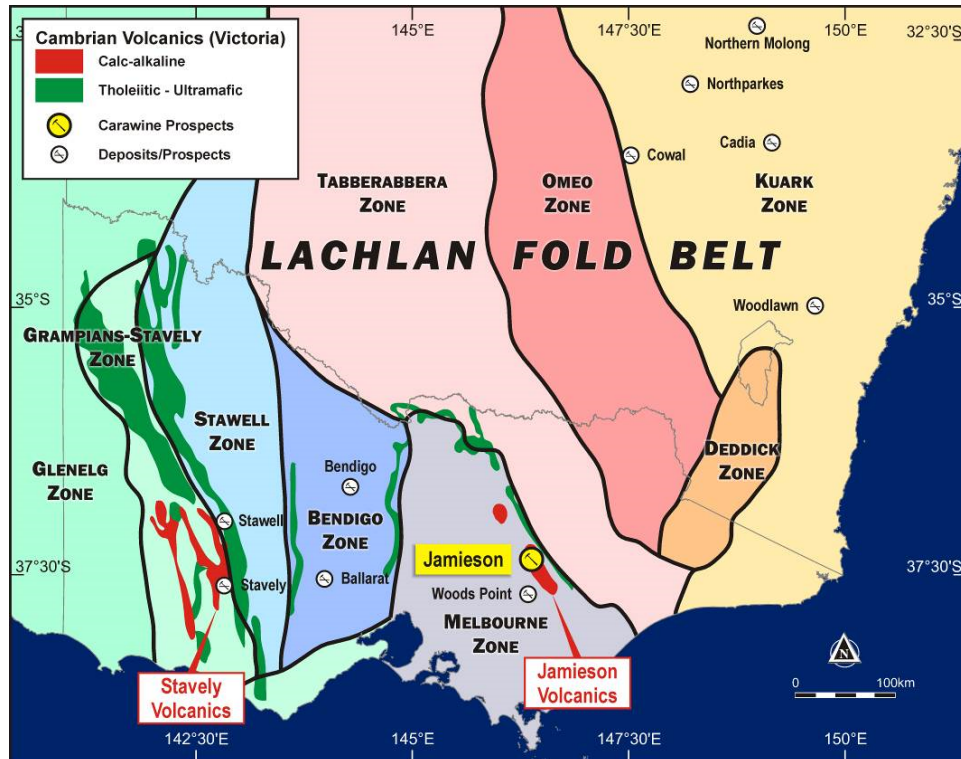


Figure 2: Location of the Jamieson project within the Lachlan Fold Belt of southeast Australia¹.

Two main prospect areas are recognised to date at the Jamieson project: Hill 800 and Rhyolite Creek; with work during the period generating several new targets at and around Hill 800 (Figure 5). Towards the end of the period the Company commenced its third diamond drilling program at Hill 800, with the first assay results from this program announced subsequent to the end of the period.

The most advanced prospect at Jamieson and the focus of Carawine's exploration program is Hill 800, with drilling to date returning the following outstanding widths and grades of gold and copper mineralisation:

- **92.7m @ 3.22g/t Au** from 2.3m (0.3g/t Au cut off), hole H8DD006 **including 11.7m @ 5.59g/t Au** from 2.3m and **31m @ 6.64g/t Au** from 58m (1g/t Au cut off)
- **43m @ 4.24g/t Au, 0.3% Cu** from 177m (0.3g/t Au cut off), hole H8DD002 **including 10m @ 5.66g/t Au, 0.9% Cu** from 182m and **5m @ 24.1g/t Au, 0.4% Cu** from 203m (1g/t Au cut off)
- **101m @ 1.44g/t Au** from 21m (0.3g/t Au cut-off), hole H8DD019 **including 12m @ 4.32g/t Au** from 83m (1g/t Au cut-off)
- **50.1m @ 3.08g/t Au** from 16.9m (0.3g/t Au cut off), hole H8DD009 **including 22.7m @ 4.82g/t Au** from 44.3m (1g/t Au cut off)
- **11m @ 9.87g/t Au, 0.3% Cu** from 179m (0.3g/t Au cut-off), hole H8DD020 **including 4m @ 26.7g/t Au, 0.7% Cu** from 179m (1g/t Au cut-off)*

¹ modified from: Huston, D.L., Champion, D.C., Mernagh, T.P., Downes, P.M., Jones, P., Carr, G., Forster, D. and David, V., 2016. *Metallogenesis and geodynamics of the Lachlan Orogen: New (and old) insights from spatial and temporal variations in lead isotopes*. Ore Geology Reviews 76 (2016) 257–267 and; VandenBerg, A.H.M., Willman, C.E., Maher, S., Simons, B.A., Cayley, R.A., Taylor, D.H., Morand, V.J., Moore, D.H. and Radojkovic, A., 2000. *The Tasman Fold Belt System in Victoria*. Geological Survey of Victoria Special Publication.

This interval, exceeding 100 gram-metres gold, with high copper and unusually high silver grades, is from a new semi-massive sulphide lens about 50m to the west of the main mineralised zone at Hill 800. It is open down-dip and along strike into areas untested by drilling (Figures 3 & 4).

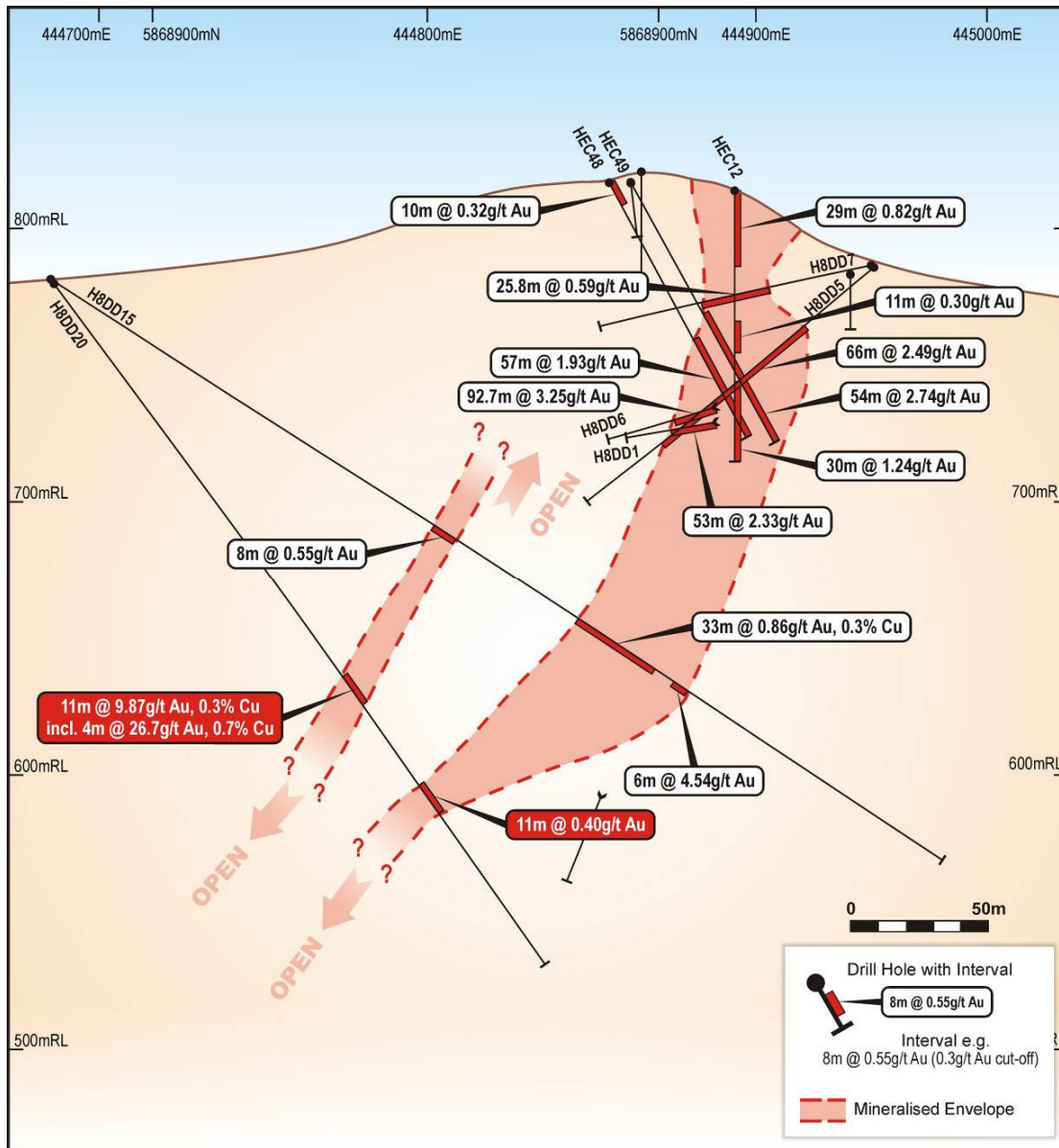


Figure 4: Cross section through H8DD020, window +/- 20m.

Early in the reporting period the Company identified several new prospects around Hill 800 which had strong magmatic / porphyry geochemical signatures and recognised two broad but distinct regional-scale magnetic anomalies at Hill 800 and Rhyolite Creek (Figure 5) (refer ASX announcement 15 July 2019). Following the recognition of these clear magnetic anomalies, the potential for gold and copper mineralisation at Hill 800 to be related to a copper-gold porphyry system was established based on an analysis of multi-element geochemical data collected from the nineteen diamond drill holes completed at Hill 800. This was further supported by the recognition of an alteration pattern at Hill 800 typical of porphyry mineral systems (Figure 6) (refer ASX announcements 11 September and 16 October 2019). Together, this work resulted in a significant increase in the potential of the Jamieson project to yield large gold and copper deposits.

Typical copper-gold porphyries display a magnetic "potassic zone" at the core of the system containing alteration minerals magnetite, biotite and k-feldspar. This potassic zone is surrounded by the non-magnetic "phylic zone" containing alteration minerals quartz, sericite and pyrite transitioning to the "propylitic zone" containing alteration minerals chlorite, epidote and carbonate. This zonation can result in a magnetic response comprising a magnetic high surrounded by a magnetic low (e.g. Figure 6). Where the system is more complex, multiple intrusions and/or structural disruption can result in more complex magnetic responses. Magnetic anomalies therefore provide excellent drill targets for copper-gold porphyry systems (refer ASX announcements 11 September and 17 October 2019).

The two broad magnetic anomalies recognised from regional-scale magnetic data at the Jamieson project therefore have the potential to be associated with the potassic zone of copper-gold enriched porphyries (refer ASX announcement 11 September 2019). During the period, a detailed helicopter-borne magnetic and radiometric ("heli-mag") geophysical survey was completed to provide high-resolution data suitable for defining magnetic anomaly targets to test for potential porphyry copper-gold potassic zones.

The heli-mag survey was successful in confirming existing targets at Hill 800 and Rhyolite Creek and identifying a number of new anomalies in these areas and throughout the project (Figure 5) (refer ASX announcement 3 December 2019). Data from the heli-mag survey was then modelled to produce a project-wide 3D inversion model (e.g. Figure 7) from which fourteen magnetic anomalies around Hill 800 and the surrounding area, and two anomalies at Rhyolite Creek were selected for further, more detailed (2D transect) modelling (Figure 5). The anomalies were selected as being the most advanced in terms of known mineralisation, previous drilling, geological mapping, surface geochemical sampling and access.

From these sixteen modelled anomalies, seven have been prioritised for initial drill testing based on their size, depth and location relative to known mineralisation and surface geochemical anomalism. These are anomalies M2 to M5 and M14 in the Hill 800 area, and M15 & M16 at Rhyolite Creek (Figures 5 & 7) (refer ASX announcement 29 January 2020). Drill testing of these anomalies is expected to commence in March 2020, initially targeting anomalies M14 & M2 (Figure 7).

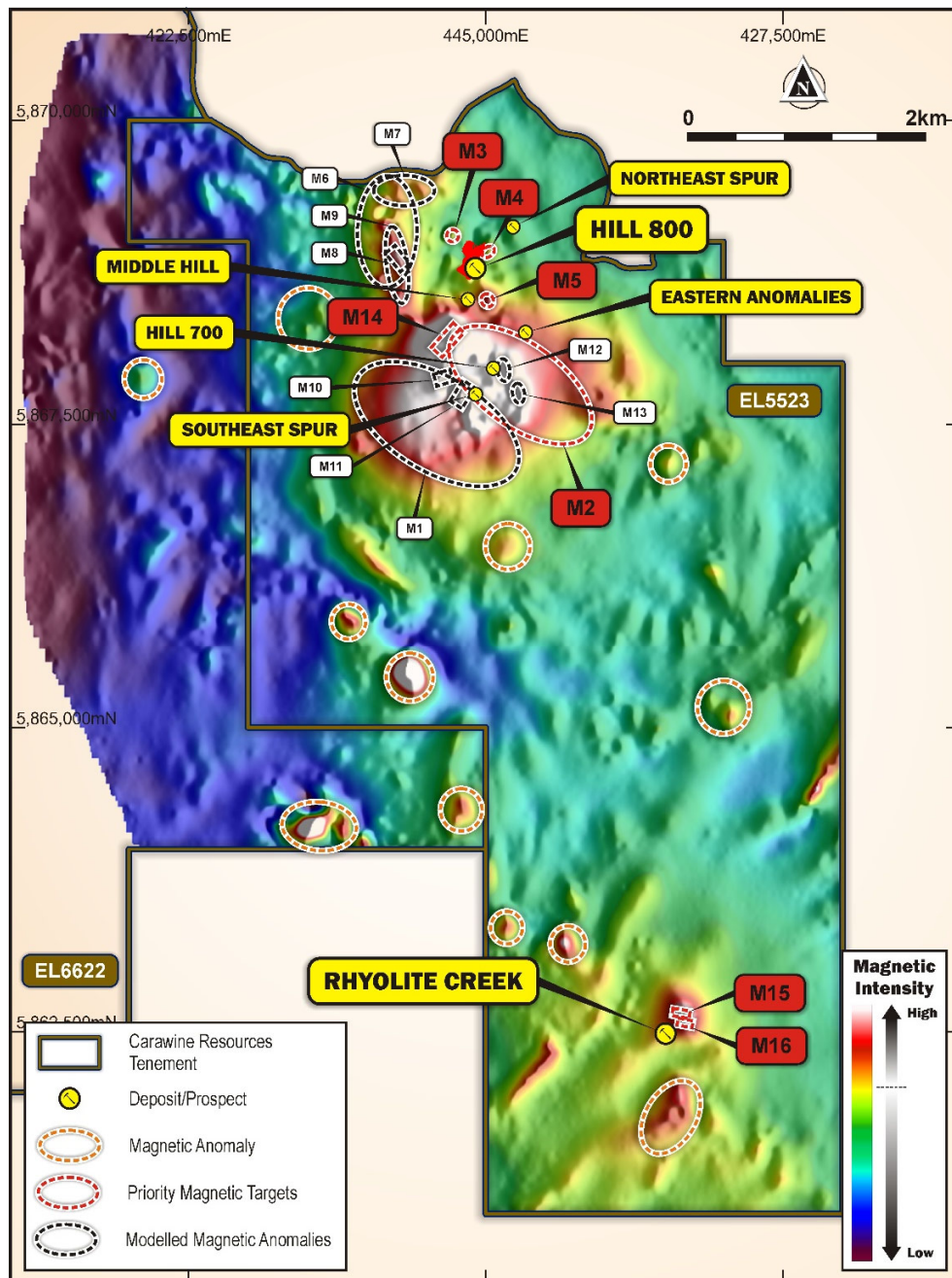


Figure 5: Detailed heli-mag survey image and contours of RTP magnetics, priority modelled anomaly targets are highlighted with red labels.

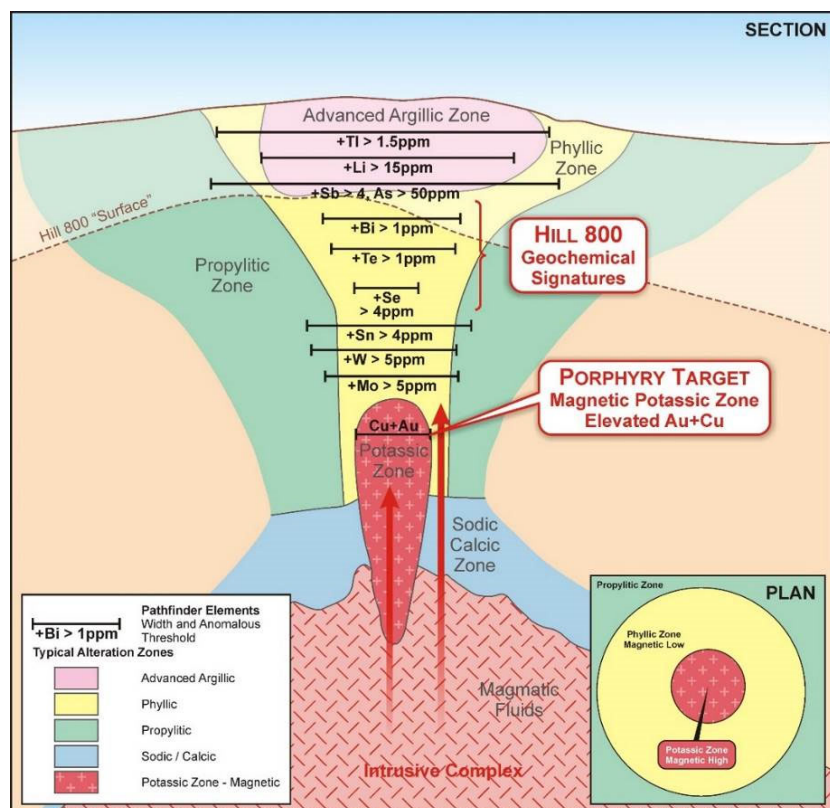


Figure 6: Schematic diagram showing the pathfinder geochemical and alteration patterns of a typical porphyry copper-gold mineral system and the relative location of Hill 800³.

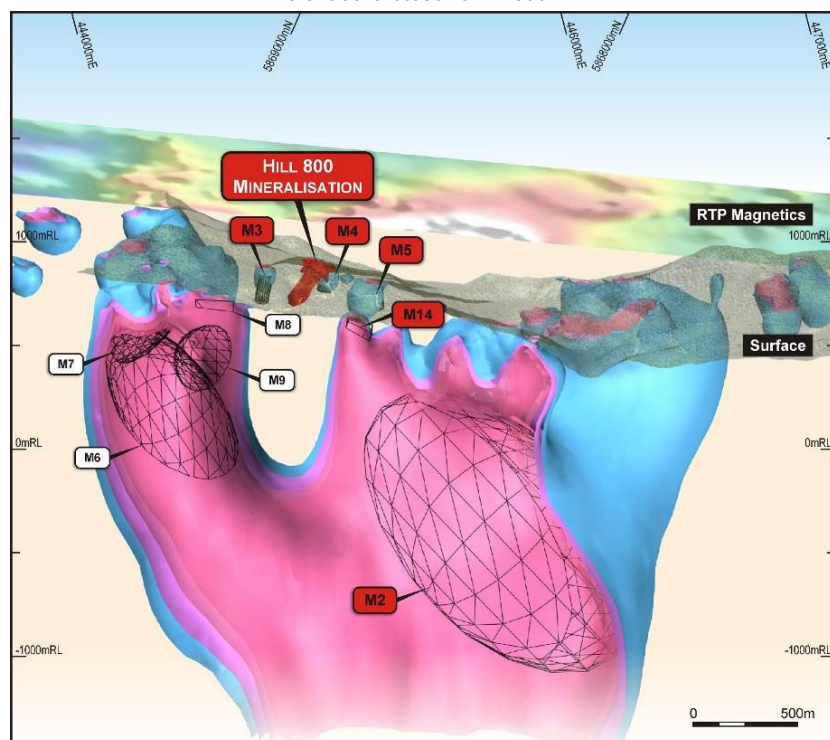


Figure 7: Slice through the 3D magnetic inversion and anomaly model results in the Hill 800 area, looking towards the northeast (refer Figure 5 for relative locations). Modelled anomalies identified for initial drill testing are highlighted in red (inversion shells (SI units): blue=0.004, purple=0.006, red 0.008, pink =0.010).

³ Modified from: Halley SW, Dilles JH, Tosdal RM, 2015. *Footprints: hydrothermal alteration and geochemical dispersion around porphyry copper deposits*. SEG Newsletter 100(1): 12–17.

- At the completion of the Minimum Commitment, RTX will subscribe to A\$300,000 worth of Carawine shares, calculated using the 20-day volume-weighted average price immediately prior to subscription ("Share Subscription"). RTX must complete the Minimum Commitment and the Share Subscription before it can withdraw from the Agreement.
- RTX then has the right to earn a 70% interest by spending at least \$5.5 million within six years.
- RTX can earn to 80% interest by sole funding to a discovery milestone, or completion of a scoping-level study on any discovery.

For further details of the agreement refer to Carawine's ASX announcement dated 28 October 2019.

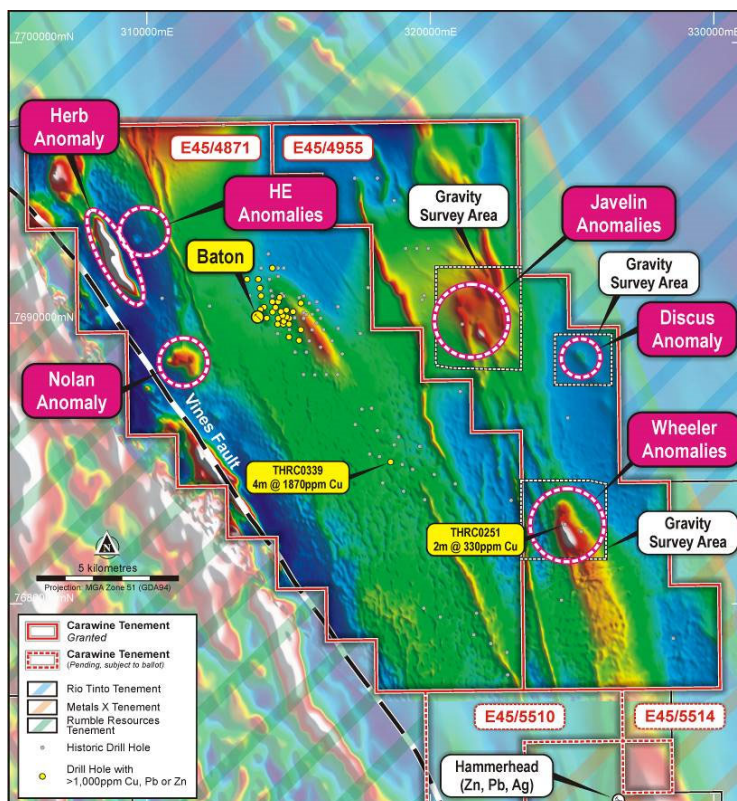


Figure 9: Baton tenements detailed magnetic image with gravity survey areas and targets (now subject to the West Paterson JV).

RTX commenced exploration during the period, reviewing public data and completing an airborne gravity gradiometer ("AGG") survey over the tenements. Access planning also commenced, ahead of earthworks and drilling planned for the Javelin, Discus and Wheeler coincident magnetic/gravity anomalies, with drilling expected to commence during Q2 2020. Preliminary ground geophysical surveys to screen airborne EM targets on the Red Dog tenement is currently planned for Q3 2020.

Also during the period the Company entered into a farm-in and joint venture agreement with FMG Resources Pty Ltd to explore Carawine's "Lamil Hills" (E45/5326), "Trotman South" (E45/4847) and "Sunday" (E45/5229) tenements ("Coolbro JV"). FMG Resources Pty Ltd is a wholly owned subsidiary of Fortescue Metals Group Ltd ("Fortescue") (ASX:FMG). A summary of the key terms of the Coolbro JV is as follows:

- Fortescue to pay \$125,000 cash up front and spend \$500,000 on exploration in the first eighteen months (the "Minimum Obligation")
- Fortescue has the right to earn up to a 75% interest by spending \$6 million total in two stages, inclusive of the Minimum Obligation:
 - Stage 1: 51% interest after \$1.5 million exploration spend within three years
 - Stage 2: 24% interest after additional \$4.5 million exploration spend within four years

For further details of the agreement refer to Carawine's ASX announcement dated 13 November 2019.

Fortescue have commenced exploration with compilation of existing data over the tenement areas, this work will continue into Q1 2020, ahead of planning field work programs for 2020.

The combined terms of the agreements with RTX and Fortescue represent a minimum commitment to Carawine of at least A\$2 million (aggregate of cash, share subscription and exploration expenditure), with the potential for up to A\$11.5 million to be spent on exploration under both agreements over the next six to seven years.

Carawine considers these agreements to represent a strong endorsement of its project generation capabilities and its exploration targeting strategy. By partnering with two major resource companies in the Paterson region, each with the expertise to advance exploration on the tenements and the resources to develop any discoveries, the Company has put itself in a good position to realise the significant potential of the tenements while ensuring it is well positioned to share in the benefit of any discoveries.

Carawine will focus its own efforts in the Paterson on compiling and reviewing historic exploration on its four exploration licence applications (Cable, Puffer, Magnus and Eider), which are not subject to farm-in or joint venture agreements.

FRASER RANGE PROJECT

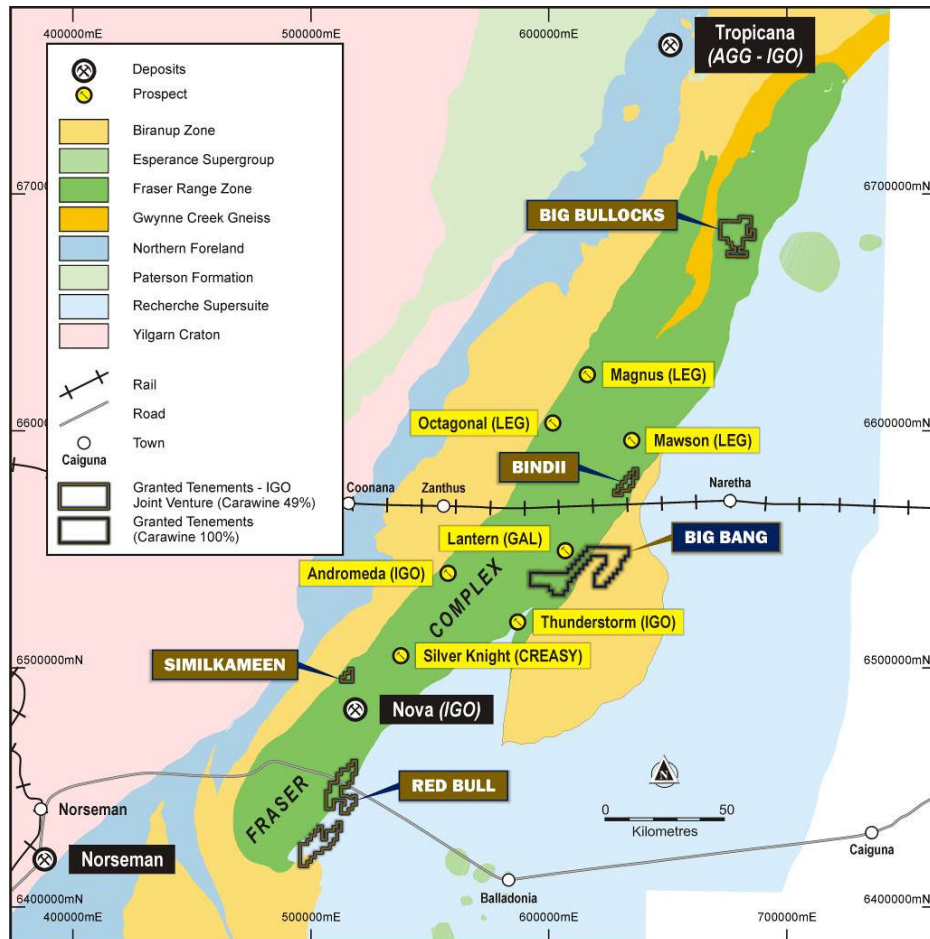


Figure 10: Fraser Range Project tenements.

The Fraser Range Project includes 6 granted exploration licences in five areas: Red Bull, Bindii, Big Bullocks, Similkameen and Big Bang in the Fraser Range region of Western Australia. The project is considered prospective for magmatic nickel-sulphide deposits such as Independence Group NL's (IGO) Nova nickel-copper-cobalt operation (Figure 10).

Carawine has a joint venture with IGO over the Red Bull, Bindii, Big Bullocks and Similkameen tenements (the "Fraser Range Joint Venture" or "FRJV"). IGO are managing and operating the joint venture, they currently hold a 51% interest and can earn an additional 19% interest in the tenements by spending \$5 million by the end of 2021.

Big Bang (Carawine 100%)

During the reporting period exploration licence E28/2759 named "Big Bang" was granted for a period of five years from 22 August 2019. Big Bang is located in the Central Fraser Range where a number of Companies have recently announced several significant nickel and gold discoveries including Thunderstorm – a paleochannel gold prospect identified by IGO (in joint venture with Rumble Resources (ASX:RTR)), Legend Mining's (ASX:LEG) Mawson discovery, 50km to the north of Big Bang and Galileo Mining's (ASX:GAL) Lantern prospect, 6km to the northwest (Figure 10).

The Company has commenced a review of historic results, including open file datasets to assess prospectivity and identify targets for further work, including following known mineralisation trends from neighbouring tenements.

Fraser Range Joint Venture (IGO 51%, earning to 70%)

Encouraging results were reported by IGO from the Fraser Range JV, including elevated silver (Ag), copper (Cu), lead (Pb) and zinc (Zn) assay values from RC drilling targeting an interpreted MLEM conductor identified at the Aries prospect (Similkameen tenement), and anomalous Ni values returned from AC drilling on the Big Bullocks tenement at the newly defined Big Bullock 1 prospect.

The Aries prospect, within the Similkameen tenement 15km north of Nova, is on the eastern side of the Fraser Shear and is recognised as being within the Andromeda volcanic-hosted massive sulphide (VHMS) belt, about 50km southwest and along strike from IGO's Andromeda base metal VMS prospect (refer ASX announcement 29 April 2019).

During the reporting period a ground-based MLEM survey was completed at the Aries prospect, which identified a 3,000m x 700m plate-like conductor. Two RC holes were drilled targeting the conductor but failed to intersect significant mineralisation. However, one hole (19AFRC2053) showed a progressive increase in Ag-Cu-Pb-Zn with depth, albeit at low levels (<250ppm Cu). No significant assay results have been reported. Downhole electromagnetic (DHEM) surveys are planned for both holes (refer ASX announcement 31 October 2019).

At Big Bullocks (E39/1733), IGO defined a new prospect named "Big Bullock 1" from several aircore ("AC") drill holes returning anomalous assay values ranging from 236ppm Ni to 808ppm Ni and 44ppm Cu to 728ppm Cu, with elevated MgO values indicating the potential for magmatic nickel-copper sulphides. The anomalous values are all from drill holes within structurally dilational zones and proximal to fault/shear zones (Figure 11) (refer ASX announcement 31 October 2019).

A compulsory partial surrender was also completed for the Big Bullocks tenement during the period, with prospective areas around the Big Bullock 1, Motueka and Knifejaw prospects retained (Figure 11). A program of ground-based geophysics comprising several moving loop electromagnetic (MLEM) surveys over Big Bullock 1 and surrounding prospects on the retained part of the tenement is planned to test for basement conductors, and is expected to commence during Q2 2020.

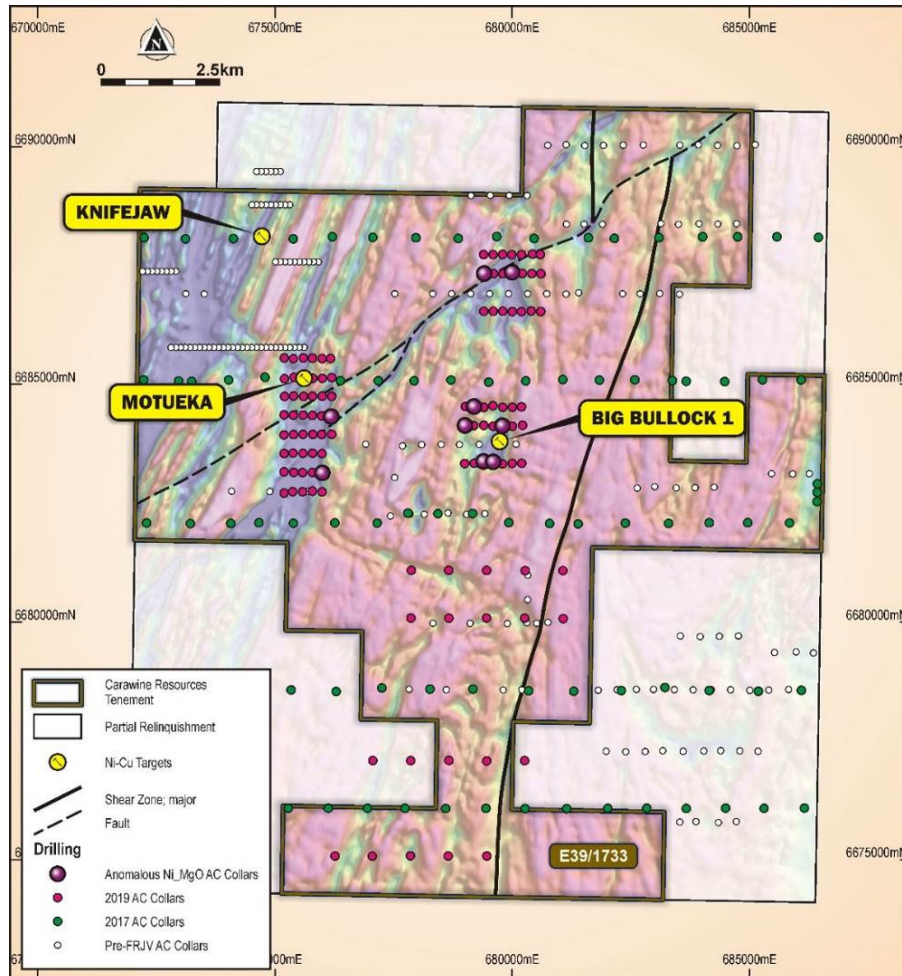


Figure 11: Big Bullocks tenement E39/1733 prospects, image is RTP Magnetics.

OAKOVER PROJECT

The Company's Oakover Project, in the Eastern Pilbara region of Western Australia, comprises nine granted exploration licences with a total area of about 920km², held 100% by the Company (Figure 12). The Oakover Project is considered prospective for copper and manganese.

During the period the Company undertook a review of its Oakover Project tenement holding, surrendering six tenements and completing partial surrenders on a further five tenements. In the western Oakover, the retained tenement holding focusses on ground prospective for copper and "Balfour" style manganese deposits (medium-grade Mn/Fe), including the Western Star copper prospect and historic Davis River manganese occurrences. Along the eastern edge of the Oakover Basin, where the Paterson Province is interpreted to onlap the Oakover Basin west of the Vines and Marloo Faults, the retained tenement holding includes sediment-hosted copper occurrences such as Bocrabee, and numerous high-grade "Woodie-Woodie" style manganese prospects (typical Mn >45%, Fe <5%) in the Fig Tree area (30km south of Consolidated Minerals' Woodie Woodie mine) (Figure 12) (refer ASX announcement 31 January 2020). The Company will continue to advance the Oakover Project, but with a lower priority to its other projects.

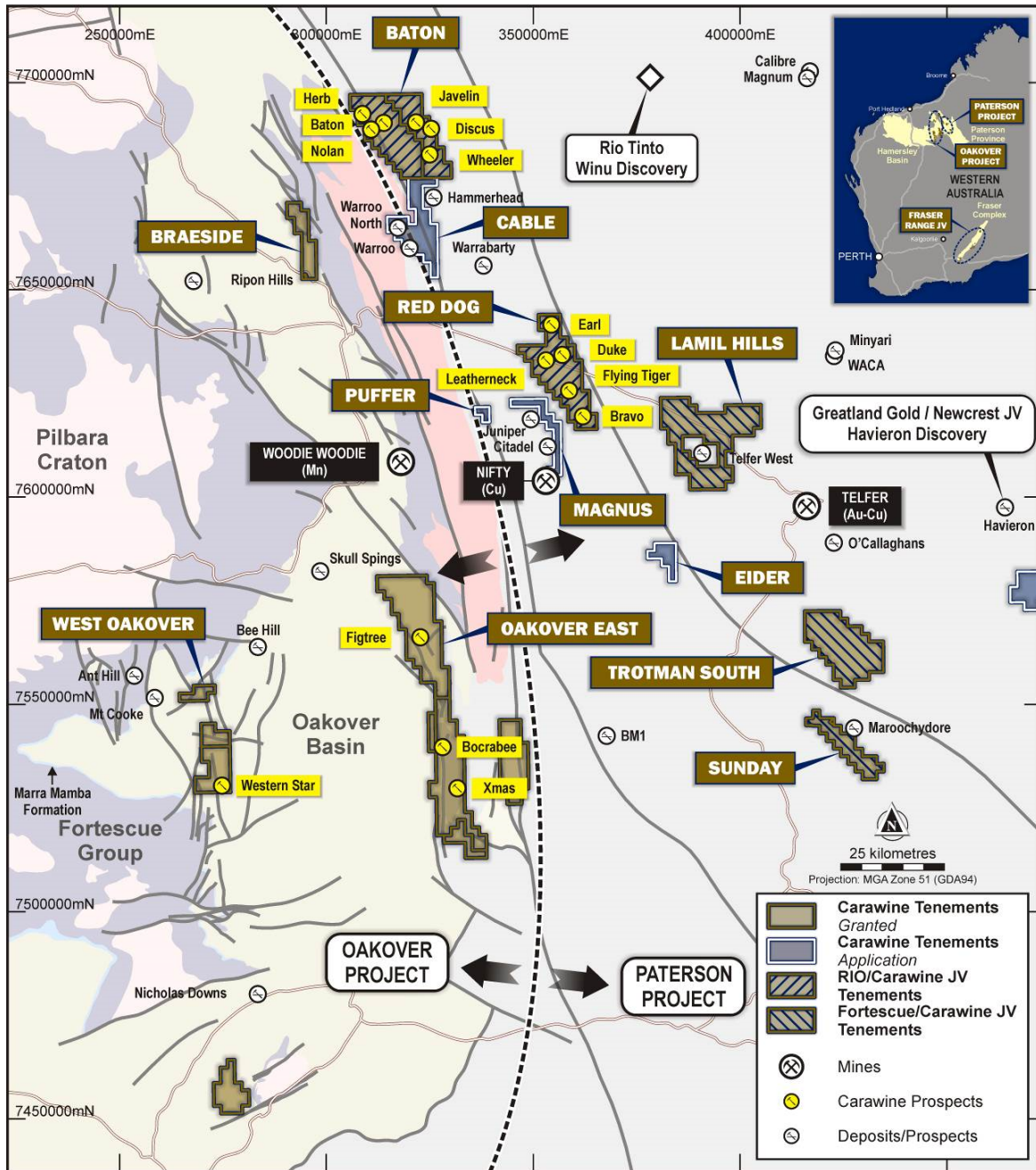


Figure 12: Oakover and Paterson Project tenement location plan.

CORPORATE ACTIVITIES

During the period the Company completed a two-tranche share placement to sophisticated and professional investors of approximately 21.4 million ordinary shares at an issue price of 14 cents per share to raise a total of \$3.0 million before costs. For further details refer to the Company's ASX announcements dated 20 & 26 September and 22 November 2019.

Carawine was also successful in its application to participate in the Australian Government's Junior Mineral Exploration Incentive (JMEI) scheme for the 2020 income year. The Company may allocate up to \$780,000 in exploration tax credits to eligible investors who participated in the Placement announced on 20 September 2019 and any other capital raising by the Company completed prior to 30 June 2020.

JMEI credits can be used as a refundable tax offset (or franking credit for corporate shareholders) in the relevant shareholder's tax return for the 2020 income year. The actual amount of credit per share will be determined after 30 June 2020, and is dependent on the total amount of capital raised and the amount of eligible exploration expenditure incurred between 1 July 2019 and 30 June 2020, and the Company's tax result for the 2020 income year.

At the Company's Annual General Meeting on 14 November 2019 Mr Bruce McQuitty retired from the Company as a Non-Executive Director. The Company thanked Mr McQuitty for his service and invaluable contributions to the Company.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 17 and forms part of this Directors' report for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Mr David Boyd
Managing Director

12 MARCH 2020

COMPLIANCE STATEMENTS

REPORTING OF EXPLORATION RESULTS AND PREVIOUSLY REPORTED INFORMATION

The information in this report that relates to Exploration Results is based on information compiled by Mr Michael Cawood, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Cawood holds shares and options in and is a full-time employee of Carawine Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken 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' (the "JORC Code (2012)"). Mr Cawood consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

This report includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012) and extracted from the Company's previous ASX announcements, with the Competent Person for the relevant original market announcement indicated in brackets, as follows:

- Jamieson: "New High-Grade Zone Discovered at Hill 800" 28 February 2020 (M Cawood)
- Jamieson: "Jamieson Project Drilling Progress Update" 29 January 2020 (M Cawood)
- Jamieson: "New Porphyry Copper-Gold Targets in Victoria" 3 December 2019 (M Cawood)
- Fraser Range: "Quarterly Activities Report for the Period Ended 30 September 2019" 31 October 2019 (M Cawood)
- Jamieson: "Copper-gold Porphyry Targets at Hill 800" 11 September 2019 (M Cawood)
- Paterson: "Paterson Gravity Survey Prioritises Baton Targets" 27 August 2019
- Paterson: "Sixteen EM Targets Identified at the Paterson Project" 29 July 2019
- Jamieson: "New Gold Prospects Defined at Jamieson" 15 July 2019 (M.Cawood)
- Jamieson: "Gold Zone Extended with Latest Results from Hill 800" 27 May 2019 (M Cawood)
- Fraser Range: "Quarterly Activities Report for the Period Ended 31 March 2019" 29 April 2019 (M Cawood)

This report also refers to information extracted from, and first disclosed in the Company's previous ASX Announcements as follows:

- Oakover: "Quarterly Activities Report for the Period Ended 31 December 2019" 31 January 2020
- Jamieson: "Drilling Underway at Victorian Gold-Copper Project" 25 November 2019
- Corporate: "Section 708A Notice – Tranche 2 Placement" 22 November 2019
- Paterson: "\$6 Million Paterson Farm-In and Joint Venture Agreement with Fortescue" 13 November 2019
- Paterson: "\$6 Million Paterson Farm-In with Rio Tinto" 28 October 2019
- Jamieson: "Carawine Targets Copper-Gold Porphyries at its Victorian Jamieson Project" 16 October 2019
- Corporate: "Section 708A Notice and ASX Listing Rule 3.10.5A Disclosure–Tranche 1 Placement" 26 September 2019
- Corporate: "Carawine to Raise \$3m to Advance Paterson and Jamieson Projects" 20 September 2019

Copies of these are available from the ASX Announcements page of the Company's website: www.carawine.com.au

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. Where the information relates to Exploration Results the Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the relevant original market announcements.

FORWARD LOOKING AND CAUTIONARY STATEMENTS

Some statements in this report regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "predict", "foresee", "proposed", "aim", "target", "opportunity", "could", "nominal", "conceptual" and similar expressions. Forward-looking statements, opinions and estimates included in this report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results and may cause the Company's actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. So, there can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Carawine Resources Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
12 March 2020



D I Buckley
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

		31 December 2019 \$	31 December 2018 \$
Continuing operations			
Other Income		9,397	35,176
Employee benefits expense		(120,901)	(123,405)
Depreciation expense		(9,237)	(8,957)
Share-based payments	6	(98,860)	(115,175)
Deferred exploration expenditure written off	2	(563,949)	(23,373)
Other expenses		(282,577)	(229,595)
Loss before income tax		(1,066,127)	(465,329)
Income tax benefit	7	219,180	126,363
Loss after tax from continuing operations		(846,947)	(338,966)
Other comprehensive income		-	-
Total comprehensive loss for the period		(846,947)	(338,966)
Basic loss per share		(0.01)	(0.01)
Dilutive loss per share		(0.01)	(0.01)

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	31 December 2019 \$	30 June 2019 \$
Assets			
Current Assets			
Cash and cash equivalents		3,045,049	1,207,927
Trade and other receivables		130,845	112,146
Total Current Assets		3,175,894	1,320,073
Non-Current Assets			
Plant and equipment		29,269	36,826
Deferred exploration and evaluation expenditure	2	7,083,501	6,910,913
Total Non-Current Assets		7,112,770	6,947,739
Total Assets		10,288,664	8,267,812
Liabilities			
Current Liabilities			
Trade and other payables	3	308,063	224,086
Employee benefits	4	98,441	83,995
Total Current Liabilities		406,504	308,081
Non-Current Liabilities			
Deferred tax liabilities	7	-	226,039
Total Non-Current Liabilities		-	226,039
Total Liabilities		406,505	534,120
Net Assets		9,882,160	7,733,692
Equity			
Issued capital	5	12,211,860	9,315,305
Reserves		348,785	289,125
Accumulated losses		(2,678,485)	(1,870,738)
Total Equity		9,882,160	7,733,692

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2018	9,406,995	(1,295,623)	124,145	8,235,517
Loss for the period	-	(338,966)	-	(338,966)
Total comprehensive loss for the period	-	(338,966)	-	(338,966)
Shares issued during the half-year	-	-	-	-
Deferred tax benefit of share issue costs	(68,769)	-	-	(68,769)
Share-based payments	-	-	115,175	115,175
Balance at 31 December 2018	9,338,226	(1,634,589)	239,320	7,942,957

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2019	9,315,305	(1,870,738)	289,125	7,733,692
Loss for the period	-	(846,947)	-	(846,947)
Total comprehensive loss for the period	-	(846,947)	-	(846,947)
Shares issued during the half-year	3,000,000	-	-	3,000,000
Share issue costs	(110,305)	-	-	(110,305)
Deferred tax benefit of share issue costs	6,860	-	-	6,860
Share-based payments	-	-	98,860	98,860
Transfer of lapsed performance rights	-	39,200	(39,200)	-
Balance at 31 December 2019	12,211,860	(2,678,485)	348,785	9,882,160

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	31 December 2019 \$	31 December 2018 \$
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(328,646)	(317,255)
Interest received	6,333	38,886
Net cash outflows operating activities	(322,313)	(278,369)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(1,060,004)	(2,072,782)
Proceeds from JV agreements	325,000	-
Purchase of plant and equipment	(1,680)	-
Net cash outflows investing activities	(736,684)	(2,072,782)
Cash flows from financing activities		
Proceeds from issue of shares	3,000,000	-
Payments for share issue costs	(103,881)	-
Net cash inflows from financing activities	2,896,119	-
Net increase/(decrease) in cash held	1,837,122	(2,351,151)
Cash and cash equivalents at the beginning of the period	1,207,927	5,047,836
Cash and cash equivalents at the end of the period	3,045,049	2,696,685

The accompanying notes form part of these financial statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

This condensed interim report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by the Company during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

(b) Statement of Compliance

The interim financial statements were authorised for issue on 12 March 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Accounting policies and methods of computation

The Company's accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year except for the impact of the new and revised standards effective 1 July 2019 outlined in Note 1(d) below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(d) Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2019

In the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2019.

As a result of this review, the Company has applied AASB 16 Leases from 1 July 2019. AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019. A lessee can choose to apply the Standard using a full retrospective or modified retrospective approach.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative periods as the short term lease exemption in AASB 16 was utilised.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company accounting policies.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2019.

(e) Going concern

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

NOTE 2: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Half-year to 31 December 2019	Year to 30 June 2019
Costs carried forward in respect of areas of interest:	\$	\$
Exploration and evaluation phase – at cost		
Balance at beginning of period	6,910,913	4,593,272
Expenditure incurred	1,061,537	2,382,940
JV payments for Paterson tenements	(325,000)	-
Exploration expenditure written off ¹	(563,949)	(65,299)
Total deferred exploration and evaluation expenditure	7,083,501	6,910,913

¹ Capitalised exploration expenditure relating to the surrender of exploration licences or where rights to tenure is not current, have been written off in full during the period.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTE 3: TRADE AND OTHER PAYABLES

	31 December 2019	30 June 2019
	\$	\$
Trade creditors	220,085	173,582
Accruals	8,500	31,362
Other creditors	79,478	19,142
	308,063	224,086

NOTE 4: PROVISIONS

	31 December 2019	30 June 2019
	\$	\$
Employee benefits	98,441	83,995

NOTE 5: ISSUED CAPITAL

	31 December 2019	30 June 2019
Ordinary shares	\$	\$
Issued and fully paid	12,211,860	9,315,305

	No.		\$	
	Half-year to 31 December 2019	Year to 30 June 2019	Half-year to 31 December 2019	Year to 30 June 2019
<i>Movements in ordinary shares on issue</i>				
At start of period	55,838,926	55,838,926	9,315,305	9,406,995
Issue of fully paid ordinary shares at \$0.14 each	21,428,572	-	3,000,000	-
Share issue costs	-	-	(110,305)	-
Deferred tax benefit of share issue costs	-	-	6,860	(91,690)
	77,267,498	55,838,926	12,211,860	9,315,305

NOTE 6: SHARE-BASED PAYMENT PLANS

Options

The following ESOP Options pursuant to the Company's ESOP were issued during the period:

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
SERIES 3	1,000,000	26/08/2019	26/08/2023	\$0.18	\$77,667	27/08/2020
SERIES 4	750,000	14/11/2019	15/11/2023	\$0.26	\$115,156	14/11/2020

The fair value of the equity-settled share options granted under the Company's ESOP is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted; and the following inputs:

	SERIES 3	SERIES 4
Dividend yield (%)	-	-
Expected volatility (%)	84	84
Risk-free interest rate (%)	0.85	0.85
Expected life of option (years)	4	4
Exercise price (cents)	18	26
Grant date share price (cents)	14	25.5

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

NOTE 6: SHARE-BASED PAYMENT PLANS (continued)

Performance Rights

The following performance rights were in place in the current period and were subject to the Company's Performance Rights plan:

	Number	Grant date	Expiry date	Fair value at grant date	Share price at grant date
SERIES 1 ¹	1,100,000	12/12/2017	12/12/2022	\$288,450	\$0.20
SERIES 2 ²	450,000	12/02/2018	12/12/2021	\$103,500	\$0.23

¹During the period ended 31 December 2019, 350,000 performance rights lapsed without vesting due to not meeting vesting conditions. The remaining 1,100,000 performance rights have the following conditions attached:

- I. 550,000 Rights: the achievement of a JORC Inferred Resources of >250,000oz gold equivalent across any of the Company's Projects within 3 years of the grant date; and
- II. 550,000 Rights: the achievement of a JORC Inferred Resources of >250,000oz gold equivalent across any of the Company's Projects (for a total resource inventory of at least 500,000oz gold equivalent) within 4 years of the grant date.

²Vesting periods for these rights occur over 4 years with the following conditions attached:

- I. a) 225,000 Rights: the achievement of a JORC Inferred Resources of >250,000oz gold equivalent across any of the Company's Projects within 3 years of the grant date; and
- II. b) 225,000 Rights: the achievement of an additional JORC Inferred Resources of >250,000oz gold equivalent across any of the Company's Projects (for a total resource inventory of at least 500,000oz gold equivalent) within 4 years of the grant date.

NOTE 7: DEFERRED TAX LIABILITIES

Income tax benefit for the half-year ended 31 December 2019 and 31 December 2018 relates to the recognition of deferred tax assets on unused tax losses and deductible temporary differences, to the extent of the deferred tax liabilities recognised on taxable temporary differences.

The deferred tax liabilities at 31 December 2019 is offset against the deferred tax assets recognised on the Statement of Financial Position.

	31 December 2019
Recognised deferred tax liabilities	\$
At 1 July 2019	226,039
Recognised in profit or loss as income tax benefit	(219,180)
Recognised in equity (Note 5)	(6,860)
At 31 December 2019	-

NOTE 8: DIVIDENDS

No dividends were paid or declared during the half-year ended 31 December 2019.

NOTE 9: CONTINGENT LIABILITIES

The Directors are of the opinion that there are no contingent liabilities as at 31 December 2019 (2018: nil).

NOTE 10: FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities at balance date are considered to be a reasonable approximation of their fair value.

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations or the state of affairs of the Company in the future financial years.

NOTE 12: NEW STANDARDS ADOPTED

AASB 16 Leases

Change in accounting policy

AASB 16 Leases supersedes AASB 117 Leases. The Company has adopted AASB 16 from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The changes result in almost all leases where the Company is the lessee being recognised on the Statement of Financial Position and removes the former distinction between 'operating' and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

The Company has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Condensed Statement of Financial Position on 1 July 2019. Under this approach, there is no initial Impact on retained earnings, and comparatives have not been restated.

Impact on adoption of AASB 16

All leases have a term of less than 12 months or relate to low value assets and the Company has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term. Therefore, the adoption of AASB 16 resulted in the recognition of right-of-use assets of \$nil and lease liabilities of \$nil in respect of all operating leases.

The net impact on accumulated losses on 1 July 2019 was \$nil.

DIRECTORS' DECLARATION

In the opinion of the Directors of Carawine Resources Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Mr David Boyd
Managing Director

12 MARCH 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Carawine Resources Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Carawine Resources Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 Carawine Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 gives a true and fair view and 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 company's financial position as 31 December 2019 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 the company, 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

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

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*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
12 March 2020



D I Buckley
Partner