



Interim Financial Report

For the half-year ended 31 December 2018

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DIRECTORS' REPORT

Your Directors submit the financial report of the Company for the half-year ended 31 December 2018. 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

REVIEW OF OPERATIONS

Carawine Resources Limited ("Carawine", or "the Company") is a mineral exploration company focussed on building value through the discovery and development of economic gold, copper and base metal deposits within Australia. The Company's four exploration projects are in well-established mineralised provinces in Western Australia and Victoria, each targeted for their potential high-value deposit styles and commodity groups (Figure 1).

During the reporting period the Company announced outstanding assay results from its maiden diamond drilling program at the Hill 800 prospect, part of the Company's Jamieson Project in northeastern Victoria. The results exceeded expectations of the grade and width of mineralisation intersected and identified additional targets for follow-up drilling. A second phase of diamond drilling commenced during the reporting period, with assay results from the first drill hole of this program extending the Footwall Stringer Zone and discovering a new zone of mineralisation. These results confirmed the exploration model and the potential to add significantly to the size of Hill 800.

Four of the Company's six exploration licences in its Paterson Project in Western Australia were granted during the reporting period. Carawine holds a large and strategic 100%-owned tenement package in the Paterson region which is host to the world-class Telfer gold-copper and Nifty copper mines and has recently seen a marked increase in exploration activity with two major new discoveries recently announced from the region. Subsequent to the end of the period six priority target areas were identified at the Red Dog and Baton Projects and planning has commenced to advance these prospects to drill-ready status, while target generation work continues for the Company's other Paterson tenements.

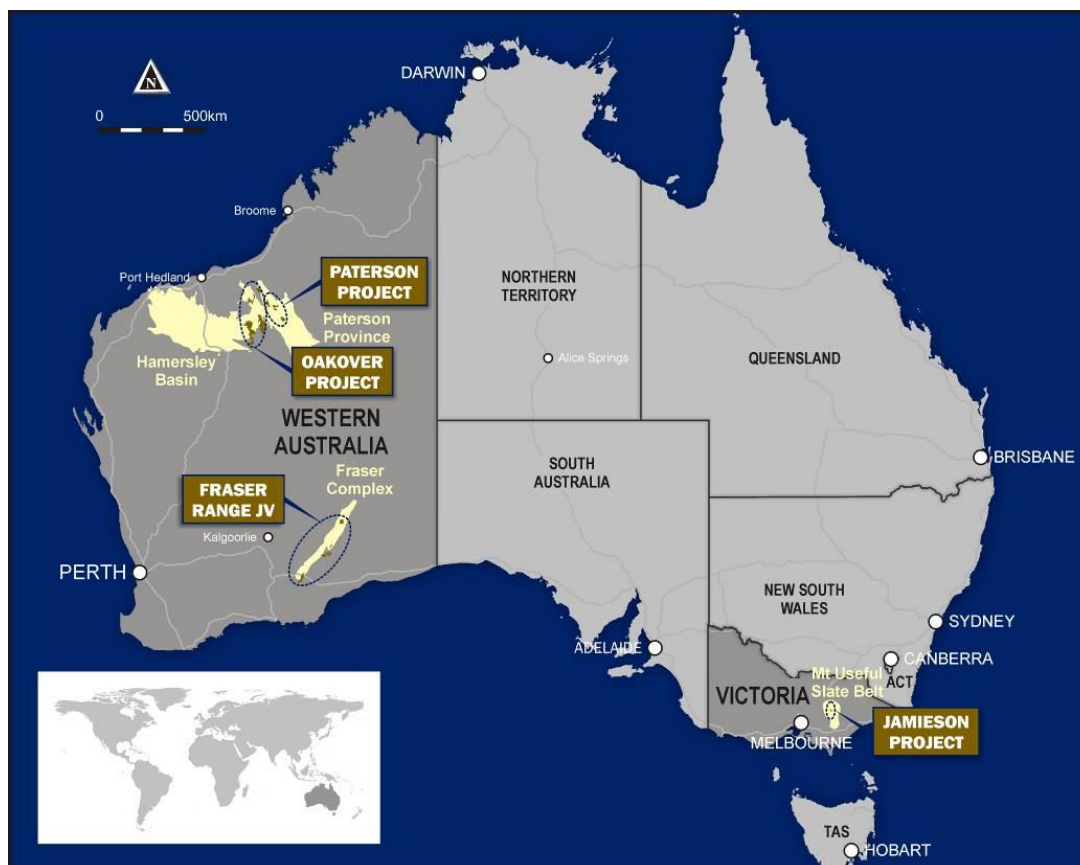


Figure 1: Location of Carawine's Projects throughout Australia.

At the Oakover Project in the Eastern Pilbara region of Western Australia, results from infill and extension dipole-dipole induced polarisation (IP) ground geophysical surveying at the Western Star prospect were received, along with results from follow-up surface mapping and rock chip sampling. This work identified multiple copper, cobalt and manganese targets which were then drilled, with a 16-hole / 1,270m RC drilling program completed. Assay results included several anomalous copper, manganese and cobalt intervals confirming the presence of the targeted mineralisation, albeit narrower and lower-grade than that indicated by the surface sampling. Target generation work for the Company's other manganese, manganese-cobalt, copper and iron prospects will continue at Oakover, however with a lower priority than the Paterson and Jamieson Projects.

At the Fraser Range Joint Venture ("FRJV"), manager and operator Independence Group NL ("IGO"; ASX:IGO) completed a Spectrem airborne electromagnetic survey over the Red Bull and Similkameen tenements (20km south and north respectively of the Nova mine), generating a number of preliminary/early-stage anomalies. A ground-based moving-loop electromagnetic ("MLEM") survey was completed over one of the lower grade targets at Red Bull, with results indicating a primary stratigraphic source to the conductive anomaly is most-likely. Regional aircore drilling was also completed over the Red Bull and Similkameen tenements, with the program being successful in mapping basement lithologies and obtaining geochemical data. At the Big Bullocks tenement, a moving loop electromagnetic (MLEM) survey commenced over the Knifejaw magmatic Ni-Cu prospect at the end of the reporting period, with results expected subsequent to Q1 2019.

EXPLORATION ACTIVITIES

JAMIESON PROJECT

The Jamieson project is located approximately 50km by road to the east of the Jamieson township in northeastern Victoria. The region was founded on gold mining in the 1850s, and a number of gold mines have operated or are currently in production in the region. The project comprises granted exploration licence EL5523, covering an area of 34 km² of predominantly Cambrian-aged volcanic rocks considered similar in age, depositional style and setting to the Mt Read Volcanic belt in western Tasmania – host to a number of world-class gold and base metal deposits.

The most advanced prospect at Jamieson and the initial focus of Carawine's exploration program is the Hill 800 gold prospect, a volcanic-hosted massive sulphide (VHMS) gold-copper system with many similarities in host rock, age and mineralisation style to the Henty gold deposit in western Tasmania.

Carawine's maiden diamond drilling program of 14 holes for a total of 2,376m was completed in June 2018, with assay results received during the reporting period exceeding the Company's expectations of both the width and grade of gold mineralisation at Hill 800, including:

- 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)
- 50.1m @ 3.08g/t Au from 16.9m (0.3g/t Au cut off), hole H8DD009 including 3.2m @ 4.97g/t Au from 19m and 6.2m @ 2.57g/t Au from 26m and 5m @ 1.84g/t Au from 36m and 22.7m @ 4.82g/t Au from 44.3m (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)
(Downhole widths may not represent true width, for a full listing of intervals and further details see ASX announcements dated 7 June, 25 June, 10 July, 6 August and 20 August 2018.)

The program resulted in a significant, new interpretation of the geometry and orientation of the mineralised system with three distinct mineralised zones identified: the 800, 740 and Footwall Stringer Zones (Figure 2).

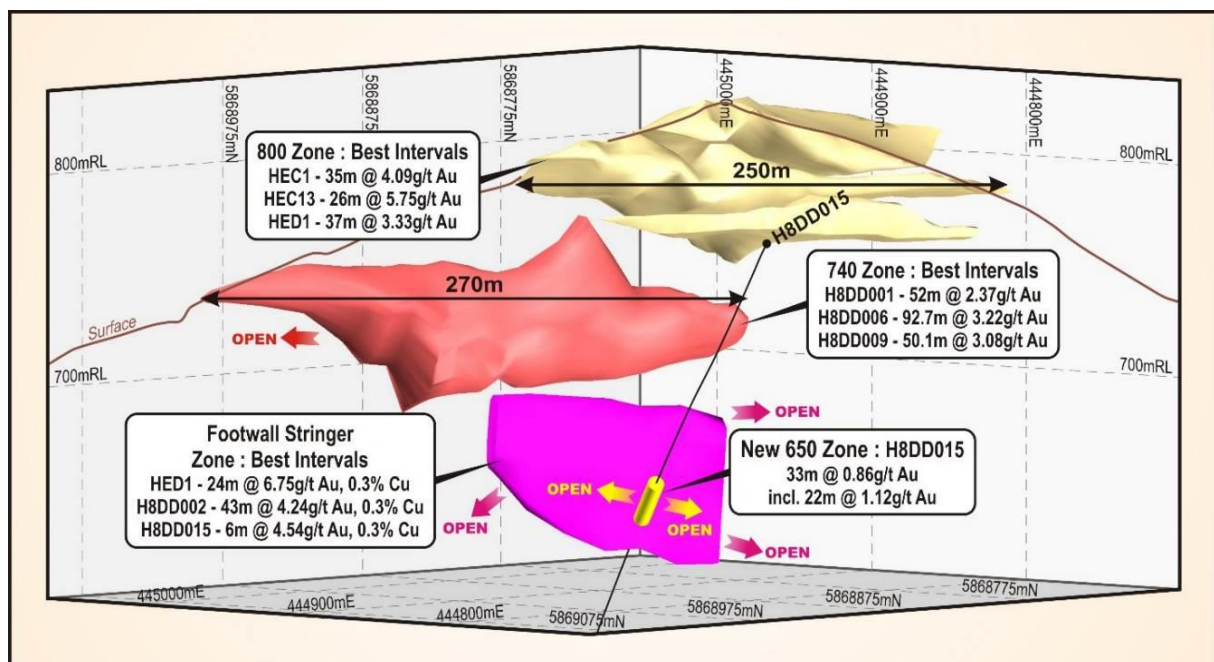


Figure 2: Hill 800 long-section (3D, looking SE) highlighting the stacked zone geometry and best intervals to date.

A second phase of diamond drilling commenced during the reporting period, with results from the first hole received subsequent to the end of the reporting period extending the targeted Footwall Stringer Zone and discovering a new gold zone with the potential to add significant size to the deposit. The assay results from drill hole H8DD015 returned the following high-grade interval from the Footwall Stringer Zone:

- 6m @ 4.54g/t Au, 0.3% Cu from 270m (0.3g/t Au cut-off), including 2m @ 13.3g/t Au, 0.6% Cu from 270m (1g/t Au cut-off)

The hole also intersected a 44m interval of intense silica-sericite-pyrite alteration identical to the 740 and 800 Zones (higher in the sequence) (Figures 2 to 3), in an area untested by previous drilling. The following significant assay interval was returned from this new "650 Zone":

- 33m @ 0.86g/t Au from 229m (0.3g/t Au cut-off), hole H8DD015, including:
 - 22m @ 1.12g/t Au from 230m (1g/t Au cut-off)
- (Downhole width approximates true width, see ASX Announcement dated 5 February 2019 for details)

The phase 2 drilling program is continuing and will focus on determining the extents of mineralisation, including that of any additional zones discovered.

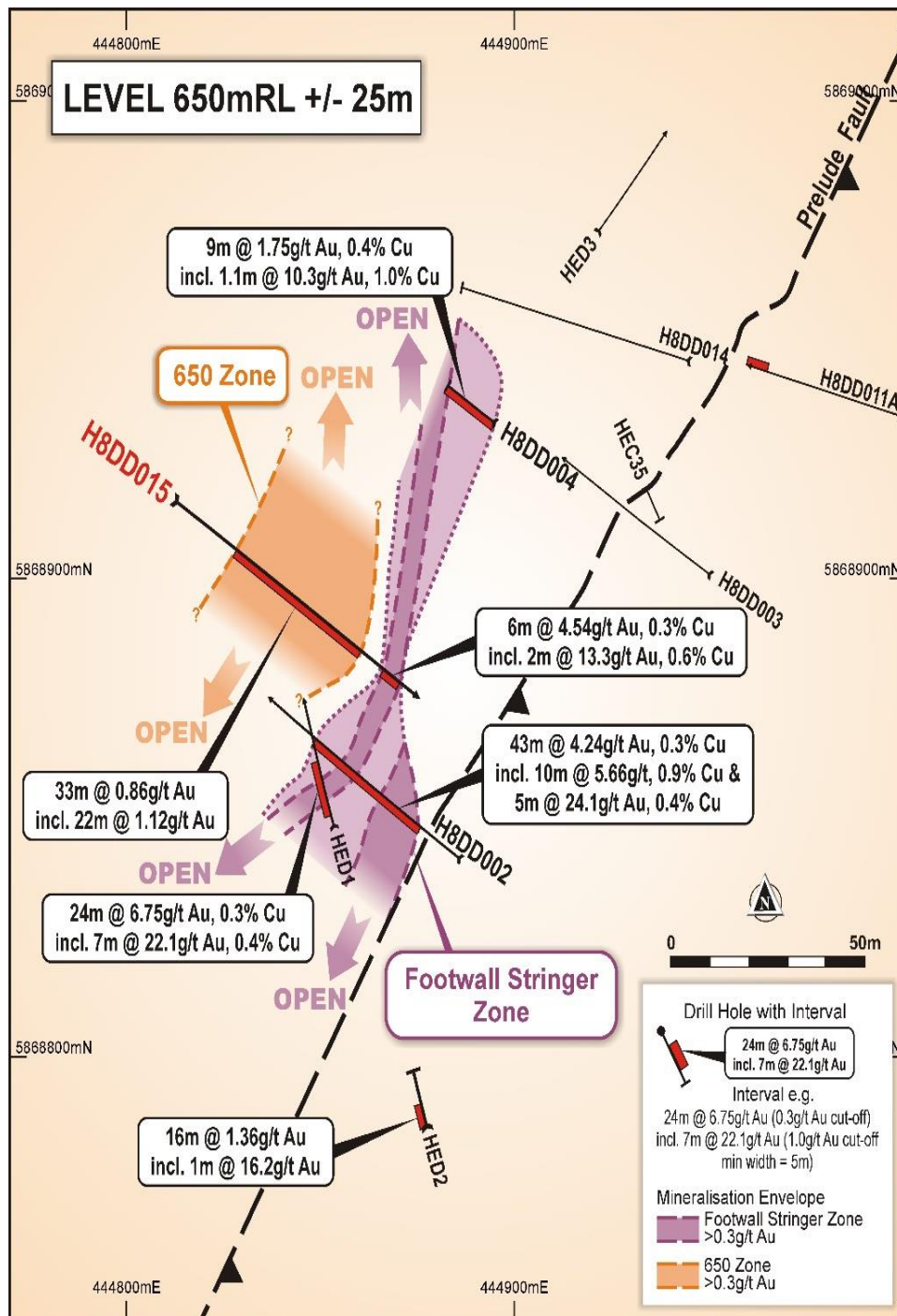


Figure 3: 650mRL plan view, about 150m from the top of Hill 800

Also during the reporting period results were received from a petrographic study of core samples from Hill 800 by Dr. Anthony Crawford, an expert in ore deposit petrology and geochemistry and an Honorary Professor at the University of Tasmania. In his report Dr. Crawford remarked:

"Strong similarities are demonstrated between the Hill 800 alteration-mineralisation system, and the volcanic-hosted 1.3Moz Henty Au deposit in similar-aged rocks in western Tasmania. The observations herein, and the similarities to the Henty deposit, strongly encourage further exploration to better constrain the extent, and variations in grade and alteration, of the Hill 800 alteration-mineralization system" (see ASX announcement dated 28 November 2018 for details).

The Jamieson Project also contains a number of other prospects, including the Rhyolite Creek VHMS Prospect, where a historic diamond drill hole returned a 1.4m downhole interval grading 15.6% Zn, 1.5% Pb, 0.5% Cu, 7.4g/t Au and 113g/t Ag, from 223m depth, within an 8m wide zone of elevated Zn, Au and Ag; as well as several surface gold soil anomalies (for details see Carawine's IPO prospectus dated 12 December 2017). Planning has commenced for work programs to advance these prospects.

PATERSON PROJECT

The Paterson Project, situated in the Paterson Province at the eastern edge of the Pilbara Craton, is dominated by Proterozoic age rocks of the Rudall Metamorphic Complex and the overlying Yeneena Supergroup. The Paterson area is host to the Telfer Au-Cu deposit, and the Nifty and Maroochydore sediment-hosted Cu-(Co) deposits. Carawine's Paterson Project comprises four granted exploration licences and two exploration licence applications over an area of about 1,137km² held 100% by the Company across five regions: Lamil Hills, Trotman South, Red Dog, Baton and Sunday (Figure 4).

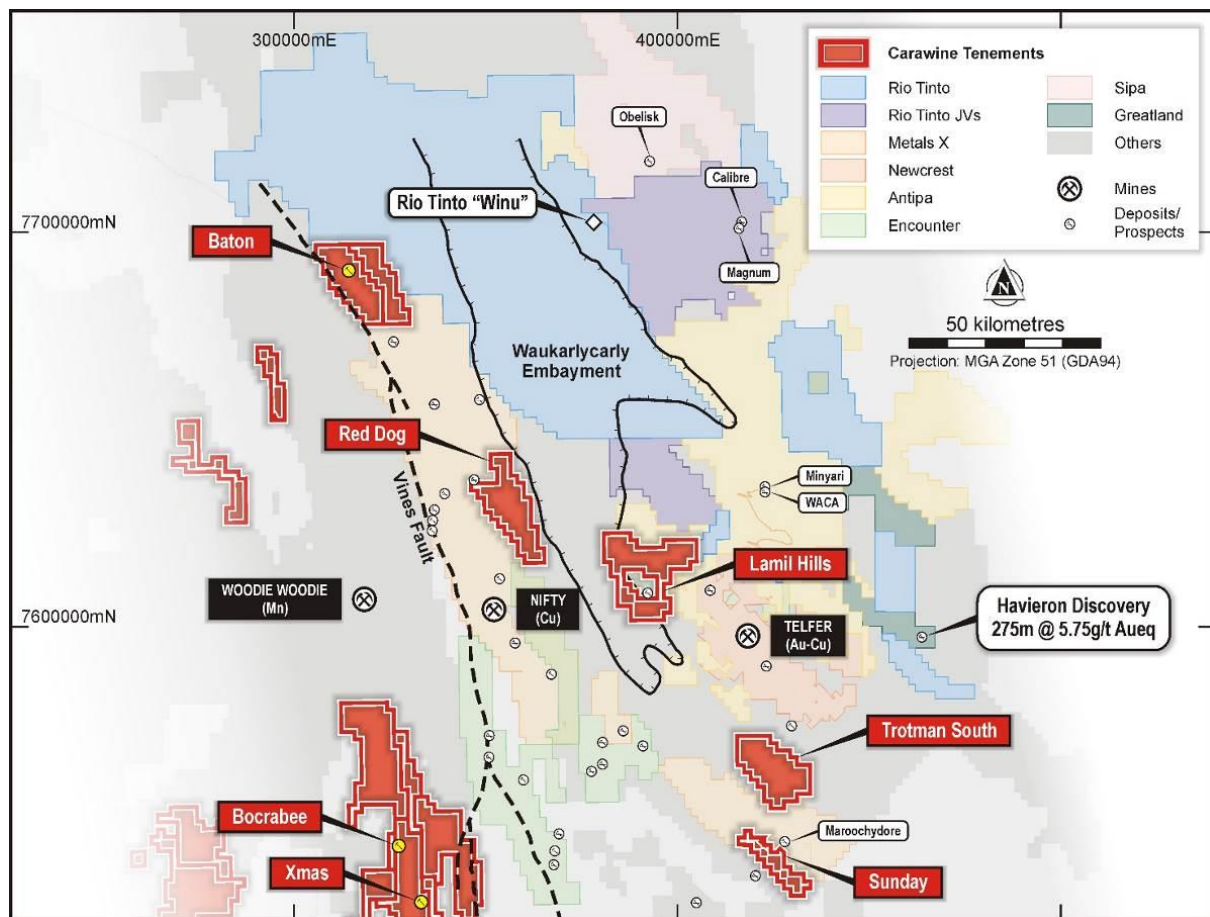


Figure 4: Carawine's Paterson tenements in relation to selected other tenement holders in the region.

Carawine's Paterson tenements contain host Formations and structures common to major mineral deposits in the area, where cover sequences are less than about 100m in thickness. The tenements were applied for prior to the recent marked increase in exploration activity; notably the widely reported "Winu" discovery by Rio Tinto Exploration¹, and the Havieron discovery by AIM-listed Greatland Gold PLC (AIM:GGP)².

During the reporting period, four of the Company's six exploration licences were granted; at Trotman South, Baton and Red Dog (Figure 4). Target generation activities continued throughout the period, and in February 2019 the identification of six prospects was announced for the Red Dog and Baton Projects (see ASX announcement dated 19 February 2019 for details). These prospects were generated from analysis of historic drill and geological data and re-processing of airborne magnetic and electromagnetic (EM) geophysical data. Significantly, each prospect contains many elements common to the major deposits

¹ "Major investment points to major discovery by Rio" Miningnews.net, 8 December 2018.

² "Results from First Drill Hole of Current Campaign at Havieron" Greatland Gold (AIM:GGP) Announcement dated 19 November 2018.

and recent discoveries in the Paterson region, including host rock, magnetic anomalies, EM conductive anomalies, intrusion-related (skarn-style) mineralisation and alteration, as follows:

Baton Project

- Javelin and Wheeler Prospects: Discrete “bullseye” magnetic anomalies (analogous to Havieron and Winu discoveries) hosted by the Broadhurst and Isdell Formations.

Red Dog Project

- Earl Prospect: discrete magnetic and EM anomalies on the edge of a large interpreted felsic intrusion
- Leatherneck Prospect: alteration zone within the Broadhurst Formation (host to the Nifty copper deposit), with associated anomalous zinc (to 2,380ppm) and copper (to 375ppm) in limited drilling
- Bravo Prospect: discrete EM anomalies within interpreted altered and faulted Nifty host rocks
- Duke Prospect: discrete “bullseye” magnetic anomaly and coincident gravity anomaly, magnetite-bearing calc-silicate skarn, around a quartz monzonite intrusive. Anomalous copper (to 965ppm) and tin (indicative of skarn mineralisation) grades in limited drilling.

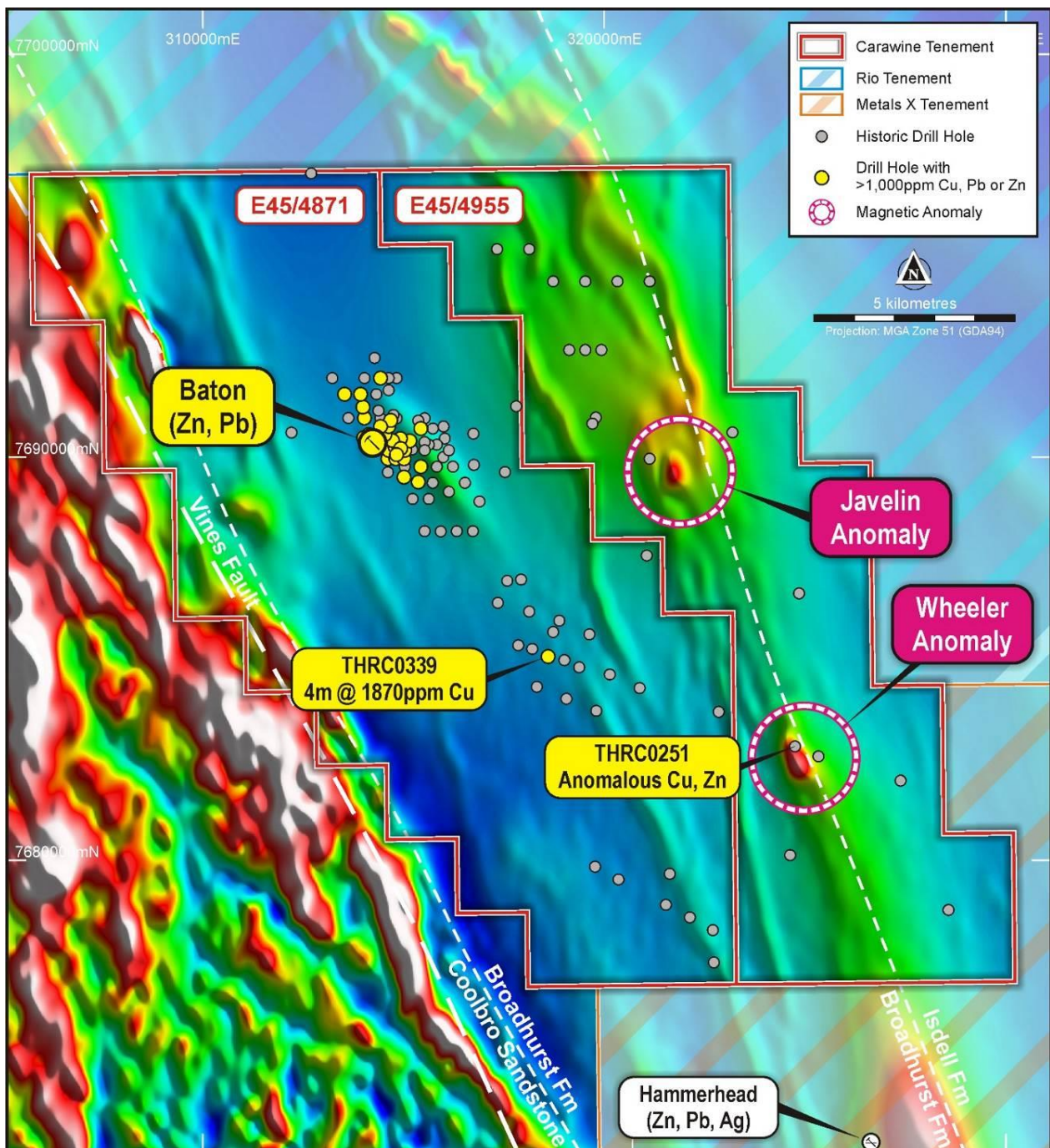


Figure 5: Javelin and Wheeler bullseye magnetic highs on the Baton Project (RTP magnetic image).

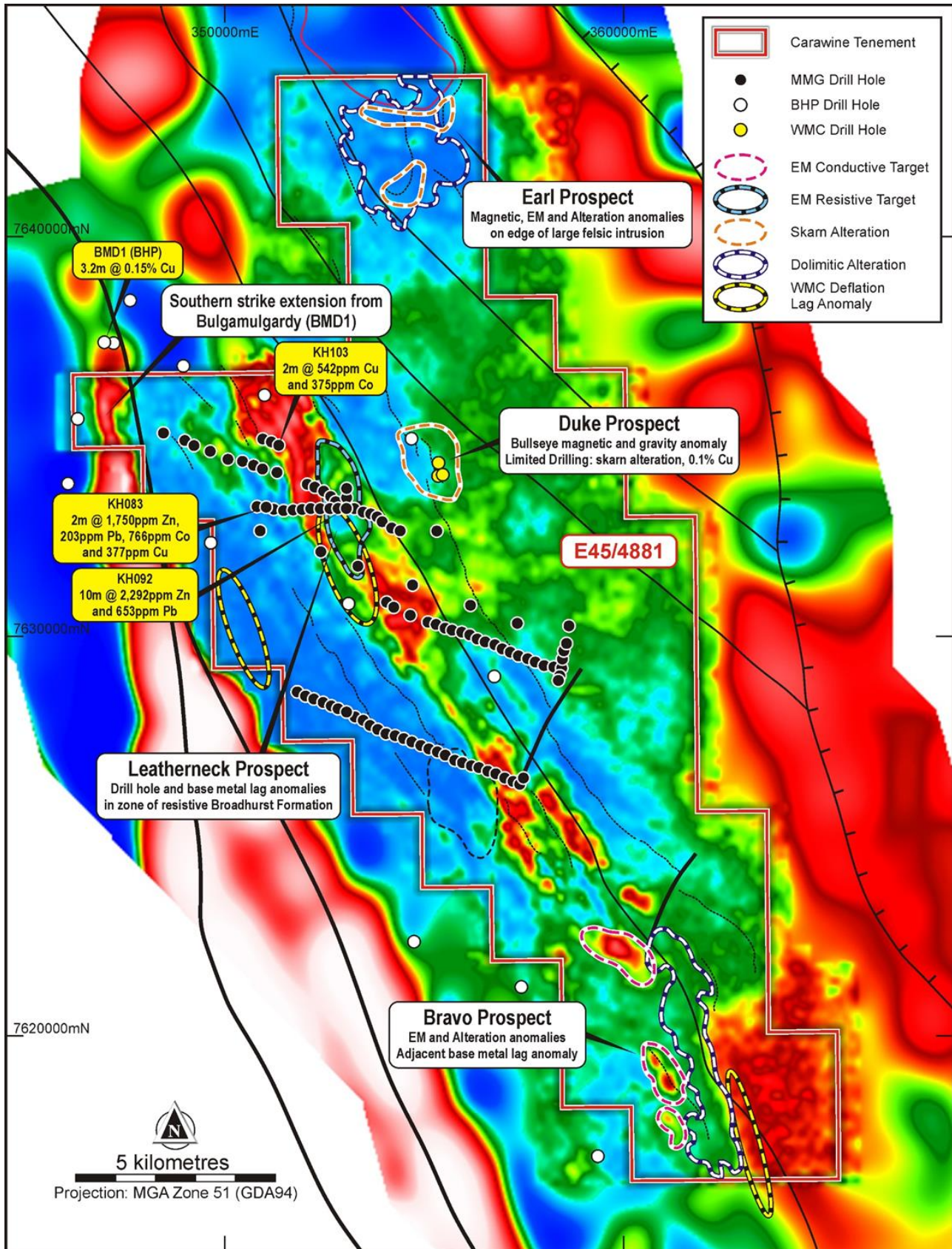


Figure 6: Red Dog prospects on 150m-200m conductivity depth image modelled from Tempest EM data.

Further work is now required to evaluate these prospects and where appropriate define targets for drill-testing. This will initially involve ground reconnaissance to establish access to the prospect areas, followed by additional detailed airborne and ground-based geophysical surveys. This work is expected to commence from Q2 2019 onwards.

Target generation activities based initially on historic information are continuing for Carawine's other Paterson Project tenements, with results from this work to be released as it becomes available (Figure 7).

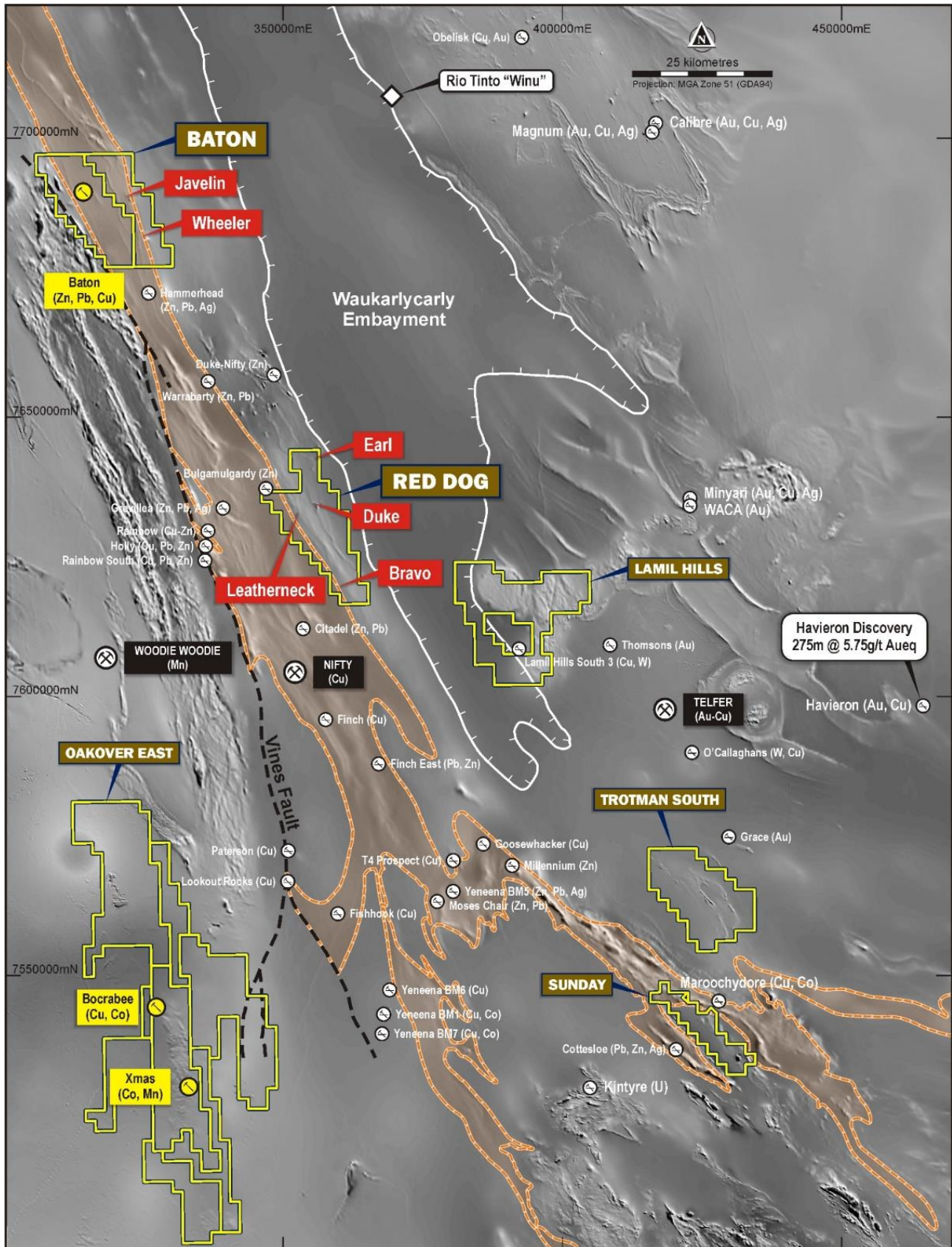


Figure 7: Paterson Project tenements and image of regional magnetics (Broadhurst Formation orange outline).

OAKOVER PROJECT

The Oakover Project, located in the Eastern Pilbara region of Western Australia, comprises nine granted exploration licences and six exploration licence applications with a total area of about 2,500km², all held 100% by the Company. The Project is centred on the Proterozoic Oakover Basin and is prospective for copper, cobalt, manganese and iron (Figure 8).

During the reporting period the Company completed geological mapping, rock chip sampling, geophysical surveys and an RC drilling program at the Western Star prospect.

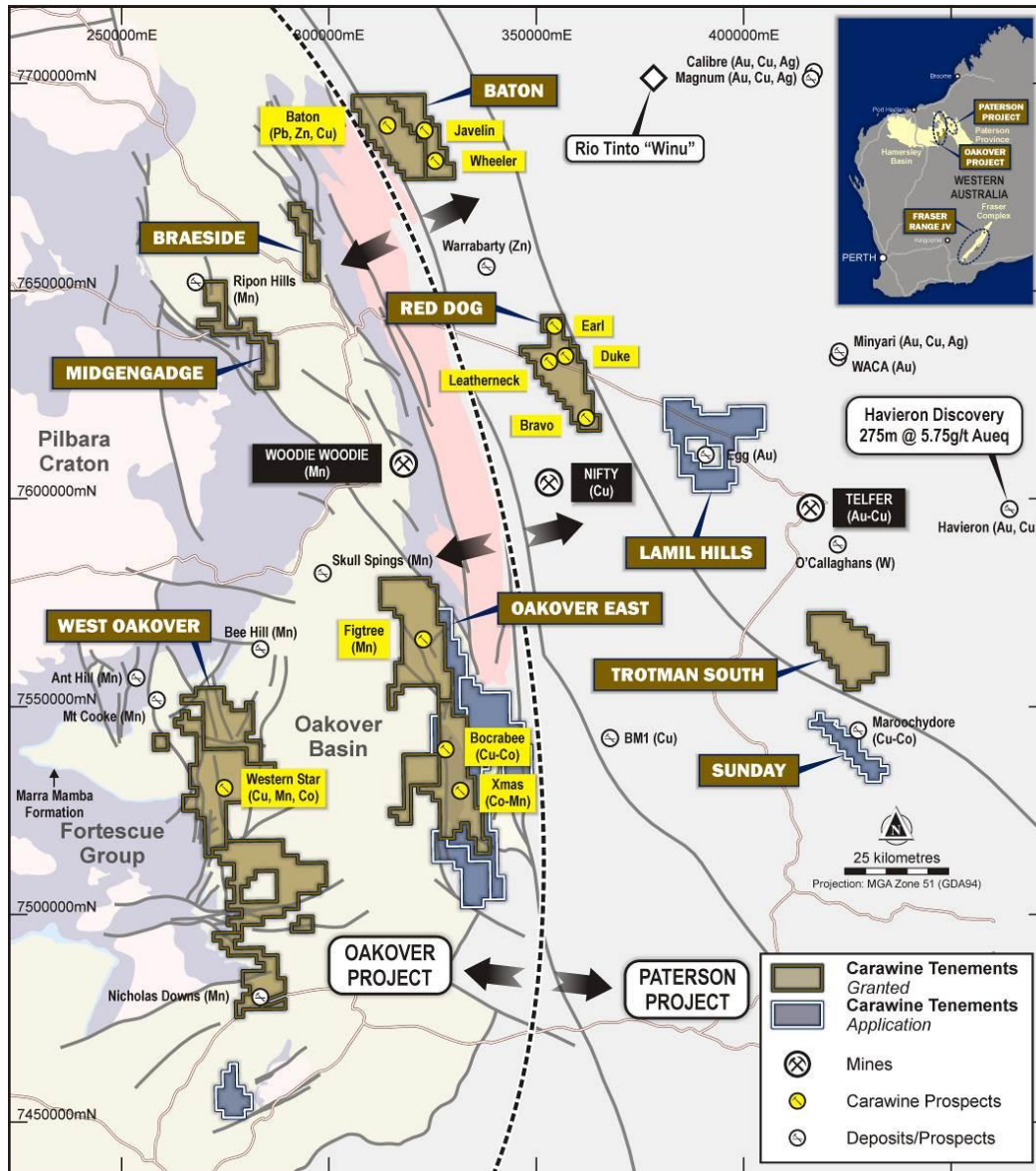


Figure 8: Oakover and Paterson Project tenement location plan.

Western Star Prospect

Western Star is centred on a number of historic copper workings, manganese outcrops and exploration costeans within reactive dolomite host rocks along the western margin of the Oakover Basin (Figure 8).

During the reporting period an infill and extension dipole-dipole induced polarisation ("IP") survey was completed with 10 line-km surveyed, building on the IP survey completed in 2017. Assay results from fifteen rock chip samples were also received, along with results from four rock chip samples collected previously which had been re-submitted for cobalt analysis (refer to ASX announcement dated 28 August 2018 for details). The results of this work identified six copper, cobalt and manganese targets.

These targets were tested during October 2018 with a 16 hole / 1,270m RC drilling program (Figure 9). Assay results included several anomalous copper, manganese and cobalt intervals, confirming the presence of the targeted mineralisation and demonstrating exploration potential associated with major regional structures. A historic copper working targeted at depth returned 4m @ 1.0% Cu from 52m in altered and brecciated dolomite in drill hole WSR001. A follow-up drill hole (WSR014) intersected a 6m-wide cavity at the interpreted down-dip position of the mineralisation in WSR001 (Figure 9), demonstrating the depth extent of the interpreted breccia and associated hydrothermal dissolution but at narrower widths than that indicated at surface.

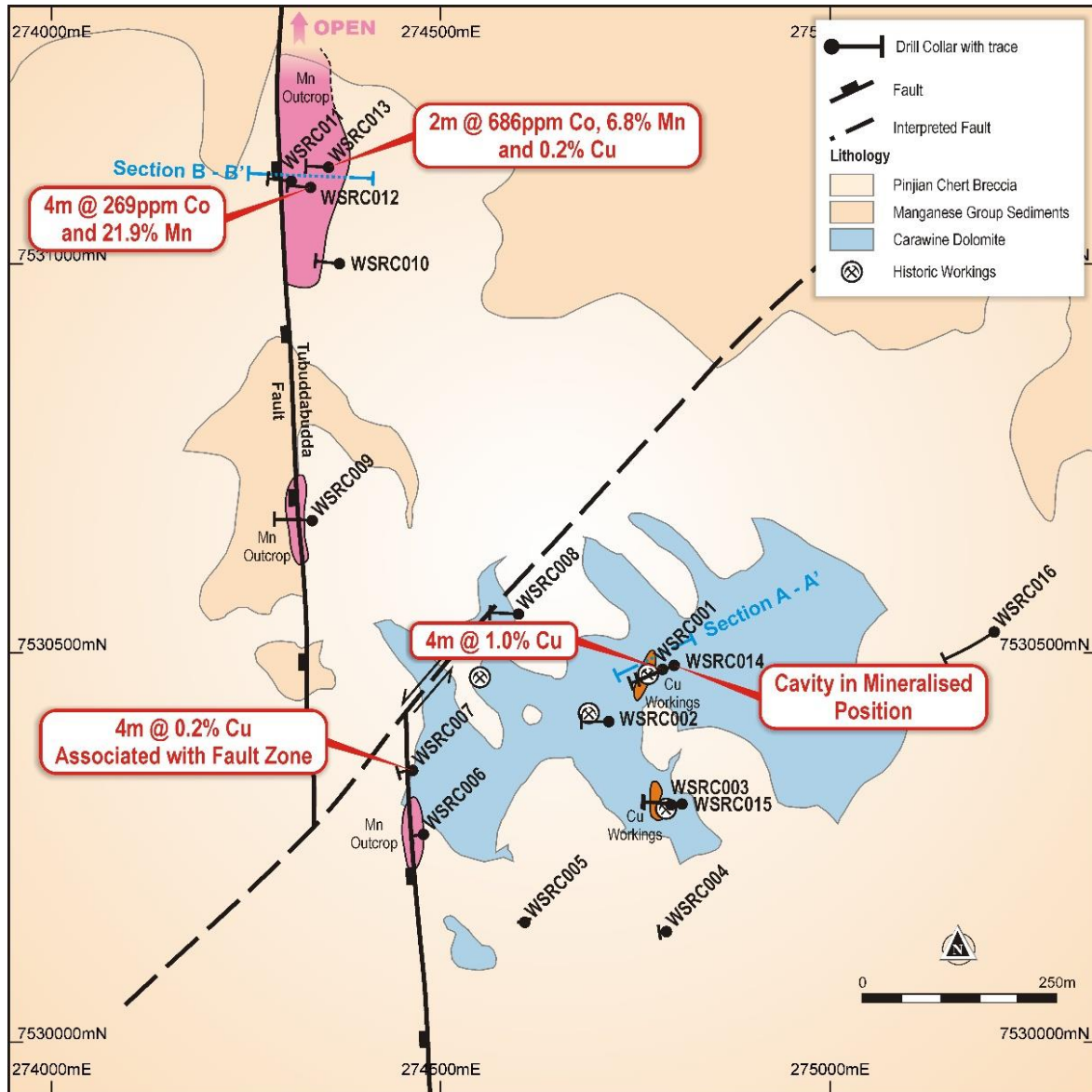


Figure 9: Western Star drill hole location plan.

On the northern line of drilling, which targeted depth extensions of manganese outcrops, intervals of 4m @ 21.9% Mn and 269ppm Co from surface (WSRC012) and 2m @ 6.8% Mn, 686ppm Co, and 0.2% Cu from 20m (WSRC013) were returned (Figure 9). Again, the high grades and widths indicated at surface were not repeated at depth, however the intervals are closely associated with a major north-south fault which has several additional manganese occurrences located along its strike, representing a potential new target area (for further details see ASX announcement dated 23 November 2018).

The results from this program have downgraded the Western Star prospect to a lower priority for follow-up work, especially when assessed against the Company's Paterson Project tenements. No further work is planned in the short term; however target generation work continues on the Oakover project including regional geological reconnaissance and rock chip sampling programs.

FRASER RANGE PROJECT

The Fraser Range Project includes 5 granted exploration licences in four areas: Red Bull, Bindii, Big Bullocks and Similkameen (Fraser Range Joint Venture tenements); and one exploration licence application Big Bang (100% Carawine), in the Fraser Range region of Western Australia. The Project is considered prospective for magmatic nickel-sulphide deposits such as Independence Group NL's (ASX:IGO; "IGO") Nova nickel-copper-cobalt deposit (Figure 10). Carawine has a joint venture with IGO for the five granted tenements (the Fraser Range Joint Venture). IGO currently hold a 51% interest and can earn an additional 19% interest in the tenements by spending \$5 million by the end of 2021.

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

During the reporting period, IGO (as manager and operator) advised that airborne electromagnetic surveying using the SPECTREM-PLUS AEM system ("Spectrem") was completed over Red Bull and Similkameen with a total of 1,925 line-km flown. The surveys identified one priority-2, five priority-3 and one priority-4 anomalies at Red Bull and three priority-3 anomalies at Similkameen (priority-1 being the most prospective).

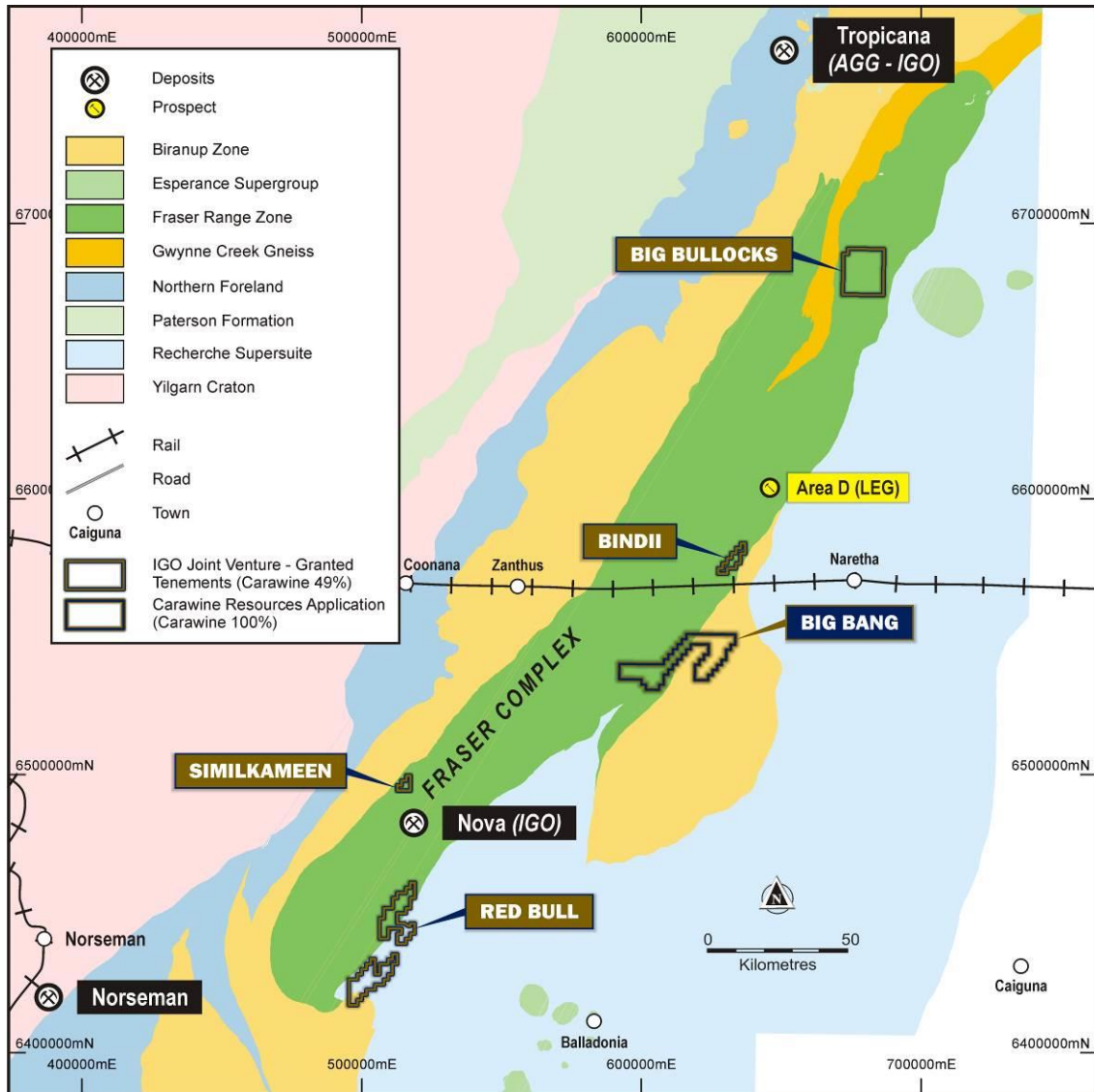


Figure 10: Fraser Range Project tenements.

These anomalies are considered preliminary and will require follow-up ground-based geophysical surveying in order to determine their significance. A ground based moving-loop electromagnetic ("MLEM") survey has been completed over two clustered priority-3 anomalies at Red Bull, with the results indicating a stratigraphic (primary rock type) source to the conductive anomaly. No follow up work is being considered for this target. Two Spectrem AEM anomalies remain untested, with further work including ground-based moving-loop electromagnetic (MLEM) surveys planned for 2019.

MLEM surveys over the remaining Spectrem anomalies will be prioritised with IGO's regional geophysical program during 2019.

IGO also completed a regional aircore drilling program over the northern Red Bull tenement (E69/3052) during the period, comprising 137 holes drilled for a total 4,470m on lines oriented east-west at a nominal 3km (N-S) x 400m (E-W) spacing. The holes were drilled to blade refusal / basement with hole depths ranging from 2m to 110m and intersecting dominantly felsic gneiss lithologies with lesser mafic-ultramafic lithologies, especially in the north of the tenement. The assay results did not return any significant intervals, however the program was successful in mapping basement lithologies and obtaining geochemical data throughout the tenement.

At Big Bullocks (E39/1733) two target areas have been identified: Knifejaw, which comprises anomalous nickel assay results from regional aircore drilling, and Cenote, which comprises a 1.6km wide discrete circular feature located from ground gravity data. During the reporting period a ground-based moving loop electromagnetic (MLEM) survey commenced over Knifejaw and is expected to be completed during Q1 2019 with results to follow. A Spectrem AEM survey is also planned for the tenement during Q1 2019.

For further details see the Company's September and December 2018 Quarterly Activity Reports dated 26 October 2018 and 25 January 2019.

CORPORATE ACTIVITIES

The Company's Annual Report to Shareholders, Appendix 4G and Corporate Governance Statement were released to the ASX on 28 September 2018 with copies available from the Company's website. The Company's Annual General Meeting was held on 29 November 2018.

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 15 and forms part of this Directors' report for the half-year ended 31 December 2018.

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 2019

COMPLIANCE STATEMENTS

PREVIOUSLY REPORTED INFORMATION

This report includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012). The information was extracted from the Company's previous ASX Announcements as follows:

- Paterson: "Six New High Priority Prospects in the Paterson Province" 19 February 2019
- Hill 800: "New Gold Zone Discovered at Hill 800" 5 February 2019
- Fraser Range: "Quarterly Activities Report for the Period Ended 31 December 2018" 25 January 2019
- Hill 800: "Second Round of Diamond Drilling Underway at Hill 800" 28 November 2018
- Western Star: "Encouraging Drill Results from Western Star" 23 November 2018
- Paterson: "Major Tenement Holding Granted in Paterson Province" 14 November 2018
- Fraser Range: "Quarterly Activities Report for the Period Ended 30 September 2018" 26 October 2018
- Western Star: "Eastern Pilbara Geophysical Survey Outlines New Drill Targets" 28 August 2018
- Hill 800: "Strong Finish to Maiden Drilling Program at Hill 800" 20 August 2018
- Hill 800: "Latest Results Increase Strike Potential at Hill 800" 6 August 2018
- Hill 800: "Record High-Grade Gold Intersection from Hill 800" 10 July 2018
- Hill 800: "New High-Grade Gold-Copper Zone at Hill 800" 25 June 2018
- Hill 800: "Exceptional First Results from Hill 800 Drilling" 7 June 2018

Copies of these announcements 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. 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 2018, 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.

A handwritten signature in blue ink, which appears to read 'D I Buckley'.

Perth, Western Australia
12 March 2019

D I Buckley
Partner

hlb.com.au

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**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

		31 December 2018 \$	31 December 2017 \$
Continuing operations			
Other Income		35,176	-
Employee benefits expense		(123,405)	(49,512)
Depreciation expense		(8,957)	(411)
Share-based payments	6	(115,175)	(8,533)
Deferred exploration expenditure written off	2	(23,373)	(39,277)
Other expenses		(229,595)	(70,254)
Loss before income tax		(465,329)	(167,987)
Income tax benefit		126,363	-
Loss after tax from continuing operations		(338,966)	(167,987)
Other comprehensive income		-	-
Total comprehensive loss for the period		(338,966)	(167,987)
Loss per share (cents per share)		(0.01)	(0.01)
Dilutive loss per share (cents per share)		(0.01)	(0.01)

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	31 December 2018 \$	30 June 2018 \$
Assets			
Current Assets			
Cash and cash equivalents		2,696,685	5,047,836
Trade and other receivables		148,105	177,996
Total Current Assets		2,844,790	5,225,832
Non-Current Assets			
Plant and equipment		45,783	54,740
Deferred exploration and evaluation expenditure	2	5,914,148	4,593,272
Total Non-Current Assets		5,959,931	4,648,012
Total Assets		8,804,721	9,873,844
Liabilities			
Current Liabilities			
Trade and other payables	3	424,600	1,158,877
Employee benefits	4	63,546	48,238
Total Current Liabilities		488,146	1,207,115
Total Liabilities		488,146	1,207,115
Non-Current Liabilities			
Deferred tax liabilities		373,618	431,212
Total Non Current Liabilities		373,618	431,212
Total Liabilities		861,764	1,638,327
Net Assets		7,942,957	8,235,517
Equity			
Issued capital	5	9,338,226	9,406,995
Reserves		239,320	124,145
Accumulated losses		(1,634,589)	(1,295,623)
Total Equity		7,942,957	8,235,517

The accompanying notes form part of these financial statements

CONDESED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2017	2,424,772	(71,777)	-	2,352,995
Loss for the period	-	(167,987)	-	(167,987)
Total comprehensive loss for the period	-	(167,987)	-	(167,987)
Shares issued during the half-year	7,317,087	-	-	7,317,087
Share issue costs	(775,765)	-	-	(775,765)
Share-based payments	-	-	8,533	8,533
Balance at 31 December 2017	8,966,094	(239,764)	8,533	8,734,863

	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	-	-	-	-
Share issue costs adjustment	(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

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	31 December 2018 \$	31 December 2017 \$
	Inflows/(Outflows)	
Cash flows from operating activities		
Receipts from customers	-	6,974
Payments to suppliers and employees	(317,255)	(99,629)
Interest received	38,886	-
Net cash (outflows) from operating activities	(278,369)	(92,655)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(2,072,782)	(1,648)
Net cash (outflows) from investing activities	(2,072,782)	(1,648)
Cash flows from financing activities		
Proceeds from issue of shares	-	7,000,000
Payments for share issue costs	-	(494,454)
Net cash inflows from financing activities	-	6,505,546
Net increase/(decrease) in cash held	(2,351,151)	6,411,243
Cash and cash equivalents at the beginning of the period	5,047,836	-
Cash and cash equivalents at the end of the period	2,696,685	6,411,243

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 2018 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 2019.

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 2018 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 2018

In the period ended 31 December 2018, 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 2018.

AASB 9 Financial instruments (effective from 1 July 2018)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. All financial assets that are within the scope of AASB 9 are required to be measured at either amortised cost or fair value, while financial liabilities measured at fair value through profit and loss will require consideration as to the portion change in fair value that is attributable to changes in the credit risk of that liability. Such changes in value with a connection to change in credit risk will be presented in other comprehensive income rather than profit or loss.

The requirements for hedge accounting under AASB 9 retain similar accounting treatments to those currently available under AASB 139. The new standard introduces greater flexibility to types of transactions eligible for hedge accounting while the previous requirement for hedge effectiveness testing has been replaced with the principle of an 'economic relationship' and the requirement for retrospective assessment of hedge effectiveness has been removed. The standard has however introduced enhanced disclosure requirements regarding risk management activities.

The Company has considered the impact on its Financial Statements and assessed that the effect of the new standard will be minimal.

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment transactions (effective from 1 July 2018)

This standard amends AASB 2 Share-Based Payments clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for:

- The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- Share-based payment transactions with a net settlement feature for withholding tax obligations; and
- A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

(d) Adoption of new and revised standards (continued)

The Company has considered the impact on its Financial Statements and assessed that the effect of the new standard will be minimal.

Other than the above, the Directors have determined that there is no material impact of the other new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to Company accounting policies.

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 2018. 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.

(e) 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 2018.

(f) 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

	31 December 2018	30 June 2018
Costs carried forward in respect of areas of interest:	\$	\$
Exploration and evaluation phase – at cost		
Balance at beginning of period	4,593,272	2,352,995
Expenditure incurred	1,344,249	2,322,142
Exploration expenditure impaired / written off	(23,373)	(81,865)
Total deferred exploration and evaluation expenditure	5,914,148	4,593,272

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 2018	30 June 2018
	\$	\$
Trade creditors	250,917	965,555
Accruals	124,515	168,986
Other creditors	49,168	24,336
	424,600	1,158,877

NOTE 4: PROVISIONS

	31 December 2018	30 June 2018
	\$	\$
Employee benefits	63,546	48,238

NOTE 5: ISSUED CAPITAL

	31 December 2018	30 June 2018
<i>Ordinary shares</i>	\$	\$
Issued and fully paid	9,338,226	9,406,995

	No.		\$	
	31 December 2018	30 June 2018	31 December 2018	30 June 2018
<i>Movements in ordinary shares on issue</i>				
At start of period	55,838,926	100	9,406,995	2,424,772
Capital reorganisation	-	19,999,900	-	317,087
Issue of fully paid ordinary shares at \$0.20 each	-	35,000,000	-	7,000,000
Issue of fully paid ordinary shares in accordance with Jamieson Agreement		838,926		200,000
<i>Share issue (costs) / adjustment:</i>				
Unwinding on deferred tax benefit of share issue costs	-	-	(68,769)	(534,864)
	55,838,926	55,838,926	9,338,226	9,406,995

NOTE 6: SHARE-BASED PAYMENT PLANS

Options

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

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
SERIES 1	500,000	12/12/2017	12/12/2021	\$0.30	\$56,747	12/12/2018
SERIES 2	500,000	12/02/2018	12/02/2022	\$0.40	\$59,012	12/02/2019

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.

	SERIES 1	SERIES 2
Dividend yield (%)	-	-
Expected volatility (%)	90	90
Risk-free interest rate (%)	2.11	2.26
Expected life of option (years)	4	4
Exercise price (cents)	30	40
Grant date share price (cents)	20	23

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	1,700,000	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

¹The Company granted 1,700,000 performance rights to Mr David Boyd subject to specific performance conditions. The vesting period for these rights occurs over 4 years with the following conditions attached:

- I. 250,000 Rights: if the 30 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company on the ASX is \$0.40 or higher within 15 months of the grant date, note these Rights lapsed subsequent to the end of the current period without vesting as the performance conditions were not achieved;
- II. 350,000 Rights: if the 30 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company on the ASX is \$0.60 or higher within 24 months of the grant date;
- III. 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
- IV. 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.

²The Company granted 450,000 performance rights to Mr Michael Cawood subject to specific performance conditions. Vesting periods for these rights occurs 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: DIVIDENDS

No dividends were paid or declared during the half-year ended 31 December 2018.

NOTE 8: CONTINGENT LIABILITIES

The Directors are of the opinion that there are no contingent liabilities as at 31 December 2018 (2017: nil).

NOTE 9: 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 10: 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.

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 2018 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 2019



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Carawine Resources Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Carawine Resources Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2018, 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 interim 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 2018 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 interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim 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 interim 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 interim 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 2018 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 interim 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.

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Independence

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

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink that reads 'D I Buckley'.

D I Buckley
Partner

Perth, Western Australia

12 March 2019