WARATAH RESOURCES LIMITED

ANNUAL REPORT 2015

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

CORPORATE DIRECTORY

DIRECTORS

Chairman

Sir Warwick Andrew

Non-Executive Directors

Mandeep Bhandari
Graham Duncan
Neil Herbert
Clive Sinclair-Poulton

CHIEF EXECUTIVE OFFICER

Ben Kirkpatrick

COMPANY SECRETARY

Anne Adaley

PRINCIPAL AND REGISTERED OFFICE

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SHARE REGISTRAR

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SECURITIES EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Sydney, NSW)
Code: WGO

BANKERS

National Australia Bank
355 George Street
Sydney NSW 2000

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CHAIRMAN'S STATEMENT

During the past year, the Company embarked upon a process of change that involved the introduction of a new Board and management team. I'm pleased to report that since my appointment on 16 September 2015, I have personally met all the Directors including our Board members based in London and Dubai. As a Director and a fellow Shareholder, we are extremely fortunate to have secured such a high calibre team and I'm pleased to report to Shareholders that Waratah Resources is in excellent care. I look forward to working together to build and realise additional value for our Shareholders.

Waratah made steady progress in all aspects of its business during the year ended 30 June 2015.

The Company has made progress on developing the commodity trading business over the last twelve months including restructuring its supply line and financing arrangements.

Waratah Gabon S.A, was awarded a Presidential Decree for three new licences in the Country, Tchibanga, Waka and Makokou, demonstrating the strong relationship that Waratah has with the Gabon Government. Having acquired these licences, the Company's licence areas now cover 6,000 square kilometres in highly prospective locations in the Country.

The Company has applied to have the existing Mekambo Est licence renewed.

In October 2015, Mr Clive Sinclair-Poulton was appointed to the Board as a Non-Executive Director and is responsible for the Company's African assets and potential capital market transactions of these assets. Clive's wealth of experience in managing junior mining companies as well as his experience in Capital Markets in Australia and London will prove valuable to Waratah as it positions itself to continue to drive its two synergised divisions forward.

During the reporting period the Company successfully completed two equity raises. The proceeds raised were used to fund the ongoing development of the Australian Commodities Division, to continue to evaluate the Company's exploration assets in Gabon and to provide working capital for Waratah.

As we build for the future, I would like to thank Directors and staff of Waratah Resources for their contribution over the past year and Shareholders for their continued support.

Sir Warwick Andrew
Non-Executive Chairman

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

The Directors of Waratah Resource Limited ("Waratah" and/or "the Company") present their Report together with the financial statements of the consolidated entity, being Waratah Resources Limited ("the Company") and its controlled entities ("the Group") for the year ended 30 June 2015.

DIRECTORS

The following persons held office as Directors of Waratah Resources Limited during or since the end of the reporting period and up to the date of this report:

Sir Warwick John Andrew Kt. CBE

Non-Executive Chairman

Date of appointment: 16 September 2015

Expertise and Experience

Sir Warwick has had a distinguished career in the law, serving as a Judge in New South Wales, Papua New Guinea and the Kingdom of Tonga over the last 25 years. Prior to this, he practised commercial law in various fields including natural resources.

Sir Warwick has also held positions of Commissioner of Enquiries in the Kingdom of Tonga and in Papua New Guinea.

Sir Warwick was born and educated in Sydney and completed his University studies with a Master of Law at Kings College, London University.

Other current directorships

Nil

Former directorships in the last 3 years

Nil

Interest in Shares and Options

28,636,364 fully paid ordinary shares in Waratah.

Mandeep Bhandari

Non-Executive Director

Date of appointment: 26 March 2015

Expertise and Experience

Mandeep Bhandari is the Managing Director of Steel Masters International ("SMI" or "the Company") which is located in Jebel Ali Free Zone. SMI represents Australia's largest steel company, BlueScope Steel, and is the exclusive and authorized agent for the Europe, Middle East and Africa region. The Company has been operating in the UAE region for nearly 20 years and has contributed to a number of key projects in Dubai including the Airport terminals, Metro, and other prestigious projects in the area. SMI also have a shed manufacturing factory in Umm Al Quwain Free Zone, Dependable Steel. This is an Australian owned and managed company which produces a range of buildings manufactured from cold formed sections and provides a range of high quality shelters and industrial buildings.

Other current directorships

Nil

Former directorships in the last 3 years

Nil

Interest in Shares and Options

875,000 fully paid ordinary shares in Waratah.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Graham Duncan

Non-Executive Director

Date of appointment: 28 November 2014

Expertise and Experience

Graham Duncan is a UK Chartered Accountant (FCA) who also holds the ICAEW's Corporate Finance Diploma. He is an experienced Capital Markets advisor who has held positions in the UK and Hong Kong, specialising in international capital market transactions in London (AIM, ISDX and Main Market), Australia (ASX), Hong Kong (SEHK) and the US (NASDAQ) for more than 20 years. He was previously a Corporate Finance Director in a major international accounting practice where he was responsible for UK listings, particularly in the natural resources sector.

Other current directorships

Nil

Former directorships in the last 3 years

Nil

Interest in Shares and Options

Nil

Neil Herbert

Non-Executive Director

Date of appointment: 24 February 2015

Expertise and Experience

Neil Herbert has over 23 years of experience in finance and has been involved in growing mining and oil and gas companies, both as an executive and as an investment manager. Until May 2013, he was Executive Chairman and Managing Director of Polo Resources Limited, a natural resources investment company which paid $185 million in special dividends in his time as Managing Director. Prior to this, he was Finance Director of an investment company, Galahad Gold plc, from which he became Finance Director of its most successful investment, start up uranium company UraMin Inc. which was sold for US$2.5 billion in 2007. Mr Herbert has held board positions at a number of resource companies where he has been involved in managing numerous acquisitions, disposals, stock market listings and fundraisings. Mr Herbert is a Fellow of the Association of Chartered Certified Accountants and holds a Joint Honours Degree in Economics and Economic History.

Other current directorships

Nil

Former directorships in the last 3 years

Nil

Interest in Shares and Options

Nil

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Christopher McFadden

Non-Executive Director

Date of appointment: 28 November 2014

Expertise and Experience

Christopher McFadden is a lawyer with nearly 20 years of experience in the energy and resources industry. Following a career in private legal practice, including some time at Allens, he started with Rio Tinto Limited in 1998 as a lawyer in the Melbourne Legal Department where he concentrated on merger and acquisition activity including the takeovers by Rio Tinto of North Limited and Ashton Limited in 2000. He subsequently worked in the legal department at Rio Tinto headquarters in London dealing with a number of major projects around the world for a variety of business units and later became a Commercial General Manager with a global mandate to secure new projects either through acquisition, joint venture or green-fields exploration. Christopher was heavily involved in a number of major divestment projects for Rio Tinto including the Kintyre uranium project in Western Australia. Christopher is currently the Head of Commercial, Strategy and Corporate Development for Tigers Realm Coal Limited which is developing a number of coking coal projects in Russia. Chris has been a director of Extract Resources Limited, listed on the ASX and TSX and is currently the Chairman of NexGen Energy Ltd. a uranium exploration company listed on the TSX. Christopher holds a Bachelor of Laws and a Bachelor of Commerce from Melbourne University and a Masters of Business Administration from Monash University.

Other current directorships

Nil

Former directorships in the last 3 years

Nil

Interest in Shares and Options

2,500,000 fully paid ordinary shares in Waratah.

Former Directors

Ben Kirkpatrick

Executive Chairman

Date of appointment: 2 October 2012, Managing Director and Executive Chairman since 26 September 2013, resigned 16 September 2015

Chief Executive Officer

Date of appointment: 16 September 2015

Expertise and Experience

Mr Kirkpatrick has over 20 years' experience in stockbroking, investment and capital markets specialising in equities and equity derivatives and has been instrumental in developing significant sophisticated enterprises within these markets. Mr Kirkpatrick has been a leading stockbroker and client advisor since 1996, personally raising near $1 billion in IPOs, placements, derivatives structuring and fixed income. Prior to his appointment as Managing Director of Waratah, Mr Kirkpatrick held the position of Senior Client Advisor at Macquarie Bank, was a Director of UBS in Sydney and filled key positions at Citigroup and JP Morgan.

Other current directorships

Nil

Former directorships in the last 3 years

Nil

Interest in Shares and Options

26,315,573 fully paid ordinary shares and 10,000,000 options over ordinary shares in Waratah.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Jonathan Downes

Non-Executive Director

Date of appointment: 30 May 2007, resigned 28 November 2014

Expertise and Experience

Jonathan Downes has over 20 years' experience in the minerals industry and has worked in various geological and corporate capacities. Mr Downes has experience in nickel, gold and base metals and has been intimately involved with numerous private and public capital raisings. Mr Downes was a founding director of Hibernia Gold (now Moly Mines Limited) and Siberia Mining Corporation Limited. He was an Executive Director of Siberia Mining Corporation Limited and Wolf Minerals Limited and is currently a Non-Executive Director of Corazon Mining Limited, Sabre Resources Limited and the Managing Director of Ironbark Zinc Limited.

Other current directorships

Corazon Mining Limited from 10 April 2006 to date

Sabre Resources Limited from 14 December 2007 to date

Ironbark Zinc Limited from 18 April 2006 to date

Former directorships in the last 3 years

Wolf Minerals Limited from 20 September 2006 to 12 June 2013

Interest in Shares and Options (as at date of resignation)

3,120,000 fully paid ordinary shares and 4,000,000 options in Waratah.

Philip McNamara

Non-Executive Director

Date of appointment: 21 August 2013, resigned 28 November 2014

Expertise and Experience

Philip McNamara has worked in the Australian resource industry for 31 years, having worked on coal projects and mines for numerous multinational companies including Coal and Allied, Shell Coal, Sumitomo Coal, Xstrata and Yancoal where he has been responsible for mine management, operations control, productivity reform initiatives, mine construction and the introduction of emerging technologies to mine production.

In early 2008, Mr McNamara joined Waratah Coal as Vice President Corporate Development, with responsibility for assisting with capital raising, business development, marketing and investor relations activities of the company, along with other technical and management functions of Waratah Coal's exploration in the Galilee Basin. He became Managing Director of Waratah Coal and was an integral member of the Company's "China First Coal Project" located in the Galilee Basin. He was instrumental in the development of project feasibility studies, booking of coal reserves and progression of major Chinese partnerships.

In July 2010 Mr McNamara joined Armour Energy as CEO and Managing Director to drive the company's project and corporate development initiatives. Through his period as CEO Armour Energy secured significant areas of shale gas exploration tenure in the Northern Territory and Queensland, raised $75M through an Initial Public Offering and listing of the Company on the ASX and discovered the most significant gas flow in the Northern Territory in more than 30 years.

Other current directorships

Nil

Former directorships in the last 3 years

Armour Energy Limited from July 2010 to 5 August 2013.

Interest in Shares and Options (as at date of resignation)

1,000,000 fully paid ordinary shares in Waratah.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

COMPANY SECRETARY

Anne Adaley

Date of appointment: 15 February 2013

Anne Adaley has extensive experience in the resources sector, having held senior management roles with a number of listed public Australian exploration and mining companies over the last 25 years, including 12 years of experience as a Company Secretary.

Anne has served as Chief Financial Officer and Company Secretary to Tellus Resources Ltd and Monaro Mining NL, Company Secretary to Gulf Industrials Limited, Chief Financial Officer to Estrella Resources Ltd, Finance and Administration Manager to Climax Mining Limited and Company Secretary and Group Financial Controller to Gympie Gold Limited.

Anne is a qualified accountant and principal of Australian Mining Corporate and Administrative Services Pty Ltd (AMCAS) which provides a full range of consulting services and business support to management including accounting, financial services and company secretarial.

Principal activities

The principal activities of the Group during the reporting period have been the on-going development of the Australian Commodities Trading Division as well as the evaluation and assessment of its exploration assets in Gabon.

Operating Results

The consolidated loss of the Group after providing for income tax amounted to $1,844,875 (2014: $830,530).

DIVIDENDS PAID OR RECOMMENDED

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

REVIEW OF OPERATIONS

Corporate Activities

Australian Commodities Division

During the reporting period, the Company continued to develop its Australian Commodities Division. The purpose of this division is to build revenue streams for the Company by developing a commodities trading business, targeting a range of commodities with the initial focus being on thermal and coking coal.

During the reporting period, a summary of income received and significant costs incurred in the development of the Commodities Division are as follows:

- Proceeds from coal sales: $389,865;
- Advances to business partners in Indonesia to secure the purchase of coal to be on-sold: $857,280; and
- On 4 August 2014, the Company announced that it had entered into an agreement for the sale to an International Coal Trading Company of a 55,000 metric tonne trial cargo of thermal coal from South Kalimantan, Indonesia. An initial total of 9,000 tonnes of coal was delivered to the customer. However, commercial difficulties experienced by Waratah's supply partner prevented delivery and implementation of the full amount. The buyer's ship concluded the cargo with coal sourced from elsewhere. Waratah incurred penalties relating to shipping demurrage and replacement coal costs for the customer totalling $245,465.

Waratah continues to work towards developing and implementing a logistics network for the supply of Commodities. There has been extensive work on establishing relationships between the Company and mine owners and commodity suppliers.

Capital Raising

On 31 October 2014, the Company announced the issue of 31,900,000 fully paid ordinary shares at an issue price of $0.01 per share, raising $319,000.

On 13 April 2015, the Company announced the issue of 45,454,546 ordinary shares at an issue price of $0.0022 to raise $100,000.

The funds raised were used to fund the ongoing development of the Australian Commodities Division, to continue to evaluate and assess the Company's exploration assets in Gabon as well as to maintain the Gabon exploration licences in good standing order and provide working capital for the Company.

Research & Development Tax Incentive Scheme

On 4 February 2015, the Company received a refund of $491,920 under the Federal Government's Research and Development Tax Incentive Scheme (R&D). Under the Scheme, Waratah was entitled to a cash refund of 45 cents per dollar spent on eligible R&D expenditure.

Management Changes

On 28 November 2014, Messrs Christopher McFadden and Graham Duncan were appointed Non-Executive Directors of the Company. On the same day, Mr Jonathan Downes and Mr Phil McNamara resigned as Non-Executive Directors.

On 24 February 2015, Mr Neil Herbert joined the Board as a Non-Executive Director.

On 26 March 2015, Mr Mandeep Bhandari was appointed a Non-Executive Director of the Company.

Financial Position

(i) The Group cash as at 30 June 2015 was $183,949 which reflects a decrease in cash of $676,688 since 1 July 2014 and is comprised of:

- Proceeds from commodity trading: $389,865
- Proceeds from issue of shares: $570,000;
- Interest received: $4,270;
- Proceeds from sale of equipment: $30,000
- Research & Development tax incentive refund: $491,920;
- Proceeds from Borrowings: $332,000; and
- Proceeds from the release of a security deposit: $10,000.

offset by:

- Cash payments for exploration and evaluation expenditure: $431,269;
- Cash payments for acquisition of new licences in Gabon: $17,170;
- Repayment of borrowings: $165,000;
- Payments for operating activities: corporate, administration and personnel costs: $710,708
- Cash advances to business partners: $857,820; and
- Cash payments for cost of coal sales: $325,112.

(ii) As at 31 December 2014, the Group assessed the carrying value of its drilling equipment resulting in an impairment charge of $100,000. This drilling equipment has since been advertised for sale and accordingly has been re-classified as assets held for sale in the Statement of Financial Position at the end of the reporting period.

(iii) The Group incurred a loss of $1,844,875 after providing for tax for the year ended 30 June 2015 which is largely comprised of costs incurred in connection with the business development of the Australian Commodities Division including debts written off totalling $1,320,698, accrual of settlement costs (refer to legal update below) of $400,000 and impairment of drilling equipment of $100,000 offset by a refund received/receivable of $1,478,287 under the Federal Government's Research and Development Tax Incentive Scheme.

Legal Update

i) CV ES Holding (Holding) - Waratah Resources Limited (Waratah)

CV ES Holding, being a limited liability partnership formed under Indonesian law, filed a claim against Waratah on 25 November 2014 in the Federal Court of Australia. The claim relates to an agreement made between Waratah and Holding concerning a quantity of 55,000 metric tonnes of bulk Indonesian steam coal. Holding claims that Waratah has breached the agreement and claims in the vicinity of $3,066,000 US in damages. Waratah is vigorously defending the claim. Its defence claims that Holding has failed to supply Waratah with 46,130 metric tonnes of coal required under the agreement and, to set off against this claim, the loss of profit it would have made on the sale of the 46,130 metric tonnes, together with damages.

Holding also claims misleading ASX announcements in relation to the Coal Supply Agreement. Waratah disputes the allegations.

Holding, pursuant to Court orders, has provided security for Waratah's costs in the sum of $66,076 up to and including mediation.

The parties were ordered to make discovery by 4 September 2015. To date, Holding has not made discovery and the matter will be brought back before the Court for further directions as Holding is in breach of the Court orders. Holding commenced proceedings by one firm of solicitors and a second firm of solicitors took over conduct of the proceedings on behalf of Holding. On 21 September 2015, Holding's current solicitors advised that they would be filing paperwork with the Court that they cease to act on behalf of Holding. Waratah is carrying out further investigations in relation to the activities of Holding and its officers, Australian agents and associates and will take further action to protect its interests as advised.

ii) Sunfield Resources Limited

During the reporting period, the Company reached a settlement of an on-going dispute with Sunfield Resources Limited to be paid in two tranches of $200,000 each with the first payment paid on 14 August 2015 and the final payment due on 24 November 2015.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Exploration Activities

During the reporting period, the Company continued to evaluate and assess its exploration assets in Gabon.

i) Mekambo-Est Iron Ore Project

Waratah, through its 100% owned subsidiary Waratah Gabon S.A, holds a Permis de Recherche Miniere ("Permit"), for area No. G6-508, named the Mekambo-Est Iron Ore Project ("Mekambo-Est"). This Permit gives Waratah the exclusive right to execute its exploration work program for an initial 3 year period with an option to extend for a further 6 years. The Permit was granted in December 2011 and is in the process of being renewed.

The Mekambo-Est project is located within Gabon near the border of the Republic of Congo and is approximately 100km from the Belinga iron ore Project. The Mekambo-Est license covers an area of over 1,224 km2.

FIGURE 1: MEKAMBO-EST PROJECT LOCATION

Waratah has been operating in Gabon since December 2011. Diamond drilling was first undertaken at Mekambo-Est in January 2012 using two of Waratah's portable drill rigs. To date Waratah has drilled 34 holes for a total depth of 1,441m. The drill core recovery has been excellent with interception of high grade iron ore. The strike at Mekambo-Est is estimated to be 37 kilometres long and the Mekambo-Est ridge is 60 meters higher that the regional average and varies from 10 to 200 meters in width. To date 7 percent of the strike has been drilled.

Assay Results

As previously reported in March 2013, Waratah announced further high-grade iron ore itabirite mineralisation results at the Mekambo-Est Project in Gabon. Intertek Laboratories in Johannesburg analysed 233 samples using a method that requires a minimum of 30g per sample and covers the analysis of iron ore samples by Borate fusion, XRF finish.

The assay results from 29 drill-holes have been completed. The drilling results confirm excellent continuity of iron ore mineralisation, typically showing +30% Fe grade itabirite style mineralisation which remains open ended along strike and at depth. Higher grade zones of itabirite are recognised grading between 40 and 67% Fe. The iron ore grade does not appear to diminish at depth which highlights the potential, taking into account the extensive strike lengths, for the project area to host a significant tonnage of iron ore.

Waratah had previously reported assay results from drill hole YKD007, confirming high Fe content with the best result being 20 metres at 66.9% Fe, 0.089%P, 1.78%Si. The assay results, completed in March 2013, revealed that drill-hole YKD042 has also confirmed another zone of high grade iron ore mineralisation with a drill intercept of 10 metres at 60.5% Fe at surface.

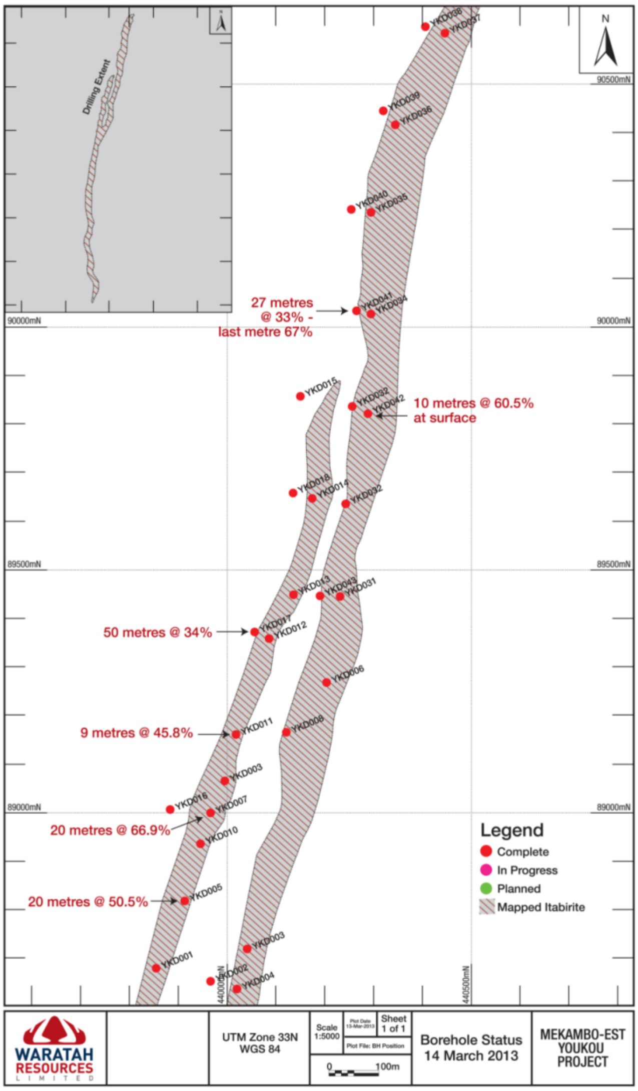

FIGURE 2: PLAN OF THE DRILLING OVER INTERPRETED GEOLOGY

Beneficiation Results

In May and June 2013 Waratah received excellent results from metallurgical test work conducted on samples of itabirite iron ore from the Mekambo-Est Project. Reverse flotation tests on core from the Project, carried out by ALS Metallurgy in Perth, confirm that a marketable concentrate of 65.8% Fe and 2.22% SiO2 can be produced from flotation of representative itabirite ore.

ALS Metallurgy is the market leader in metallurgical test work for the minerals industry. A heavy liquids program, which separates iron ore from various gangue minerals, was completed to identify likely liberation sizes required to produce a high quality iron ore concentrate. This was followed up by a reverse silica flotation test work program, which removes the main contaminate to produce a high quality product. Reverse flotation is the typical method by which itabirite is upgraded, and is a well-established and proven technology.

The program of flotation test work was conducted on representative medium grade itabirite iron ore mineral samples from the Mekambo-Est project. No test work was conducted on the higher grade material.

Bench scale reverse floatation optimisation tests were conducted on composites of the representative samples to determine if the itabirite could be upgraded to a saleable product. Reverse floatation, which floats off the silica, is an industry accepted processing technique that is used in the African iron industry to upgrade itabirite ore. The treatment and upgrading of itabirite is typically a substantially lower cost processing technique than magnetite processing.

A range of tests were undertaken to assess the impact of various grind sizes and grinding regimes. The test results demonstrate that best results at the preliminary stage were a 65.8% iron product with 2.22% silica at an iron recovery of 52.7%. Additionally, a 60% iron product can be produced with 83% recovery.

Development

The Company has ceased its drilling and exploration activities at Mekambo-Est. The Company continues to review its exploration targets and strategic operations plan.

ii) LICENCES

During the reporting period, Waratah, through its wholly owned subsidiary Waratah Gabon S.A, received Presidential Decree for three new licences in the Republic of Gabon. Details as follows:

Tchibanga Licence

The Tchibanga licence is located in the south of the country approximately 50 kilometres from the newly developed coastal infrastructure for the proposed port of Mayumba and covers an area of 1,606 square kilometres. The licence area is highly prospective for copper and gold. Exploration work was undertaken in the area between 1930's to 1960's by the French Government's geological Department, Bureau de recherches géologiques et minières (BRGM).

The co-ordinates for the Tchibanga licence are:

POINTS	X	Y
A	10,7697633439	-2,5692739621
B	11,1901155198	-2,5692739621
C	11,1901155198	-2,8790000000
D	10,7697633439	-2,8790000000

Waka Licence

The Waka licence is located in central Gabon and covers an area of 818 square kilometres. Work conducted by BRGM between the 1930s and the mid-20th century confirmed the existence of gold, niobium (used in alloys for steel, especially in gas pipelines) and cassiterite (tin).

The Trans Gabon railway passes near the licence area and is currently operated extensively for manganese mines throughout the country.

The Waka licence is near to Metals of Africa's Lastourville project, as well as established manganese mines. Gabon is currently the world's third largest producer of manganese behind South Africa and Australia. 95 per cent of the Gabonese production is for the steel industry. Deposits are mostly located in the south-east of the country in the Francevillian basin of Proterozoic age.

The exploitation of the mine in Moanda, south-east of the country, provides nearly 25 per cent of the world's production. The deposit, exploited by Eramet's Comilog, contains reserves estimated at more than 150 million tons with an average grade around 44 per cent. The Complexe Métallurgique de Moanda, a modern metallurgical complex is currently under construction and likely to begin producing in 2015. (Courtesy Societe Equatorial Des Mines (SEM) website).

The co-ordinates for the Waka licence are:

POINTS	X	Y
A	11,2374498851	-1,0797356354
B	11,6310000000	-1,0797356354
C	11.6310000000	-1,2506980000
D	10,2374988510	-1,2520698000

Makokou Licence

The Makokou licence covers an area of 2,289 square kilometres and is situated 300 kilometres east of the capital of Libreville, 250 kilometres south west of the Company's Mekambo east project and within 100 kilometres of Booue, a station located on the Trans Gabon railway. Originally the rail was to reach Makokou to service iron ore mines, plans for the spur to extend from Booue to Belinga are still under consideration. Belinga is the world's largest undeveloped iron ore deposit and its future infrastructure requirements will determine Gabon's destiny in mining (Courtesy CIA World Factbook).

Chinese owned Sinohydro is constructing a hydro-electric project at Makokou. They are also upgrading the road that, in conjunction with Makokou Airport, provides logistics and a long term infrastructure solution to the area.

Sampling in the 1930s by BRGM revealed Makokou contained the existence of different minerals including nickel, chromium and rare earth minerals.

The co-ordinates for Makokou licence are:

POINTS	X	Y
A	11,9957026308	0,4929390000
B	12,5560443544	0,4929390000
C	12,5560443544	0,3364579964
D	12,2994607725	0,3364579964
E	12,2994077250	0,0108384732
F	11,9957026308	0,0108384732

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Tenement Summary

As at 30 June 2015 exploration tenements held by the Company in Gabon are as follows

TENEMENT REFERENCE	TENEMENT LOCATION
Mekambo-Est*	Gabon
Tchibanga	Gabon
Waka	Gabon
Makokou	Gabon

*The Mekambo-Est licence is in the process of being renewed.

Competent Persons Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 35 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves".(JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Competent Persons Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brian Varndell, who is a Fellow of the Australasian Institute of Mining and Metallurgy and independent consultant to the Company. Mr Varndell is an associate of Al Maynard & Associate Pty Ltd and has over 40 years of exploration and mining experience in a variety of mineral deposit styles including iron ore mineralisation. Mr Varndell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves".(JORC Code). Mr Varndell consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the reporting period ended 30 June 2015 other than as referred to in this report and the Financial Statements or notes thereto.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Waratah seeks to generate value for its shareholders by identifying and acquiring projects that have significant discovery and development potential and by leveraging its skills into the trading of resources. The Group`s Board and management has a proven track record with a strong mix of corporate, financial, mining and exploration skills, providing a major advantage in the search for new opportunities and projects.

Waratah has two separate though synergized divisions:

- A commodities trading division which plans to source, manage and trade commodities from Indonesia and other countries to large scale end users throughout Asia and the Middle East. The Group completed two commodity trades in 2014 which demonstrates the Group's increasing capability and skill in moving high quality thermal coal from a mine based supplier via trucks to jetty stockpile with subsequent barge loading and trans-shipping to the buyers chartered Marine Vessel. The Company now seeks capital to further grow and develop this business.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES (CONTINUED)

- A resource projects group which aims to discover and develop resources in iron ore and coal with a focus on Indonesia and Gabon in West Africa. The Group is completing a due diligence process to determine if a part sale of the Gabon assets could be achieved via a London, AIM Listing in Q1 2016. A program of exploration activities for the coming months is planned subject to successful capital raising.

EVENTS AFTER THE REPORTING PERIOD

On 7 July 2015, the Group allotted 25,000,000 fully paid ordinary shares at an issue price of $0.01 per share raising $250,000.

Since the end of the reporting period, the Company repaid the balance of borrowings owing of $223,070 as at 30 June 2015 in two tranches: $25,000 was repaid on 8 July 2015 and $198,070 was repaid on 6 August 2015.

On 16 September 2015, Sir Warwick Andrew Kt. CBE was appointed Non-Executive Chairman of the Company. Mr Ben Kirpatrick stepped down from the Board and assumed the role of Chief Executive Officer.

Other than as stated elsewhere in this report, Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

ENVIRONMENTAL ISSUES

The Group is subject to environmental obligations in the jurisdiction where it operates. The Group has a policy of complying with its environmental performance obligations and as at the date of this report is not aware of any breach of such regulations.

REMUNERATION REPORT – AUDITED

This report details the nature and amount of each element of the emoluments of the key management personnel of the Group.

Waratah Resources received 93,299,066 or 73.77% votes in favor and 34,232,543 or 26.22% against out of 130,531,609 total votes received. The Company did not receive any specific feedback at the Annual General Meeting held on 28 November 2014. As more than 25% of the votes cast on the resolution to adopt the remuneration report were "against", the Company received its first strike, under what is referred to as a "two strikes" rule.

If the remuneration report receives more than 25% votes cast "against" in the 2015 Annual General Meeting, the Company will be required under the Corporations Act to put to shareholders a resolution proposing the calling of an Extraordinary General Meeting to consider the appointment of new Directors to the company (known as a Spill Resolution).

Since the 2014 Annual General Meeting, an entirely new Board of Directors has been appointed to the Company with Sir Warwick John Andrew appointed 16 September 2015, Mr. Mandeep Bhandari appointed 26 March 2015, Mr. Neil Herbert appointed 24 February 2015, Messres. Graham Duncan and Christopher McFadden appointed 28 November 2014.

As the composition of the Board has changed completely since the 2014 AGM, the current board has yet to consider the remuneration packages of Key Management Personnel. However, the Board will undertake a review of the Key Management Personnel remuneration packages and in particular that of Mr. Ben Kirkpatrick now Chief Executive Officer of the Company, in line with his contract, in October 2015.

There was no remuneration consultant used during the reporting period.

Remuneration policy

The remuneration policy of the Group has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between Directors, Executives and Shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

REMUNERATION REPORT – AUDITED (CONTINUED)

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits.
- The Board will review key management personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

Options may be issued to Directors to provide a mechanism to participate in the future development of the Group and an incentive for their future involvement with and commitment to the Group.

Further options and performance incentives will be issued in the event that the entity moves from an exploration entity to a producing entity, and key performance indicators such as profits and growth can be used as measurements for assessing Board performance.

Key management personnel receive a superannuation guarantee contribution required by the government and do not receive any other retirement benefits. Commencing 1 July 2014, the rate is 9.25%. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Group and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group and are able to participate in the employee option plan.

The employment conditions of the Executive Chairman, Mr Ben Kirkpatrick, are formalised in a contract of employment. The Group may terminate his employment contract without cause by providing three months' written notice or making payment in lieu of notice, based on the individual's salary component.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

REMUNERATION REPORT – AUDITED (CONTINUED)

Names and positions held by Key Management Personnel in office at any time during the financial year are:

B Kirkpatrick	Executive Chairman (Managing Director appointed 2 October 2012, Executive Chairman appointed 26 September 2013, Resigned as a director on 16 September 2015 and assumed the role of Chief executive Offcier)
M Bhandari	Non-Executive Director (appointed 26 March 2015)
G Duncan	Non-Executive Director (appointed 28 November 2015)
N Herbert	Non-Executive Director (appointed 28 November 2015)
C McFadden	Non-Executive Director (appointed 28 November 2015)
J Downes	Executive Director (appointed 30 May 2007, resigned 28 November 2014)
P McNamara	Executive Director (appointed 16 August 2013, resigned 28 November 2014)

KEY MANAGEMENT PERSONNEL	POSITION	DATE APPOINTED	DATE RESIGNED	CONTRACT DETAILS (DURATION & TERMINATION NOTICE PERIOD)	PROPORTION OF ELEMENTS OF REMUNERATION RELATED TO PERFORMANCE			PROPORTION OF ELEMENTS OF REMUNERATION NOT RELATED TO PERFORMANCE		
					Non-Salary cash-based incentives %	Shares /Units %	Options /Rights %	Shares /Units %	Fixed salary /Fees %	Total %
DIRECTORS										
B Kirkpatrick	Executive Chairman/CEO	2 Oct 2012		3 years contract 3 months' notice for termination	-	-	-	-	100	100
M Bhandari	Non-Executive Director	26-Mar-15		No fixed term	-	-	-	-	100	100
G Duncan	Non-Executive Director	28-Nov-14		No fixed term	-	-	-	-	100	100
N Herbert	Non-Executive Director	24-Feb-15		No fixed term	-	-	-	-	100	100
C McFadden	Non-Executive Director	28-Nov-14		No fixed term	-	-	-	-	100	100
FORMER DIRECTORS										
J Downes	Non-Executive Director	30-May-07	28-Nov-14	No fixed term	-	-	-	-	100	100
P McNamara	Non-Executive Director	21-Aug-13	28-Nov-14	No fixed term	-	-	-	-	100	100

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

REMUNERATION REPORT – AUDITED (CONTINUED)

(a) Key Management Personnel Remuneration

Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group for the period ended 30 June 2015 are set out in the following table:

	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	
NAME	SALARY & FEES (PAID) $	SALARY & FEES ACCRUED (NOT PAID)[1] $	OTHER $	SUPER-ANNUATION $	TOTAL $
DIRECTORS					
B Kirkpatrick[2]	156,920	52,912	165,168	35,625	410,625
M Bhandari[3]	-	479	8,750	-	9,229
G Duncan[4]	-	20,417	-	-	20,417
N Herbert[5]	-	12,050	-	-	12,050
C McFadden[6]	-	417	20,000	-	20,417
FORMER DIRECTORS					
J Downes[7]	8,333	-	4,167	792	13,292
P McNamara[8]	6,166	31,750	50,000	-	87,916
Total	171,419	118,025	248,085	36,417	573,946

1. Salary and Fees accrued represents fees owing to directors at the end of the reporting period. These fees were accrued as these amounts are due and payable to each director as listed at the end of the reporting period.
2. B Kirkpatrick: Total remuneration of $410,625 is comprised of salary paid totalling $156,920, salary accrued of $52,912, other payments totalling $165,168 and superannuation of $35,625. Other payments totalling $165,168 is comprised of $144,000 being the consideration for the issue of 14,400,000 fully paid ordinary shares issued at $0.01 per share in lieu of part salary as approved by Shareholders at the Annual General Meeting held on 28 November 2014 and other benefits totalling $21,168. Superannuation contributions of $35,625 are comprised of cash contributions of $17,825and the balance of $17,800 settled by offsetting the subscription price of $17,800 for 1,780,000 Ordinary Shares at $0.01 per share. The Shares were issued in accordance with the terms and conditions as approved by Shareholders at the General Meeting held on 27 May 2015.
3. M Bhandari: Total remuneration of $9,229 reflects fees for the period 26 March 2015 to 30 June 2015 of which other short-term benefits of $8,750 represents fees which were settled by offsetting the subscription price of $8,750 for 875,000 Ordinary Shares at $0.01 per share. The Shares were issued in accordance with the terms and conditions as approved by Shareholders at the General Meeting held on 27 May 2015.
4. G Duncan: Total remuneration of $20,417 reflects fees for the period28 November 2014 to 30 June 2015.
5. N Herbert: Total remuneration of $12,050 reflects fees for the period 24 February 2015 to 30 June 2015.
6. C McFadden: Total remuneration of $20,417 reflects fees for the period 28 November 2014 to 30 June 2015 of which other short-term benefits of $20,000 represents fees which were settled by offsetting the subscription price of $20,000 for 2,000,000 Ordinary Shares at $0.01 per share. The Shares were issued in accordance with the terms and conditions as approved by Shareholders at the General Meeting held on 27 May 2015.
7. J Downes: Total remuneration of $13,392 reflects fees for the period 1 July 2014 to 28 November 2014. Other short-term benefit of $4,167 represents fees incurred during the reporting period which were settled together with outstanding fees accrued for prior periods with the issue of 5,000,000 Shares issued at $0.01 per share to Mr Downes. The Shares were issued in accordance with the terms and conditions as approved by Shareholders at the General Meeting held on 27 May 2015.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

REMUNERATION REPORT – AUDITED (CONTINUED)

(a) Key Management Personnel Remuneration (continued)

8. P McNamara: Total remuneration of $87,916 reflects directors' fees and consulting fees for the period 1 July 2014 to 28 November 2014 of which $50,000 was settled with the issue of 5,000,000 fully paid ordinary shares issued at $0.01 per share as approved by Shareholders at the Annual General Meeting held on 28 November 2014.

Performance income as a proportion of total income

No bonuses were paid to Key Management Personnel during the reporting period.

Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group for the period ended 30 June 2014 are set out in the following table:

	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	
NAME	SALARY AND FEES $	OTHER $	SUPER-ANNUATION $	TOTAL $
DIRECTORS				
B Kirkpatrick[1]	353,000	2,198	16,650	371,848
J Downes	45,834	-	4,239	50,073
P McNamara[3]	26,160	-	-	26,160
FORMER DIRECTOR				
M Bromley	7,137	-	-	7,137
Total	432,131	2,198	20,889	455,218

1. B Kirkpatrick: Total remuneration of $371,848 is comprised of salary totalling $185,000, a reportable Fringe Benefit of $2,198, superannuation totalling $16,650 and consulting fees which form part of Mr Kirkpatrick's total remuneration package totalling $168,000 paid to Kirkcorp Pty Ltd, a company in which Mr Kirkpatrick has an interest in. This arrangement is based on normal commercial terms and conditions.
2. J Downes: Total remuneration of $50,073 includes directors' fees totalling $41,667 accrued and not paid.
3. P McNamara: Total remuneration of $26,160 reflects the period 16 August 2013 to 30 June 2014.
4. Sir M Bromley: Total remuneration of $7,137 reflects the period 1 July 2013 to 26 September 2013.

Performance income as a proportion of total income

No bonuses were paid to Key Management Personnel during the reporting period

(b) Options issued as part of remuneration

There were no options granted during the reporting period or during the comparative period.

(c) Shares Issued on Exercise of Compensation Options

There were no options exercised during the year or the comparative period that were granted as compensation in prior periods.

WARATAH RESOURCES LIMITED

REMUNERATION REPORT – AUDITED (CONTINUED)

(d) Other Information

The number of securities in the Company held by each of the Key Management Personnel, including their related parties, during the 2015 reporting period, is set out below:

Shares held by Key Management Personnel

2015	BALANCE 01 July 2014	NET OTHER CHANGE	BALANCE ON RESIGNATION	BALANCE 30 JUNE 2015
DIRECTORS				
B Kirkpatrick	4,433,333	21,882,240	-	26,315,573
M Bhandari	-	875,000	-	875,000
G Duncan	-	-	-	-
N Herbert	-	-	-	-
C McFadden	-	2,500,000	-	2,500,000
FORMER DIRECTORS				
J Downes	3,120,000	-	(3,120,000)	-
P McNamara	-	1,000,000	(1,000,000)	-
Total	7,553,333	26,257,240	(4,120,000)	29,690,573

2014	BALANCE 01 July 2013	NET OTHER CHANGE	BALANCE ON RESIGNATION	BALANCE 30 JUNE 2014
DIRECTORS				
B Kirkpatrick	4,433,333	2,539,756	-	6,973,089
J Downes	- 3,120,000	-	-	3,120,000
P McNamara	-	-	-	-
Sir M Bromley	8,329,996	(1,051,296)	(7,278,700)	-
Total	15,883,329	1,488,460	(7,278,700)	10,093,089

Options and right holdings held by Key Management Personnel

2015	BALANCE 01 July 2014	OPTIONS EXERCISED	BALANCE ON RESIGNATION	BALANCE 30 JUNE 2015
DIRECTORS				
B Kirkpatrick	10,000,000	-	-	10,000,000
M Bhandari	-	-	-	-
G Duncan	-	-	-	-
N Herbert	-	-	-	-
C McFadden	-	-	-	-
FORMER DIRECTORS				
J Downes	4,000,000	-	(4,000,000)	-
P McNamara	-	-	-	-
Total	14,000,000	-	(4,000,000)	10,000,000

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

REMUNERATION REPORT – AUDITED (CONTINUED)

(d) Other Information (continued)

2014	BALANCE 01 July 2013	OPTIONS EXERCISED	BALANCE ON RESIGNATION	BALANCE 30 JUNE 2014
DIRECTORS				
B Kirkpatrick	10,000,000	-	-	10,000,000
J Downes	4,000,000	-	-	4,000,000
P McNamara	-	-	-	-
Sir M Bromley	-	-	-	-
Total	14,000,000	-	-	14,000,000

END OF AUDITED REMUNERATION REPORT

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

MEETINGS OF DIRECTORS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	BOARD MEETINGS	
DIRECTOR	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
B Kirkpatrick	9	9
M Bhandari	1	1
G Duncan	6	6
N Herbert	5	5
C McFadden	6	6
J Downes	3	3
P McNamara	3	3

The Board does not have separately established committees dealing with audit, nomination, remuneration and risk management. The full board carried out this role in accordance with the principles as set out in the Company's Corporate Governance Plan.

INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO AUDITORS AND OFFICERS

During the reporting period, the Company paid an insurance premium to insure the Directors and Officers of the Group. The Officers of the Company covered by the insurance policy include all Directors and the Company Secretary. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company. Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has entered into an agreement with the Directors and Officers to indemnify them against any claim and related expenses, which arise as a result of work completed in their respective capabilities.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Company against a liability incurred as such by an officer or auditor.

OPTIONS

DATE OPTIONS GRANTED	NUMBER OF SHARES UNDER OPTION	CLASS OF SHARES	EXERCISE PRICE OF OPTION	EXPIRY DATE OF OPTIONS
29 Nov 2012	15,000,000	Ordinary	$0.10	29 Nov 2015
29 Nov 2012	5,000,000	Ordinary	$0.075	18 Dec 2015
29 Nov 2012	5,000,000	Ordinary	$0.10	18 Dec 2015
Total	25,000,000			

On the 27 June 2015, 11,000,000 options over ordinary shares to acquire fully paid ordinary shares expired.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

NON-AUDIT SERVICES

The Board of Directors has considered the non-audit services provided during the year and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Group for audit and non-audit services provided during the reporting period are set out in Note 5 to the Financial Statements.

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included on page 23 of the financial report and forms part of the Directors 'report.

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

Graham Duncan

Director

Date: 30 September 2015

AUDITORS INDEPENDENCE DECLARATION

Auditors Independence Declaration To the Directors of Waratah Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Waratah Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

DFK LAURENCE VARNAY

Carl Dumbrell
Partner
Sydney

30 September 2015

We make it happen!

A member firm of DFK International a worldwide association of independent accounting firms and business advisors

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Waratah Resources Limited and its controlled entities (“Waratah” and/or “the Company”) is committed to achieving the best practice in corporate governance commensurate with the Company’s size, its operations and the industry within which it operates. Given the stage of development of the Company, it should be appreciated that the practice adopted by the Board is evolving and subject to change in keeping with practices deemed appropriate by reason of the Company’s size and risk portfolio.

The Principles and Recommendations are not mandatory. However, the Company is required to provide a statement in its annual report disclosing the extent to which the Company has followed the Principles and Recommendations during the reporting period; identify the recommendations that have not been followed; and provide reasons for any variance. If a recommendation has been followed for only part of a year, the entity must state the period during which it has been followed.

This Corporate Governance Statement summarises the corporate governance practices adopted by the Board of Directors and the Company’s compliance with the Corporate Governance Principles and Recommendations 3rd Edition during the reporting period ended 30 June 2015.

Waratah’s Corporate Governance Plan containing policies and charters can be found on our website and are listed below:

Charters

Board Charter

Audit and Risk Committee Charter

Remuneration Committee Charter

Nomination Committee Charter

Policies

Corporate Code of Conduct

Continuous Disclosure Policy

Risk Management Policy

Security Trading Policy

Investor Relations Policy

Corruption & Bribery Policy

Diversity Policy

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
1.	**Lay solid foundations for management and oversight**		
1.1	A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	Yes	The Board's role is to govern the Company rather than manage it. The Company's Corporate Governance Plan includes a Board Charter which sets out the specific responsibilities of the Board. The day-to-day operations and administration of the Company was delegated to the Executive Director during the reported period ended 30 June 2015 and up until 16 September 2015. Effective from 16 September 2015, the day-to-day operations and administration of the Company was delegated to the Chief Executive Officer.
1.2	A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re- elect a director.	Yes	The Nomination Committee Charter includes Induction procedures for new directors which requires: • Assessment of skill and expertise of new director or executive; • Security check of new directors; and • Information on directors standing for election or re-election as a director shall be provided to Shareholders in the Notice of Meeting. This information includes biographical details, including their relevant qualifications and experience and the skills they bring to the board; and details of any other material directorships currently held by the candidate.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	In the case of non-executive directors, directors are issued a Letter of Appointment which sets out the term of appointment, time commitment envisaged, remuneration, the requirement to disclose directors' interests and any matters which may affect the directors' independence, the requirement to comply with the Company's Corporate Governance Plan, the Company's policy on when directors may seek independent advice, Directors Deed of Indemnity, Insurance and Access and on-going confidentiality obligations. In the case of executive directors and executives, all of the information above is set out in a service agreement as well as a description of their position, duties and responsibilities, the person to whom they report and circumstances in which their service agreement may be terminated and any entitlements on termination.
1.4	The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all	Yes	The Company Secretary reported to the Executive Chairman during reporting period ended 30 June 2015 and up until 16 September

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	matters to do with the proper functioning of the board.		2015. Effective from 16 September 2015, the Company Secretary reports to the Non-Executive Chairman.
1.5	A listed entity should: a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;	Yes	a) Effective from 1 July 2014, the Company established a Diversity Policy as part of its Corporate Governance Plan. The Policy details the Board's commitment to providing an inclusive workplace and recognises the value that a workforce made up of individuals with diverse skills, values, backgrounds and experiences can bring to the Company.
	b) disclose that policy or a summary of it; and	Yes	b) The Company's Corporate Governance Plan includes the Diversity Policy which is available on the Company's website.
	c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: i. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or ii. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	No	c) The Company is not currently in compliance with this recommendation as the Board is comfortable that the Company already has an appropriate approach to encouraging workplace diversity. The Company's Diversity policy does not include measurable objectives for achieving gender diversity. However, the Company has one woman in a senior position being the Company Secretary. The Company will establish measurable objectives for achieving gender diversity when it has evolved to a point where it is appropriate to do so. The Board shall, at least once per year, review the policy to determine its adequacy for current circumstances and amend accordingly.
1.6	A listed entity should: a) have and disclose the process for periodically evaluating the performance of the board, its committees and individual directors.	Yes	a) In order to ensure the Board continues to discharge its responsibilities in an appropriate manner, a review of the performance over the previous 12 months of the Board and individual Directors will be arranged by the Board in accordance with the terms of the Remuneration and Nomination Committee Charters which were adopted by the Board on 13 March 2014, until such time as the Remuneration and Nomination Committees are established. The next formal review of the Board and the individual directors is scheduled for June 2016.

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	No	b) During the reporting period ended 30 June 2015 there was an informal performance evaluation of the Board which resulted in the appointment of three new directors, Mr Graham Duncan, Mr Chris McFadden and Mr Mandeep Bhandari. Since the end of the reporting period, Sir Warwick Andrew and Mr Clive Sinclair-Poulton were appointed to the Board.
1.7	A listed entity should: a) have and disclose the process for evaluating the performance of senior executives. b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes No	The Board monitors the performance of senior management, including measuring actual performance against planned performance. The Board follows the performance evaluation principles outlined in its Corporate Governance Plan. During the reporting period, a new Board of Directors excluding the CEO (former Executive Chairman) was appointed to the Company. The CEO (former Executive Chairman) being the sole full-time senior executive/employee in the Company. As the composition of the Board changed, the current board has yet to consider a performance evaluation of the CEO (former Executive Chairman). However the new Board will undertake a performance evaluation of the CEO (former Executive Chairman), in line with his contract, in October 2015.
2.	***Structure the board to add value***		
2.1	The board of a listed entity should: a) have a nomination committee which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, iii. and disclose: iv. the charter of the committee; v. the members of the committee; and vi. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a nomination committee, disclose that fact and the	No	a) The Board, as a whole, currently serves as the Company's Nomination committee. Given the current size of the Company and structure of the Board, the Board has not yet formed a separate Nomination Committee; however, the Board adopted formal terms of reference on 13 March 2014. The Company's Corporate Governance Plan includes a formal charter for the Nomination Committee. b) In addition to the above, the following information is provided: i. the skills, experience and expertise of each of the Company's directors are set out in the Company's Director's Report and the Company's website; ii. the Board, in consultation with external advisers where required, undertakes this role; iii. the Board Charter provides for the proper assessment of prospective directors; and iv. Directors are appointed based on the

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		specific skills required by the Company.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	No	The Nomination Committee Charter does not include a skills matrix. However, the full Board undertakes an annual review of its size and composition to ensure an appropriate mix of expertise and experience. Where a vacancy exists for whatever reason, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board will select appropriate candidates with relevant qualifications, skills and experience.
2.3	A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, association or relationship of the type which would not satisfy the ASX Principles and Recommendation - Definition of Independence, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.	Yes	A majority of the Directors are currently independent. The Company currently has five Directors of which four directors, Mr Graham Duncan (appointed 28 November 2014), Mr Neil Herbert (appointed 24 February 2015), Mr Mandeep Bhandari (appointed 26 March 2015) and Mr Clive Sinclair-Poulton (appointed 9 October 2015) are independent Directors. Mr Chris McFadden also served as an independent director during the reporting period (appointed 28 November 2014, resigned 9 October 2015). During the period 1 July 2014 to 28 November 2014, the Company had three Directors of which two directors: Mr Jonathan Downes (appointed 30 May 2007, resigned 28 November 2014) and Mr Philip McNamara (appointed 15 August 2013, resigned 28 November 2014) were independent Directors. During the reporting period, Mr Ben Kirkpatrick served as the Executive Chairman of the Company and was not considered to be an independent director due to his executive role in the Company as well as, being a substantial shareholder since 19 December 2014. Mr Kirkpatrick was appointed Managing Director on 2 October 2012 and Executive Chairman on 26 September 2013 until the date of his resignation as a director of the Company on 16 September 2015. Sir Warwick Andrew was appointed to the Board on 16 September 2015 as Non-Executive Chairman. Although a non-executive of the

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
			Company, the Chairman does not satisfy the test of independence as he is a substantial shareholder of the Company. Whilst the Board recognises the importance of independence in decision-making, the Board believes that Sir Warwick Andrew's distinguished career in the law serving as a Judge in New South Wales, Papua New Guinea and the Kingdom of Tonga over the last 25 years and commitment to the Company makes him the most appropriate person for the position.
2.4	A majority of the board should be independent directors.	Yes	The Board seeks to ensure that the appropriate mix of skills and expertise is present on the Board to facilitate successful strategic direction. The Board Charter specifies that an independent Director is one who is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgment. Independent Directors should also meet the definition of independence as set out in the ASX Corporate Governance Council Principles and Recommendations 3rd Edition. The independence of Directors will be regularly assessed by the Board in light of their interests, all of which must be disclosed.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	The Company did not comply with this recommendation during the reporting period and up until 16 September 2015. Mr Kirkpatrick fulfilled a dual role of the Company's Chairman and Chief Executive Officer during the period 26 September 2013 to 16 September 2015. Sir Warwick Andrew was appointed as Non-Executive Chairman on 16 September 2015 and Mr Kirkpatrick stepped down from the Board and assumed the role of Chief Executive Officer. Whilst this was a departure from best practice, during the reporting period, the Board was of the view that the Board was structured in such a way so as to add value and was appropriate for the complexity of the business at that time. The Company's Corporate Governance Plan outlines that the Chair should be a non-executive Director and that if a Chairman ceases to be an independent Director, the Board will consider appointing a lead independent Director as and when required.

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	The Board oversees the induction of new directors in accordance with the Remuneration and Nomination Committee Charters and identify the need for, and arrange any specific further training, which may be required. The Board periodically assesses the skills required to discharge its duties, having regard to the strategic direction of the Company. Accordingly during the past year a new Board was appointed. The Board considers the best means by which skill levels of existing non-executive directors can be enhanced.
3.	**Act ethically and responsibly**		
3.1	A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.	Yes	The Company's Corporate Governance Plan includes a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. The Company's Corporate Governance Plan including the Code of Conduct is available on the Company's website.
4.	**Safeguard integrity in corporate reporting**		
4.1	The board of a listed entity should: a) have an audit committee which: i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and ii. is chaired by an independent director, who is not the chair of the board, iii. and disclose: iv. the charter of the committee; v. the relevant qualifications and vi. experience of the members of the committee; and vii. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the	No	Given the current size and structure of the Board, the Board has not yet formed a separate audit committee. However, on 16 August 2013, the Board adopted an Audit and Risk Committee Charter as formal terms of reference for the Board and an Audit and Risk Committee when established. The Board does not consider that at this stage any efficiencies or other benefits would be gained from establishing a separate committee. Accordingly, until the Audit and Risk Committee is established, the Board will carry out the duties of the Audit and Risk Committee in accordance with the terms of reference that have been adopted. The Board meets on a regular basis and discuss matter normally captured under the terms of reference of an audit committee, being Company risk, controls and general specific financial matters, as detailed in the Risk Management review procedure and internal compliance and Control disclosure in the Company's Corporate Governance Plan.

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	appointment and removal of the external auditor and the rotation of the audit engagement partner.		
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	The Company complies with this recommendation. The Board receives assurances from the Chief Executive Officer and the Chief Financial Officer that the declaration in relation to section 295A of the *Corporations Act 2001* is founded on a sound system of risk management and internal control and that system is operating effectively in all material respects in relation to financial reporting risks.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	In accordance with the Company's Investor Relations Policy, it is the Company's policy that its external auditor attends each Annual General Meeting and be available for questions from shareholders.
5.	**Make timely and balanced disclosure**		
5.1	A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it.	Yes	The Company has policies and procedures in place to ensure the timely and appropriate release of all information required to be disclosed to shareholders in accordance with the ASX Continuous Disclosure regime. On 26 June 2014, the Board amended the Company's Continuous Disclosure Policy so that all ASX announcements are approved by the full Board prior to release to the ASX. The Continuous Disclosure Policy is posted on the Company's website.
6.	**Respect the rights of shareholders**		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company's website includes an overview of the Company's current business, structure and the names, photographs and brief biographical information for each of its directors and senior executives. The Company's Constitution, Corporate Governance Plan, other Policies and Financial Statements are available on the Company's website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way	Yes	The Company's Investor Relations Policy includes a shareholder communications strategy, which aims to ensure that the

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	communication with investors.		shareholders of the Company are informed of all major developments affecting the Company's state of affairs. The Company's Investor Relations Policy provides for Shareholders to direct any questions or requests for information to the Company Secretary.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	In accordance with the Investor Relations Policy the Board encourages full participation at the Company's Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Shareholders have been given the option to receive information from the share registry electronically and the registry maintains a database of investors who wish to receive information updates about the Company electronically.
7.	**Recognise and manage risk**		
7.1	The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	No	The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company has established a Risk Management Policy which is posted on the Company's website. The Company's Corporate Governance Plan establishes formal terms of reference for disclosure of risk management review procedure and internal compliance and control. In the event that an audit committee is established, the Board will delegate to the Audit and Risk Committee responsibility for implementing the risk management system. The Directors are of the view that given the current size of the Company, it is not necessary to establish a separate committee to oversee risk and this function is undertaken by the Board with the terms of reference that have been adopted.
7.2	The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each	Yes	The Board adopted the Audit and Risk Committee Charter on 16 August 2013 which, in accordance with this Charter, must be reviewed annually. The Audit and Risk Committee Charter was reviewed by the Board on 29 September 2014 and again on 28 September 2015.

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	reporting period, whether such a review has taken place.		
7.3	A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	No	The Board has unrestricted access to the Company's external auditors and all Company records for the purposes of carrying out their responsibilities under the Charter.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	The Company has established policies for the oversight and management of material business risks.
8.	**Remunerate fairly and responsibly**		
8.1	The board of a listed entity should: a) have a remuneration committee which: i. has at least three members, majority of whom are independent directors; and ii. is chaired by an independent director; iii. and disclose: iv. the charter of the committee; v. the members of the committee; and vi. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	No	On 13 March 2014, the Board established formal terms of reference for a remuneration committee. Given the current size of the Company, the Board has not yet formed a separate remuneration committee. The Board undertakes this role with the assistance of any external advice which may be required from time to time. The Board does not consider that any efficiencies or other benefits would be gained from establishing a separate committee at this stage. Accordingly, until the Remuneration Committee is established, the Board will carry out the duties of the Remuneration Committee in accordance with the terms of reference that have been adopted.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-	Yes	Detailed commentary on the remuneration of the executive and non-executive Directors and senior executives is set out in the

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	executive directors and the remuneration of executive directors and other senior executives.		Remuneration Report contained within the Company's Annual report. Waratah follows the practice of disclosing the amount of remuneration and all monetary and non-monetary components for each director and executive during the reporting period.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	No	Given the current size of the Company, the Board has not adopted a formal policy at this stage.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 $	2014 $
Revenue from continuing operations	2	424,135	30,373
Cost of sales		(325,112)	-
Administration costs		(137,549)	(267,848)
Compliance costs		(106,910)	(114,435)
Consultancy expenses		(215,490)	(253,331)
Depreciation		-	(553)
Employee benefits, management fees and on costs		(51,188)	(201,170)
Exploration and evaluation costs		(518,136)	(782,506)
Freight expenses		-	(9,003)
Business development costs		(1,830,891)	-
Settlement costs		(400,000)	-
Plant and equipment adjustment		(100,000)	270,533
Interest paid		(57,015)	-
Other costs		(5,006)	-
Loss before income tax	3	(3,323,162)	(1,327,940)
Income tax benefit	4	1,478,287	497,410
Income tax expense relating to the ordinary activities	4	-	-
Net loss for the year		(1,844,875)	(830,530)
Other comprehensive income, net of tax		-	-
Total comprehensive loss		(1,844,875)	(830,530)
EARNINGS/LOSS PER SHARE:			
Basic loss per share (cents per share)	6	(0.49)	(0.28)
Diluted loss per share (cents per share)	6	(0.49)	(0.28)

The accompanying notes form part these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	NOTE	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	183,949	860,637
Trade and other receivables	8	1,009,878	501,621
Other assets	9	13,200	19,088
Assets held for re-sale	10	170,533	-
TOTAL CURRENT ASSETS		1,377,560	1,381,346
NON-CURRENT ASSETS			
Plant and equipment	11	-	270,533
Exploration and evaluation expenditure	12	402,282	385,112
Other assets	9	-	10,000
TOTAL NON-CURRENT ASSETS		402,282	665,645
TOTAL ASSETS		1,779,842	2,046,991
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	900,729	300,744
Provisions	15	39,604	15,483
Borrowings	16	223,070	-
TOTAL CURRENT LIABILITES		1,163,403	316,227
TOTAL LIABILITIES		1,163,403	316,227
NET ASSETS		616,439	1,730,764
EQUITY			
Share capital	17	22,841,227	22,110,677
Reserves	18	1,797,930	1,797,930
Accumulated losses		(24,022,718)	(22,177,843)
TOTAL EQUITY		616,439	1,730,764

The accompanying notes form part these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	ISSUED CAPITAL $	OPTION RESERVE $	CONTINGENT RESERVES $	ACCUMULATED LOSSES $	TOTAL $
Balance as at 1 July 2013	20,687,893	1,797,930	4,465,000	(25,812,313)	1,138,510
Total loss and comprehensive income for the period	-	-	-	(830,530)	(830,530)
Transactions with owners, recorded directly in equity					
Issue of share capital	1,513,667	-	-	-	1,513,667
Cost of capital raising	(90,883)	-	-	-	(90,883)
Reversal of contingent reserve	-	-	(4,465,000)	4,465,000	-
Balance as at 30 June 2014	22,110,677	1,797,930	-	(22,177,843)	1,730,764
Total loss and comprehensive income for the period	-	-	-	(1,844,875)	(1,844,875)
Transactions with owners, recorded directly in equity					
Issue of share capital	730,550	-	-	-	730,550
Balance as at 30 June 2015	22,841,227	1,797,930	-	(24,022,718)	616,439

The accompanying notes form part these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		389,865	-
Cost of sales		(325,112)	-
Cash payments to suppliers and employees		(710,708)	(805,579)
Payments for exploration and evaluation expenditure		(431,269)	(821,503)
Proceeds from Research and Development claim		491,920	497,410
Interest received		4,275	18,519
Other income		1,791	13,958
Net cash used in operating activities	20	(579,238)	(1,097,195)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security bonds		10,000	20,000
Proceeds from sale of equipment		30,000	-
Application fees for exploration licenses		(17,170)	-
Net cash from investing activities		22,830	20,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and capital raising		570,000	1,510,667
Payments for share issue costs		-	(90,883)
Proceeds from borrowings		332,000	-
Repayment of borrowings		(165,000)	-
Performance Bond		-	(70,000)
Advances to business partners		(857,280)	(393,419)
Net cash used in financing activities		(120,280)	956,365
Net (decrease)/increase in cash held and cash equivalents		(676,688)	(120,830)
Cash and cash equivalents at the beginning of the period		860,637	981,467
Cash and cash equivalents at the end of the period	7	183,949	860,637

The accompanying notes form part these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated general purpose financial statements and notes of Waratah Resources Limited ('Waratah') and controlled entities ('Consolidated Entity' or 'Group').

Waratah Resources Limited is a listed public and for-profit company, trading on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

The financial report of the Group complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

The annual report has been authorised by the Board for issue on 30 September 2015.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) issued by the Australian Accounting Standard Board (AASB) and the Corporations Act 2001, as appropriate for profit oriented entities. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) and interpretations issued by the International Accounting Standards Board (IASB).

Basis of Measurement

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern basis

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The consolidated entity incurred a loss of $1,844,875 after providing for income tax for the year ended 30 June 2015 (2014: $830,530) and had net cash outflows from operating activities of $549,238 (2014: $1,097,195). These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The ability of the consolidated entity to continue to pay its debts as and when they fall due is dependent upon the consolidated entity successfully:

- generating revenue from its Australian Commodities Division;
- continuing the development of its African Commodities Division, which includes the Mekambo-Est project;
- strengthening the relationship with its Gabonese partners; and
- raising additional share capital on the financial market, if required.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because the Directors have an appropriate plan to meet the conditions described above.

As a result, the accounts have been prepared on the basis that the consolidated entity can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business.

a) **Significant accounting estimates, judgments and assumptions**

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) **Significant accounting estimates, judgments and assumptions (continued)**

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) Share based payment transactions

The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model at the date of granting.

(ii) Impairment of exploration and evaluation assets and investments in and loans to subsidiaries

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

Waratah currently expenses all exploration expenditure as incurred.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

(iii) Deferred tax

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

b) **Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities of the parent (Waratah Resources Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of subsidiaries is provided in Note 13.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains and losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group. All controlled entities have a 30 June financial year-end.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) **Principles of Consolidation (continued)**

Business combinations

Business combinations occur when an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

c) **Income Tax**

The charge for current income tax expense is based on the profit or loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on either accounting profit or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

e) **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets is as follows:

Plant and Equipment	10-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) **Financial Instruments**

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories; financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Purchases and sales of investments are recognised on trade-date being the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale investments revaluation reserve are recognised in equity in the "available for sale revaluation reserve". When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of profit or loss and other comprehensive income as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing methods refined to reflect the issuer's specific circumstances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) **Financial Instruments (continued)**

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss, is removed from equity and recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in the statement of profit or loss and other comprehensive income on equity instruments are not reversed through the statement of profit or loss and other comprehensive income.

Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) **Impairment of Assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h) **Employee Benefits**

(i) Short-term employee benefits

Provision is made for the Group's obligation to short-term benefits. Short-term benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

(ii) Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, duration of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(iii) Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services received cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) **Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

k) **Revenue and Other Income**

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest revenue is recognised as it accrues. Dividend revenue is recognised when the right to receive a dividend has been established.

l) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m) **Receivables**

Trade and other receivables are stated at their costs less impairment losses.

n) **Earnings Per Share (EPS)**

Basic earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) **Contributed Equity**

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

p) **Acquisition of Assets**

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

The acquisition cost is capitalised in the statement of financial position.

Such costs are only carried forward in respect of areas of interest for which the rights of tenure are current and where:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation, to the area are continuing.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where carried-forward acquisition cost does not satisfy the policy stated above it is impaired in the statement of profit or loss and other comprehensive income in the review period.

q) **Exploration and mining information expenditure**

Exploration and mining information expenditure is stated at cost and is expensed in the statement of profit or loss and other comprehensive income in the period it is incurred.

Rehabilitation, restoration and environmental costs

Long-term environmental obligations are based on the Company's environmental management plans, in compliance with current environmental and regulatory requirements.

The costs will include obligations relating to reclamation, waste site closure, plant closure and other costs associated with the restoration of the site, when relevant.

Full provision is made based on the net present value of the estimated cost of restoring the environment disturbance that has been incurred as at the reporting date. Increases due to additional environmental disturbance (to the extent that it relates to the development of an asset) are capitalised and amortised over the remaining lives of the mines.

Annual increases in provision relating to the change in the present value of the provision are accounted for in earnings.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

r) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. During the reporting period ended 30 June 2014, the Company received a refund of $497,410 under the Federal Government's Research and Development (R&D) Tax Incentive Scheme which was classified as Revenue. This amount has been re-classified as an income tax benefit rather than income on the Consolidated Statement of Profit or Loss and Other Comprehensive Income to be consistent with the classification in reporting period ended 30 June 2015.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) **New and Amended Accounting Policies Adopted by the Group**

Consolidated financial statements

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the 'AASB') that are relevant to its operations and effective for reporting periods beginning on 1 January 2014.

The following new and revised Standards and Interpretations have been adopted in the current period:

- AASB 1031 (2013) 'Materiality';
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-7 'Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policyholders'
- AASB 2013-9 (Part B) 'Amendments to Australian Accounting Standards – Materiality'
- Interpretation 21 'Levies'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
    - Part A: 'Annual Improvements 2010–2012 and 2011–2013 Cycles'
    - Part C: 'Materiality'

These standards and interpretations did not have any effect on the financial position or performance of the Group.

t) **New accounting standards for application in future periods**

The Group has not elected to early adopt any new standards or amendments.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The directors note that the impact of the initial application of the Standards and Interpretations is not yet known or is not reasonably estimable. These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) New accounting standards for application in future periods (continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards[1]	1 January 2018	30 June 2019
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

1. The AASB has issued the following versions of AASB 9 and the relevant amending standards;

- AASB 9 'Financial Instruments' (December 2009), AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures', AASB 2013-9 'Amendment to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' – Part C: Financial Instruments and AASB 2014-1 'Amendment to Australian Accounting Standards' – Part E: Financial Instruments
- AASB 9 'Financial Instruments' (December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosure', AASB 2013-9 'Amendment to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' – Part C: Financial Instruments and AASB 2014-1 'Amendment to Australian Accounting Standards' – Part E: Financial Instruments

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) **New accounting standards for application in future periods (continued)**

- AASB 9 ‘Financial Instruments’ (December 2014) and AASB 2014-7 ‘Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)’
- AASB 2014-8 ‘Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)’. For annual reporting periods beginning on or after 1 January 2015, an entity may elect to early adopt either AASB 9 (December 2009) or AASB 9 (December 2010) and the relevant amending standards if the entity’s relevant date of initial application is before 1 February 2015, however after that point if an entity wishes to early adopted AASB 9, it must adopt the AASB 9 (December 2014) version.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: OTHER REVENUE

	2015 $	2014 $
Operating activities		
Commodities Trading Division	389,865	-
Profit on sale of plant and equipment	30,000	5,200
Interest received	4,270	16,415
Other income	-	8,758
	424,135	30,373

NOTE 3: LOSS BEFORE INCOME TAX EXPENSE

	2015 $	2014 $
The result for the year includes the following specific items:		
- Employee and management benefits expense (before superannuation expenses)	478,625	497,922
- Impairment of assets held for re-sale	100,000	-
- Exploration and mining information expenditure	518,136	215,953
- Bad debt written off	1,320,698	-
- Equity settled share-based payment transactions	-	-
- Superannuation expenses	44,026	34,931
- Loss/(Gain) on foreign exchange	4,157	168

NOTE 4: INCOME TAX EXPENSE

a) The components of tax expense/(benefit) comprise:

	2015 $	2014 $
Current tax	(1,478,287)	(497,410)
Deferred tax	-	-
	(1,478,287)	(497,410

WARATAH RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: INCOME TAX EXPENSE (CONTINUED)

b) The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2015 $	2014 $
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2014: 30%)	(996,949)	(249,159)
Add:		
Tax effect of:		
- other non-allowable items	26,227	5,611
- share based payments	-	-
- provisions and accruals	2,509	(4,573)
- accrued income	158	474
- overseas exploration and mining information expenditure	155,441	64,786
- revenue losses not recognised	1,021,917	301,510
Total	1,206,252	367,808
Less:		
- capital raising costs not recognised	(53,863)	(53,863)
- exploration and mining information expenditure	(155,441)	(64,786)
- research & development claim refund	(1,478,287)	(497,410)
	(1,687,591)	(616,059)
Income tax expense/(benefit)	(1,478,288)	(497,410)
The applicable average weighted tax rates are as follows:	0%	0%

c) The following deferred tax balances have not been accounted for:

	2015	2014
Deferred tax assets:		
At 30%		
Carried forward revenue losses	4,213,670	4,185,244
Carry forward capital losses	15,000	15,000
Provisions and accruals	16,071	9,602
Capital Raising Costs	59,482	113,345
	4,304,223	4,323,191

The tax benefits of the above Deferred Tax Assets will only be obtained if:

(i) The Group derives future assessable income of a nature and an amount sufficient to enable the benefits to be utilised; and

(ii) The Group continues to comply with the conditions for deductibility imposed by law; and

(iii) No change in income tax legislation adversely affects the Group in utilising the benefits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: INCOME TAX EXPENSE (CONTINUED)

	2015 $	2014 $
d) The following deferred tax balances have not been accounted for:		
Deferred tax liabilities:		
At 30%		
Accrued Income	-	2
Workers Compensation prepaid	3,960	157
	3,960	159

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the Deferred Tax Assets have not been recognised.

NOTE 5: AUDITORS' REMUNERATION

	2015 $	2014 $
Audit and review of financial statements		
DFK Laurence Varnay: Year ended 30 June 2015 and 2014	25,000	25,500
Grant Thornton: Year ended 30 June 2013	-	5,393
Total remuneration for audit and review of financial statements	25,000	30,893
Other services		
DFK Laurence Varnay: Preparation of tax return and other tax advice	48,381	39,458
Total other services	48,381	39,458
	73,381	70,351

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 6: EARNINGS PER SHARE

	2015 $	2014 $
Loss used to calculate basic and dilutive earnings per share	(1,844,875)	(830,530)

	NUMBER	NUMBER
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive earnings per share	376,219,059	300,669,449

NOTE 7: CASH AND CASH EQUIVALENTS

	2015 $	2014 $
Cash at bank and on hand	183,949	860,637

NOTE 8: TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
Trade and sundry receivables	535	6,950
Research and Development incentive claim	986,367	-
GST receivable	22,976	31,252
Performance Bond	-	70,000
Advances to business partners	-	393,419
	1,009,878	501,621

Refer to note 22 Financial Risk Management for further details

NOTE 9: OTHER ASSETS

	2015 $	2014 $
Current		
Accrued Interest	-	5
Prepayments	13,200	17,083
Advances to business partners	-	2,000
	13,200	19,088
Non-current		
Security held by bank	-	10,000
	-	10,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 10: ASSETS HELD FOR RE-SALE

	2015 $	2014 $
Field equipment	170,533	-

Field Equipment held for re-sale is a Cortech Core Diamond Drill Rig. Refer to Note 11 for further detail.

NOTE 11: PLANT AND EQUIPMENT

	2015 $	2014 $
Plant and equipment:		
Office equipment at cost	4,825	4,825
Office equipment accumulated depreciation	(4,825)	(4,825)
	-	-
Field equipment adjustment (i)	-	270,533
Total plant and equipment	-	270,533

(i) As at 31 December 2013, the Group revalued its drilling equipment in Africa from Nil to A$270,533 (USD250,000). The revaluation was made by Directors of the Company, in reference to the potential market value of this equipment. No independent valuer was involved. Under the cost model, the carrying value would have been nil. Due to the previous write-down of the drilling equipment to nil, a revaluation surplus was recognised in the profit and loss. This revalued drill rig is included in the reporting segment of “Minerals Exploration” in Note 19.

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated Group:	
Balance at 1 July 2013	553
Field equipment adjustment	270,533
Depreciation expense	(553)
Balance at 30 June 2014	270,533
Impairment of drill rig(i)	(100,000)
Transfer to assets held for re-sale	(170,533)
Balance as at 30 June 2015	-

(i) As at 31 December 2014, the Group re-assessed the carrying value of its drilling equipment resulting in an impairment charge of $100,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 12: EXPLORATION AND EVALUATION EXPENDITURE

	2015 $	2014 $
Non-producing properties		
Balance at the beginning of the reporting period	385,112	385,112
Additions	535,306	782,506
Impairment of exploration and evaluation assets	(518,136)	(782,506)
Balance at the end of the reporting period	402,282	385,112

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Group conducts impairment testing on an annual basis unless indicators of impairment are present at the reporting date.
The Company has elected to expense the exploration expenditure incurred to the statement of profit or loss and other comprehensive income in accordance with *AASB 6 Exploration for and Evaluation of Mineral Resources*.

NOTE 13: CONTROLLED ENTITIES

The subsidiaries listed below have share capital consisting solely of ordinary shares.

CONTROLLED ENTITY	COUNTRY OF INCORPORATION	PERCENTAGE OWNED
Afriresources Congo S.A.	Republic of Congo	90%
Waratah (No1) Pty Ltd	Australia	100%
Waratah Resources Gabon S.A.	Gabon	100%
Galina Iron Limited	BVI	100%
Nyive Congo SA	Republic of Congo	80%

There are no significant restrictions over the Group's ability to access or use assets.

NOTE 14: TRADE AND OTHER PAYABLES

	2015 $	2014 $
Trade payables	234,270	138,046
Sundry payables and accrued expenses[(I)]	666,459	162,698
	900,729	300,744

(i) Sundry payables and accrued expenses includes;

- Settlement costs totalling $400,000. In May 2015, the Company reached settlement of an on-going dispute with Sunfield Resources Limited to be paid in two tranches of $200,000 each with the first payment made on 14 August 2015 and the final payment due on 24 November 2015; and
- $130,000 being shares subscription moneys received prior to the end of the reporting period and held in a trust account until the shares were allotted in July 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 15: PROVISIONS

	2015 $	2014 $
Current		
Annual leave	39,604	15,483
	39,604	15,483

NOTE 16: BORROWINGS

(i) In August 2014, the Group obtained a loan to the amount of $267,000 (2014: Nil), repayable within one month of drawdown. $100,000 was repaid during the reporting period. In April 2015, the terms of the loan were re-negotiated with no fixed term of repayment. The proceeds from the loan were used to fund the acquisition of coal from CV ES Holdings in Indonesia. Details as follows:

Principal:	$267,000
Amount repaid:	$100,000
Interest accrued:	$ 56,070
Balance due as at 30 June 2015:	$223,070
Security:	Cortech Core Diamond Drill Rig

Since the end of the reporting period, the balance owing on the loan, being $223,070, was repaid in full, with $25,000 repaid on 8 July 2015 and $198,070 repaid on 6 August 2015.

(ii) During the reporting period, the Group obtained a loan from Mr Ben Kirkpatrick to the amount of $65,000 (2014: Nil) of which $16,882 was repaid in December 2014 and the balance owing of $48,118 was repaid in January 2015. The funds were used to fund shipping demurrage and replacement coal costs. Refer to the Directors' Report – Review of Operations for further detail.

NOTE 17: ISSUED CAPITAL

	2015 $	2014 $
440,557,168 fully paid ordinary shares (30 June 2014: 332,047,622 fully paid ordinary shares)	23,811,366	23,080,816
Shares Issue costs	(970,139)	(970,139)
	22,841,227	22,110,677

FULLY PAID ORDINARY SHARES	2015 NUMBER	2015 $	2014 NUMBER	2014 $
Balance at the beginning of the period	332,047,622	23,080,816	281,592,067	21,567,150
Shares issued during the period and fully paid	108,509,546	730,550	50,455,555	1,513,666
Balance at the end of the period	440,557,168	23,811,366	332,047,622	23,080,816

Each ordinary share carries the right to one vote at shareholders' meetings and is entitled to participate in any dividends or other distributions of the Group.

NOTE 17: ISSUED CAPITAL (CONTINUED)

a) The following equity securities were issued during the reporting period:

(i) On 6 November 2014, the Group allotted 31,900,000 fully paid ordinary shares at an issue price of $0.01 per share raising $319,000.

(ii) On 19 December 2014, the Group allotted 14,400,000 fully paid ordinary shares at an issue price of $0.01 per share to Mr B Kirkpatrick, Executive Chairman, in lieu of part salary as approved by shareholders at the Annual General Meeting held on 28 November 2014. Total consideration: $144,000.

(iii) On 19 December 2014, the Group allotted 5,000,000 fully paid ordinary shares at an issue price of $0.01 per share to Mr P McNamara, a former Non-Executive Director of the Company, in lieu of payment of consulting fees as approved by shareholders at the Annual General Meeting held on 28 November 2014. Total consideration: $50,000.

(iv) On 13 April 2015, the Group allotted 45,454,546 fully paid ordinary shares at an issue price of $0.0022 per share raising $100,000.

(v) On 9 June 2015, the Group allotted 5,000,000 fully paid ordinary shares at an issue price of $0.01 per share to Mr J Downes, a former Non-Executive Director of the Company, in lieu of payment of outstanding director's fees up to an including 28 November 2014, totalling $50,000, The shares were issued in accordance with the terms and conditions as approved by shareholders at the General Meeting held on 27 May 2015.

(vi) On 26 June 2015, the Group allotted 6,755,000 fully paid ordinary shares at an issue price of $0.01 to Directors as approved by shareholders at the General Meeting held on 27 May 2015. Total consideration: $67,550.

b) The following equity securities were issued during the comparative period:

(i) On 20 November 2013, the Group allotted 6,833,333 fully paid ordinary shares at an issue price of $0.03 per share raising $199,900.

(ii) On 25 February 2014, the Group allotted 43,250,000 fully paid ordinary shares at an issue price of $0.03 per share raising $1,297,500.

(iii) On 25 February 2014, the Group allotted 100,000 fully paid ordinary shares at an issue price of $0.03 per share in lieu of part salary to an employee of the Group. Total consideration: $3,000.

(iv) On 21 March 2014, the Group allotted 272,222 fully paid ordinary shares at an issue price of $0.03 per share in lieu of part salary to an employee of the Group. Total consideration: $8,166.

c) At reporting date the Group had the following options on issue:

(i) 15,000,000 options over ordinary shares with an exercise price of $0.10 each, exercisable on or before 29 November 2015.

(ii) 5,000,000 options over ordinary shares with an exercise price of $0.075 each, exercisable on or before 18 December 2015.

(iii) 5,000,000 options over ordinary shares with an exercise price of $0.10 each, exercisable on or before 18 December 2015.

d) Capital management

Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, working capital requirements, distributions to shareholders and share issues.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 18: RESERVES

	2015 $	2014 $
Option reserve		
Opening balance	1,797,930	1,797,930
Options issued	-	-
Closing balance	1,797,930	1,797,930

For information relating to share options issued to key management personnel during the previous financial year, refer to Note 23, Share-based Payments.

Contingent reserve

The contingent reserve totalling $4,465,000 as at 30 June 2013 represented contingent consideration issued as part of the acquisition cost of Galina Iron Limited in the period ended 30 June 2012. This contingent amount of $4,465,000 was reversed during the period ended 30 June 2014.

	2015 $	2014 $
Opening balance	-	4,465,000
Transfer to accumulated losses(i)	-	(4,465,000)
Closing balance	-	-
Total Reserves	1,797,930	1,797,930

(i) Following an internal project review during the reporting period ended 30 June 2013, the Board of Directors chose to divest its Congolese assets and exit the Republic of Congo. Waratah has been approached by a number of parties interest in acquiring the company's Congolese assets and is currently engaged in preliminary confidential discussions. There is no guarantee that any transaction will result from these discussions. As a consequence, the Board of Directors decided to impair all of the Okanabora assets. The Group recorded an impairment charge of $2,811,030 in the period ended 30 June 2013 to reflect the reduced value. At this stage the contingent reserve of $4,465,000 remained on the balance sheet. The Board has since determined that this contingent reserve should be reversed and accordingly accumulated losses have been adjusted by $4,465,000 in the period ended 30 June 2014.

NOTE 19: SEGMENT REPORTING

The consolidated group operates in two business segments being mineral exploration and Australian Commodities Division, in two geographical locations, being Asia and Africa.

The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the Company is managed and provides a meaningful insight into the business activities of the Company.

The following tables present details of revenue and operating profit by business segment. The information disclosed in the tables below is derived directly from the internal financial reporting system used by corporate management to monitor and evaluate the performance of our operating segments separately. Segment information for the reporting period is as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: SEGMENT REPORTING (CONTINUED)

2015	MINERAL EXPLORATION $	AUSTRALIAN COMMODITIES TRADING DIVISION $	UNALLOCATED $	TOTAL $
REVENUE				
Coal sales	-	389,865	-	389,865
Interest revenue	-	-	4,270	4,270
Other revenue	30,000	-	-	30,000
Total segment revenue	30,000	389,865	4,270	424,135
RESULTS				
Operating profit/(loss) before tax	(488,136)	(1,766,138)	(1,068,888)	(3,323,162)
Included within segment results:				
Cost of coal sales	-	325,112	-	325,112
Administration and other costs	-	197,938	142,554	340,492
Compliance costs	-	-	106,910	106,910
Consultants	-	-	215,490	215,490
Depreciation of segment assets	-	-	-	-
Employee benefits, management and on costs	-	312,255	51,188	363,443
Directors fees	-	-	-	-
Exploration and mining information expenditure	518,136	-	-	518,136
Interest paid/payable	-	-	57,015	57,015
Cash advances to business partners	-	1,320,698	-	1,320,698
Settlement costs	-	-	400,000	400,000
Plant & Equipment adjustment	-	-	100,000	100,000
Segment assets	397,294	-	1,382,548	1,779,842

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: SEGMENT REPORTING (CONTINUED)

2014	MINERAL EXPLORATION $	AUSTRALIAN COMMODITIES TRADING DIVISION $	UNALLOCATED $	TOTAL $
REVENUE				
Interest revenue	-	-	16,415	16,415
Other revenue	5,200	-	8,758	13,958
Total segment revenue	5,200	-	25,173	30,373
RESULTS				
Operating profit/(loss) before tax	(506,773)	(372,676)	(448,491)	(1,327,940)
Included within segment results:				
Administration and other costs	-	141,813	70,240	212,053
Compliance costs	-	-	114,435	114,435
Consultants	-	88,448	164,883	253,331
Depreciation of segment assets	-	-	553	553
Employee benefits, management and on costs	-	125,860	75,310	201,170
Directors fees	-	7,552	48,243	55,795
Exploration and mining information expenditure	782,506	-	-	782,506
Freight expenses	-	9,003	-	9,003
Plant & Equipment adjustment	(270,533)	-	-	(270,533)
Segment assets	657,337	463,419	923,235	2,046,991

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: SEGMENT REPORTING (CONTINUED)

No segment liabilities are disclosed because there is no measure of segment liabilities regularly reported to corporate management.

The total presented for the Group's operating segments reconcile to the key financial figures as presented in its financial statement as follows:

a) Reconciliation of reportable segment profit and loss.

As at 30 June:	2015 $	2014 $
Total profit or loss for reportable segment	(3,323,162)	(1,327,94)
Elimination of inter-segment profit	-	-
Loss before tax from continuing operations	(3,323,162)	(1,327,940)

b) Reconciliation of reportable segment assets.

As at 30 June:	2015 $	2014 $
Reportable segment assets	1,779,842	2,046,991
Elimination of inter-segment assets	-	-
Total assets	1,779,842	2,046,991

c) Assets by geographical region.

As at 30 June:	2015 $	2014 $
Asia	1,382,548	1,389,654
Africa	397,294	657,337
Total assets	1,779,842	2,046,991

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 20: CASH FLOW INFORMATION

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2015 $	2014 $
a) Reconciliation of loss for the period after income tax to cash flows used in operating activities		
Loss for the period	(1,844,875)	(830,530)
Add/(subtract) non-cash items:		
Depreciation of non-current assets	-	553
Equity settled share-based payment transactions	240,550	3,000
Profit on sale of equipment	(30,000)	-
Bad debts written off	1,320,698	-
Field equipment adjustment	100,000	(270,393)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(973,269)	(23,393)
(Increase)/decrease in prepayments	3,883	(8,460)
Increase/(decrease) in trade payables and accruals	579,655	34,816
Increase/(decrease) in provisions	24,120	(2,648)
Net cash from operating activities	(579,238)	(1,097,195)

b) Non-cash financing and investing activities

There were no non-cash financing and investing activities during the year.

NOTE 21: KEY MANAGEMENT PERSONNEL COMPENSATION

a) Individual directors' and executives' compensation disclosure

The key management personnel compensation comprised:

- Short term employment benefits;
- Post-employment benefits; and
- Share based payments (options).

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as required by Corporation Regulation 2M.3.03 is provided in the remuneration report section of the directors' report.

Apart from the details disclosed in the remuneration report section of the directors' report, no director has entered into a material contract with the group since the end of the previous financial year and there were no material contracts involving directors' interest existing at the year end.

b) Wholly-owned group transactions

Nil

NOTE 22: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts payable.

(i) Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

(ii) Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are liquidity risk, credit risk and price risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)

Price risk

The Group is not exposed to price risk.

The Group holds the following financial instruments:

	2015 $	2014 $
Financial assets		
Cash and cash equivalents	183,949	860,637
Receivables	1,009,878	501,621
Other assets	13,200	29,088
Assets held for re-sale	170,533	-
	1,377,560	1,391,346
Financial liabilities		
Trade and sundry payables	900,729	300,744
	900,729	300,744
	476,831	1,090,602
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	900,729	300,744
More than 6 months	-	-
Total Trade and sundry payables	900,729	1,090,602

(iii) Net fair values

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments, forward exchange contracts and interest rate swaps. Fair values are materially in line with carrying values.

(iv) Interest rate sensitivity analysis

At 30 June 2015 the Group performed a sensitivity analysis of the effect on profit and loss and equity as a result of changes in the interest rate, with all other variables remaining constant. There was no significant impact on profit and loss or changes in equity.

NOTE 22: EXPLORATION EXPENDITURE COMMITMENTS

The Group has met the minimum exploration work specified by various Governments in order to maintain current rights of tenure to exploration tenements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 23: SHARE BASED PAYMENTS

Employee share option plan

All options granted to key management personnel are for fully paid ordinary shares in Waratah Resources Limited, which confer a right of one ordinary share for every option held. There were no employee options issued during the reporting period. The following share-based payment arrangements existed at 30 June 2015:

OPTIONS	2015 NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	2014 NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Issued to directors				
Balance at the beginning of the period	21,000,000	$0.19	38,600,000	$0.19
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	11,000,000	$0.18	17,600,000	$0.18
Outstanding at the end of the period	10,000,000	$0.20	21,000,000	$0.20
Exercisable at year end	10,000,000	$0.20	21,000,000	$0.20

The following share-based payment arrangements were in existence during the current and prior reporting periods:

OPTIONS SERIES	NUMBER GRANTED	NUMBER VESTED	GRANT DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE AT GRANT DATE
Series (i)	16,000,000	16,000,000	29 Nov 2010	28 Nov 2013	$0.18	$0.0720
Series (ii)	1,600,000	1,600,000	14 Dec 2010	28 Nov 2013	$0.20	$0.1040
Series (iii)	11,000,000	11,000,000	27 Jun 2012	27 Jun 2015	$0.30	$0.0230
Series (iv)	5,000,000	5,000,000	29 Nov 2012	18 Dec 2015	$0.075	$0.0149
Series (v)	5,000,000	5,000,000	29 Nov 2012	29 Nov 2015	$0.10	$0.0126

INPUTS INTO THE MODEL	SERIES (I)	SERIES (II)	SERIES (III)	SERIES (IV)	SERIES (V)
Grant date share price	$0.50	$0.50	$0.50	$0.50	$0.50
Exercise price	$0.18	$0.18	$0.18	$0.18	$0.18
Expected volatility	100%	100%	100%	85.94%	85.94%
Option life	3 years	3 years	3 years	3 years	3 years
Risk-free interest rate	5.11%	5.25%	2.355%	2.68%	2.68%

The options outstanding at 30 June 2015 had a weighted average exercise price of 8.75 cents and a weighted average remaining contractual life of 6 months.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 24: RELATED PARTY TRANSACTIONS

(i) Interests in controlled entities are disclosed in Note 13.

(ii) Key management personnel equity holdings are disclosed in the Remuneration Report in the Directors' Report.

(iii) No amounts in addition to those disclosed in the Remuneration Report in the Directors' Report were paid or payable to Directors of the Group at the end of the reported period.

(iv) 2014

As reported in the Remuneration Report included in the Directors' Report, fees totalling $87,916 were paid to McNamara Advisory Pty Ltd, a company in which Mr P McNamara has an interest. This arrangement is based on normal commercial terms and conditions.

NOTE 25: PARENT ENTITY DISCLOSURES

Financial position	2015 $	2014 $
Assets		
Current assets	1,206,590	1,379,654
Non-current assets	10,358,563	665,645
Total assets	11,565,153	2,045,299
Liabilities		
Current liabilities	1,163,403	270,178
Non-current liabilities	-	-
Total liabilities	1,163,403	270,178
Net assets	10,401,750	1,775,121
Equity		
Issued capital	22,841,227	22,110,677
Reserves	1,797,930	1,797,930
Accumulated losses	(14,237,412)	(22,133,486)
Total equity	10,401,745	1,775,121
Financial performance		
Loss for the year	(1,326,739)	(787,348)
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss)	(1,326,739)	(787,348)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 26: DIVIDENDS

The Board of directors has recommended that no dividend be paid.

NOTE 27: CONTINGENT ASSET AND LIABILITIES

The Group has an unused facility for bank guarantee of $50,000 as at 30 June 2015 (2014: $10,000). This facility is for Security Certificates on exploration licenses in Australia.
Apart from the above, the Group is unaware of any contingent assets or liabilities that may have a material impact on the Group's financial position.

NOTE 28: EVENTS AFTER THE REPORTING PERIOD

On 7 July 2015, the Group allotted 25,000,000 fully paid ordinary shares at an issue price of $0.01 per share raising $250,000.

Since the end of the reporting period, the Company repaid the balance of borrowings owing of $223,070 as at 30 June 2015 in two tranches: $25,000 was repaid on 8 July 2015 and $198,070 was repaid on 6 August 2015.

On 16 September 2015, Sir Warwick Andrew Kt. CBE was appointed Non-Executive Chairman of the Company. Mr Ben Kirpatrick stepped down from the Board and assumed the role of Chief Executive Officer.

Other than as stated elsewhere in this report, Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

DIRECTORS' DECLARATION

1. In the opinion of the Board of Directors of Waratah Resources Limited:

   a. the consolidated financial statements and notes of Waratah Resources Limited are in accordance with the *Corporations Act 2001*, including:

      i. Giving a true and fair view of its financial position as at 30 June 2015 and of its performance for financial year ended on that date; and

      ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

   b. There are reasonable grounds to believe that Waratah Resources Limited will be able to pay its debts as and when they become payable.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2015.

3. Note 2 confirm that the consolidated financial statements also comply with International Financial Reporting Standards.

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

Graham Duncan
Director

Date: 30 September 2015

INDEPENDENT AUDITOR'S REPORT

LEADING ACCOUNTANTS AND BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WARATAH RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Waratah Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 "Presentation of Financial Statements", the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

We make it happen!

A member firm of DFK International a worldwide association of independent accounting firms and business advisors

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INDEPENDENT AUDITOR'S REPORT

dfk laurence varnay
LEADING ACCOUNTANTS AND BUSINESS ADVISORS

Auditor's Opinion

In our opinion;

a) the financial report of Waratah Resources Limited is in accordance with the Corporations Act 2001, including:

   i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b) the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Material Uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the consolidated entity incurred a net loss of $1,844,875 and had net cash outflows from operating activities of $579,238 during the year ended 30 June 2015. As of that date, the consolidated entity had cash available for use of $183,949. The ability of the consolidated entity to continue as going concern is dependent upon the consolidated entity successfully generating revenue from its Australian Commodities Division, and raising additional capital on the financial market. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty that may cast doubt about the consolidated entity's ability to continue as a going concern.

Report on the remuneration report

We have audited the remuneration report included in page 14 to 20 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Waratah Resources Limited for the year ended 30 June 2015, complies with section 300A of the corporations Act 2001.

DFK LAURENCE VARNAY

Carl Dumbrell, Partner

Sydney

30 September 2015

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WARATAH RESOURCES LIMITED

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Ordinary share capital

465,557,168 fully paid shares are held by 707 individual shareholders as at 23 September 2015.
There were 10,966,557 shares held in unmarketable parcels of $500 or less, by 371 individual shareholders.
Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

25,000,000 options are held by 9 individual option holders.
Options do not carrying a right to vote.

Distribution of holders of equity securities

Category (size of holding)	Number of Holders: Fully Paid Ordinary Shares	Number of Holders: Options
1 – 1,000	35	-
1,001 – 5,000	32	-
5,001 – 10,000	36	-
10,001 – 100,000	306	-
100,001 – and over	298	9
	707	9

Substantial Shareholders

Substantial shareholder as at 23 September 2015:

Shareholder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Sir Warwick John Andrew	28,636,364	6.15
Kirkcorp Pty Ltd, Drambuie Superfund and B Kirkpatrick	26,315,573	5.65

Unquoted equity security holdings greater than 20%

	Number of Options Held	% Held of Options in an unquoted class
Option exercise price $0.10, expiry on 29/11/2015		
Peloton Capital	6,500,000	43.3%
D. Kirkpatrick	3,500,000	23.3%
Option exercise price $0.075, expiry on 18/12/2015		
Kirkcorp Pty Ltd *	5,000,000	100%
Option exercise price $0.10, expiry on 28/11/2015		
Kirkcorp Pty Ltd *	5,000,000	100%

* *Kirkcorp Pty Ltd is a company in which Mr Ben Kirkpatrick is a Director and has an interest.*

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Twenty Largest Shareholders - Ordinary Shares

A record of the twenty largest shareholders as at 23 September 2015 is as follows:-

Shareholder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Sir Warwick John Andrew	28,636,364	6.15%
Mr Barry Verinder	20,353,485	4.37%
Kirkcorp Pty Ltd	18,793,333	4.04%
UBS Wealth Management Australia Nominees Pty Ltd	16,917,509	3.63%
Tabouli Holdings Pty Ltd <Grant Family Settlement A/C>	15,303,031	3.29%
Blamnco Trading Pty Ltd	15,000,000	3.22%
Mr Barry Edward Verinder & Mrs Angela Rita Verinder <The Verinder Super Fund A/C>	12,374,553	2.66%
Highgate Superannuation Pty Ltd <Ian Awford S/F A/C>	10,000,000	2.15%
Novwood Holdings Pty Ltd <Crest S/F A/C>	8,500,000	1.83%
Aftron Pty Ltd	8,000,000	1.72%
Mr Jamie Taylor	7,500,000	1.61%
Silver Tiger Enterprises Limited	6,833,333	1.47%
Ms Kristen Childs	6,666,667	1.43%
Mr B D Kirkpatrick & Mrs J Carolyn Kirkpatrick<Drambuie Super Fund A/C>	6,647,484	1.43%
Getty Minerals Pty Ltd <The Childs Family S/F A/C>	6,579,873	1.41%
Falafel Investments Pty Limited <Grant Super Fund A/C>	5,682,000	1.22%
Computer World Com Au Pty Ltd	5,500,000	1.18%
Mr Ian William Dale	5,166,667	1.11%
Aftron Pty Ltd <Constantine E Vrisakis A/C>	5,000,000	1.07%
Buddy Trader Pty Ltd	5,000,000	1.07%
Mr Ian William Dale	5,000,000	1.07%
Rozos Pty Ltd <Superfund Can 116151225 A/C>	5,000,000	1.07%
Tower Holdings Pty Ltd	5,000,000	1.07%
	229,454,299	49.29%

Schedule of Interests in Mining Tenements

Project	Location of tenements	% of interest
Mekambo-Est*	Gabon	100%
Tchibanga	Gabon	100%
Waka	Gabon	100%
Makokou	Gabon	100%

*The Mekambo-Est licence is in the process of being renewed.

Company Secretary

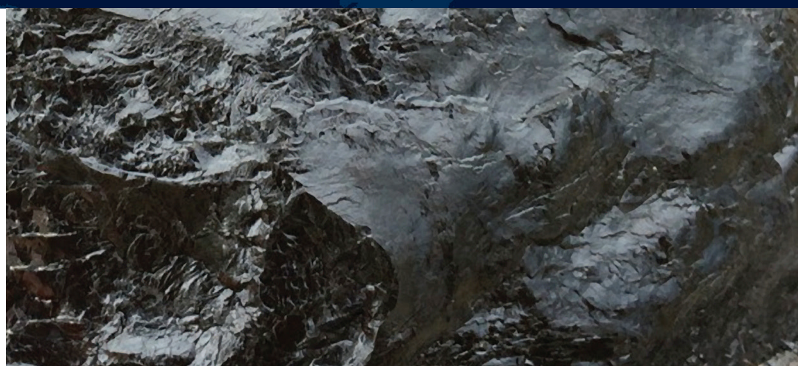
Ms Anne Adaley

Principal registered office

Level 2
66 Hunter Street
Sydney NSW 2000
T: +61 2 9232 6383

Share registry

Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000



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