



ABN 30 116 800 269
Erin Resources Limited

INTERIM FINANCIAL REPORT

31 DECEMBER 2014

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Corporate Directory

Directors	<p>Brett Mitchell Executive Director</p> <p>Nick Castleden Non-Executive Director</p> <p>Nick Poll Non-Executive Director</p>	Solicitors	<p>Steinepreis Paganin Lawyers and Consultants Level 4, The Read Buildings 16 Milligan Street Perth WA 6000</p>
Company Secretary	<p>Rachel Jelleff</p>	Auditors	<p>PKF Mack Level 4, 35 Havelock Street West Perth WA 6872</p>
Registered Office and Principal Place of Business	<p>Level 7, 1008 Hay Street Perth WA 6000</p> <p>Tel: +61 8 9389 2000 Fax: +61 8 9389 2099</p>	Securities Exchange Listing	<p>Erin Resources Limited securities are listed on the Australian Securities Exchange (ASX)</p> <p>Code 'ERI' for ordinary shares Code 'ERIOB' for listed options</p>
Share Registry	<p>Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St Georges Terrace Perth WA 6000</p>		

Directors' Report

Your directors submit the condensed interim financial report for the consolidated Group for the half-year ended 31 December 2014.

Directors

The names of directors who held office during or since the end of the half-year:

Brett Mitchell – *Executive Director*

Nick Castleden – *Non-executive Director*

Nick Poll – *Non-executive Director*

Operating Results

The consolidated loss for the Group after providing for income tax from continuing operations amounted to \$1,118,617 (2013: loss of \$127,084).

Dividends Paid or Recommended

No dividends have been paid or declared for payment during the financial period.

Review of Operations

During the half year the Company completed detailed technical reviews on its seven gold exploration projects in Senegal, West Africa and commenced planning for a focused exploration program for the 2015 field season.

The focus of the Company's resources for 2015 will be prioritised on drilling programs at the Company's Lingokoto gold discovery, including both aircore and RC drilling. The second key objective is a step-out RAB drilling program at the Maleko gold project to define the extent of mineralisation over the 1.2km soil anomaly, which is strategically located only 24km from Teranga Gold's Sabadola mine, the only operating gold mine in Senegal.

As part of the strategic and technical review undertaken on the Company's project interests in Senegal during the second half of 2014, the Board decided to relinquish its earned interests and ongoing funding obligations on its lower priority Wassadou North (77.5%) and Balakonko (80%) gold prospects. The Company still retains between a 77.5-80% interest in 5 gold projects in Senegal, and undertook this decision to focus its resources on its priority gold exploration projects, Lingokoto and Maleko.

Lingokoto Gold Project

The final set of aircore drilling results released by the Company in July 2014 confirmed the significant potential of the Lingokoto gold project in Senegal.

These results show Lingokoto is emerging as a substantial gold system, with mineralisation now outlined over a 1km strike length. It remains open to the south-west and at depth.

The region to the east of the permit contains several 1Moz-plus gold deposits, including Randgold Limited's Loulo goldmine (more than 12Moz gold) which lies 24km east of the Lingokoto discovery.

The aircore program completed earlier this year was the first systematic drilling program at Lingokoto, and it successfully extended the known mineralisation 980m to the south-west of the initial RAB intersections, which included a near-surface result of 6m at 51.5gpt (see ASX release dated January 29, 2014).

The aircore results show that the mineralisation runs in two parallel zones up to 90m wide, commences within 35m of the surface and is hosted mostly in weathered bedrock.

Directors' Report

An aircore line 360m to the south-west of the initial RAB traverse intersected zones of up to **18m at 1.66g/t end-of-hole** (including **12m at 2.14g/t**). Results from adjacent holes included **12m at 0.97g/t**, **6m at 1.52g/t** and **6m at 1.01g/t** (Figure 1). The same line also intersected results such as **9m at 1.19g/t** and **9m at 1.05g/t** in other anomalous zones.

The southern-most line drilled to date (980m south-west of the initial RAB traverse) has returned results of **3m at 4.81g/t**, **3m at 3.51g/t**, **3m at 2.07g/t** and **6m at 1.47g/t** in several anomalous areas.

Drilling is at an early stage and initial observations are that gold anomalism is predominantly hosted by saprolitic clays below a laterite profile. Observed lithologies include greywacke, volcanoclastic sediments, diorite, quartzite and zones of sericite-silica-tourmaline-pyrite alteration.

As well as confirming mineralisation over a significant strike length and width, the aircore results highlighted the potential for additional mineralisation to be identified in in-fill and extensional drilling and in fresh rock below the weathered material drilled to date.

This fresh rock will be tested as part of a RC drilling program.

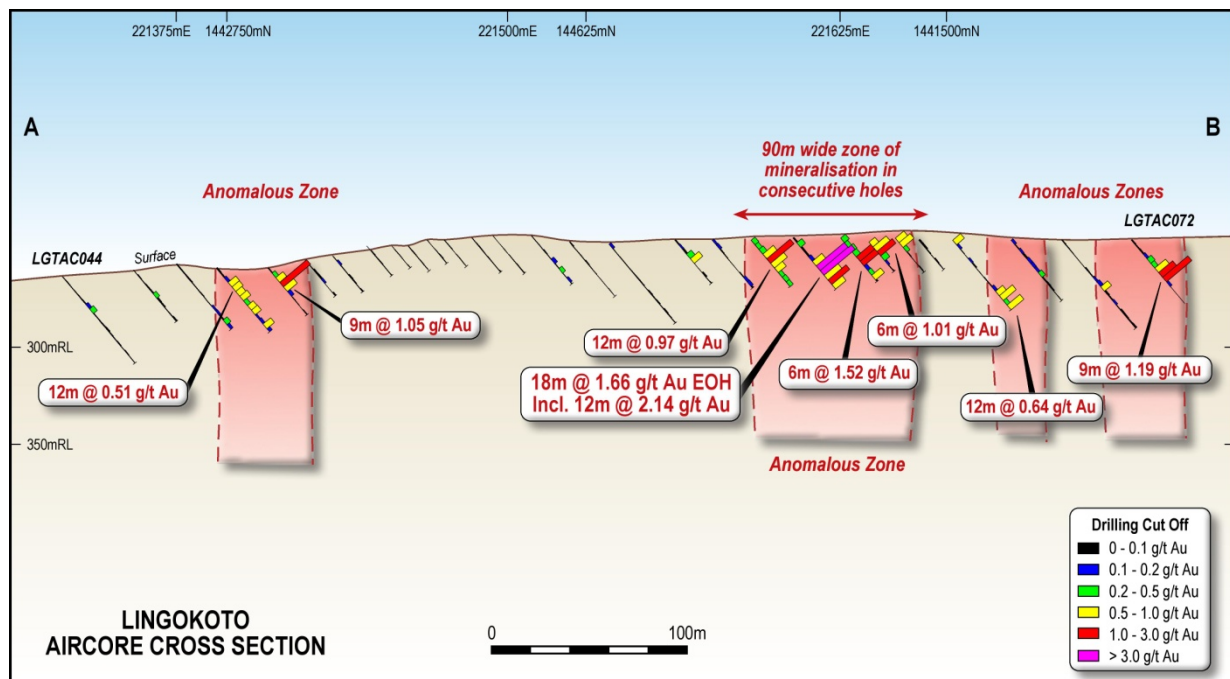


Figure 1. Gold Intercepts on Aircore Traverse 360m SW of Initial RAB Line

Maleko Gold Project

In 2014, the Company reported fresh soil sampling results from the Maleko prospect, confirming Maleko as the Company's second highly promising gold project in Senegal, with the anomaly more than doubling in length to 1.2km.

The Maleko project is strategically located only 20km from Teranga's Sabadola mine, the only operating gold mine in Senegal. Maleko is located between Sabadola and Teranga's Gora deposit, which is high grade feed for the Sabadola mill.

Drilling at Maleko has returned strong results from bedrock, including 7m at 10.4g/t. The drilling program was only conducted over a 140m strike length, with the best results coming from the western-most traverse against the original permit boundary, where the anomaly now remains open for a further 1km.

Directors' Report

Erin intends to conduct a second round of drilling at Maleko in the next exploration program. This will follow the priority drilling program at the Lingokoto gold project.

Background

Erin holds 441km² of exploration permits in Senegal and a portfolio of 5 strategically located permits (Figure 2). All the Company's projects lie within the Kedougou inlier that extends over eastern Senegal and along the country's western border with Mali. There are four multi-million ounce gold deposits that have recently been discovered within 25km of Erin's projects and in Senegal: Loulo (12Moz), Masawa (3.5Moz), Petowal (1.4Moz) and Oromin (3.7Moz).

About 30Moz of gold has been discovered in Senegal over the last 10 years and the Kedougou inlier hosts over 45Moz of gold in resources. This inlier forms a part of the Birimian shield, which covers most of West Africa and hosts over 280Moz of gold.

Senegal only recently commenced industrial scale gold mining and production at the Sabodala mine in 2009. The country's mining code, introduced in 2003, is based on mining codes found in Australia and Canada.

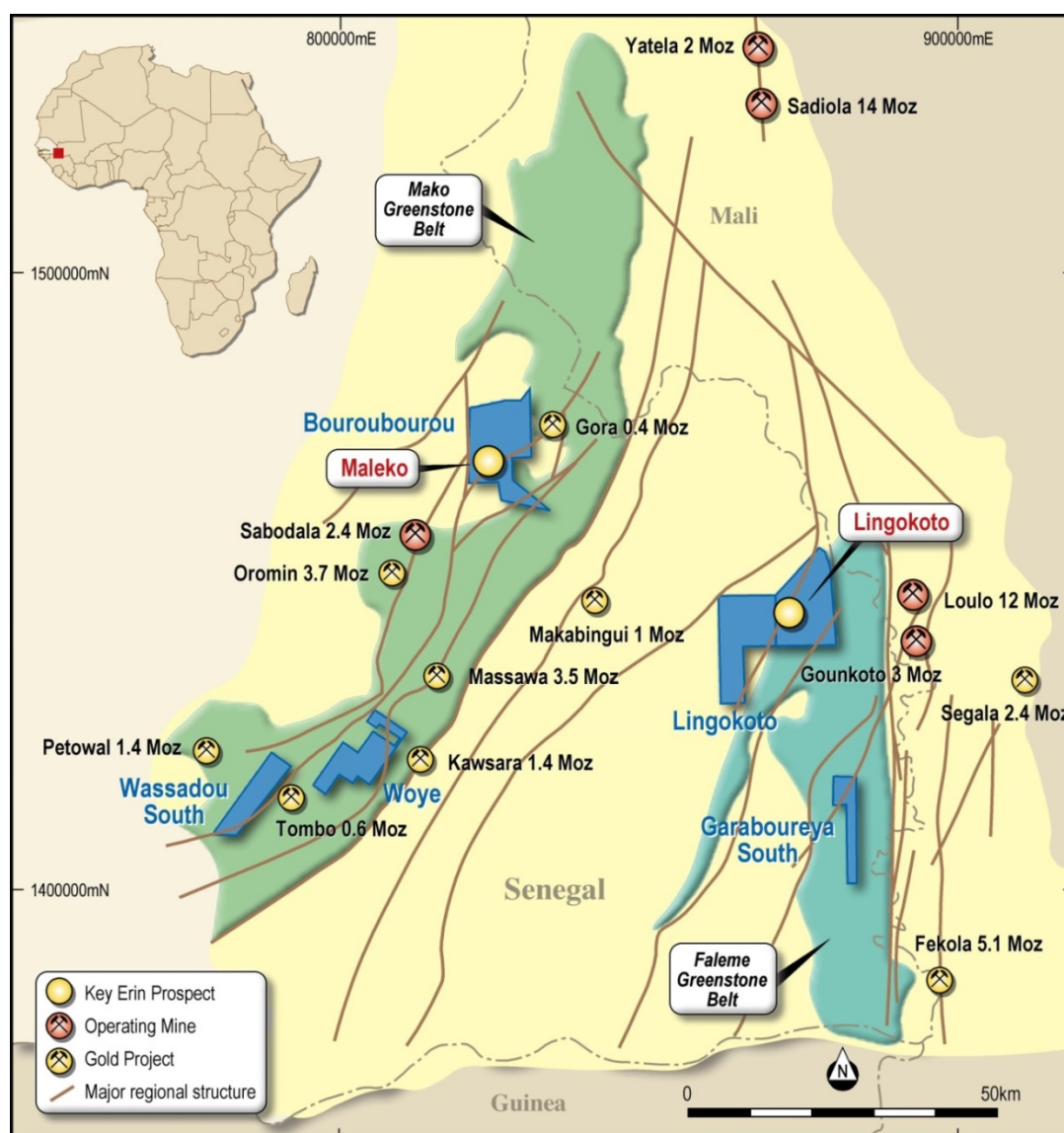


Figure 2. Regional Plan Senegal Permits and Location of Lingokoto Permit

Directors' Report

Competent Persons Statement

The information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr Nick Castleden who is a member of the Australian Institute of Geosciences. Mr Castleden is a full time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Castleden consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Exploration results referring to Lingokoto have been previously disclosed by Erin Resources in accordance with JORC 2012 in the announcements dated 29/01/2014 entitled 'High Grades Encountered in First Pass Drilling'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The exploration results relating to the other projects were previously prepared and disclosed under the JORC Code 2004 and have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified from the original market announcement. Refer to www.erinresources.com for details on exploration results.

Events Subsequent To Reporting Date

On 6 March 2015 the Company announced a working capital placement to raise \$322,134 before costs through the issue of up to 64,426,983 ordinary shares at \$0.005 each. For every four (4) shares issued the Company will issue one (1) free attaching Listed Option exercisable at \$0.02 on or before 30 June 2015. This Placement was undertaken for general working capital and to advance the Company's priority Lingokoto and Maleko gold projects in Senegal.

The 64,426,983 ordinary shares were issued on 12 March 2015 and the free attaching options will be issued upon shareholder approval at the Company's next shareholder meeting.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 7 for the half-year ended 31 December 2014

This report is signed in accordance with a resolution of the Board of Directors.



Brett Mitchell

Executive Director

Dated 13 March 2015

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ERIN RESOURCES LIMITED

In relation to our review of the financial report of Erin Resources Limited for the half year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF MACK



SIMON FERMANIS
PARTNER

13 MARCH 2015
WEST PERTH,
WESTERN AUSTRALIA

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ERIN RESOURCES LIMITED
Consolidated Interim Financial Report 31 December 2014
Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2014

		CONSOLIDATED GROUP	
	Note	31-Dec-14	31-Dec-13
		\$	\$
Revenue		3,560	7,082
Professional and consultancy fees		(33,622)	(13,105)
Marketing expenses		(15,258)	(213)
Directors' fees		(80,500)	(47,916)
Employee benefit expenses		(56,132)	(21,718)
Share based payment expense		(174,747)	(9,047)
Office and administrative expenses		(21,556)	(10,390)
Loss on Tenements Relinquished	4	(649,861)	-
Other expenses		(98,096)	(52,611)
Loss before operating activities		(1,126,212)	(147,918)
Foreign exchange losses		(3,136)	(2,431)
Loss before income tax		(1,129,348)	(150,349)
Income tax benefit		-	-
Loss after income tax from continuing operations		(1,129,348)	(150,349)
Other comprehensive income for the half year			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on the translation of foreign operations		10,731	23,265
Other comprehensive income (net of tax) for the half year		10,731	23,265
Total comprehensive loss for the half year		(1,118,617)	(127,084)
Total comprehensive loss attributable to:			
Members of the parent entity		(1,118,617)	(127,084)
		(1,118,617)	(127,084)
Earnings per share for loss attributable to the ordinary equity holders of the parent			
<i>From continuing and discontinued operations:</i>			
Basic loss per share (cents)		(0.44)	(0.12)
Diluted loss per share (cents)		(0.44)	(0.12)

The accompanying notes form part of these consolidated interim financial statements.

ERIN RESOURCES LIMITED
Consolidated Interim Financial Report 31 December 2014
Consolidated Statement of Financial Position

As at 31 December 2014

		CONSOLIDATED GROUP	
	Note	31-Dec-14	30-Jun-14
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		157,359	595,088
Trade and other receivables		63,530	68,302
Total Current Assets		220,889	663,390
NON CURRENT ASSETS			
Exploration and evaluation expenditure	4	3,936,496	4,315,040
Total Non-Current Assets		3,936,496	4,315,040
TOTAL ASSETS		4,157,385	4,978,430
CURRENT LIABILITIES			
Trade and other payables		168,232	234,294
Total Current Liabilities		168,232	234,294
NON-CURRENT LIABILITIES			
Loans payable to third parties		284,292	195,000
Total Non-Current Liabilities		284,292	195,000
TOTAL LIABILITIES		452,524	429,294
NET ASSETS		3,704,861	4,549,136
EQUITY			
Contributed equity		15,701,181	15,701,181
Share based payment reserve	5c	783,490	509,148
Foreign currency translation reserve		34,244	23,513
Retained earnings		(12,814,054)	(11,684,706)
TOTAL EQUITY		3,704,861	4,549,136

The accompanying notes form part of these consolidated interim financial statements.

ERIN RESOURCES LIMITED
Consolidated Interim Financial Report 31 December 2014
Consolidated Statement of Changes in Equity

For the half year ended 31 December 2014

	Note	Contributed Equity \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2013		14,046,083	221,365	24,224	(6,346,891)	7,944,781
Total comprehensive loss attributable to member of parent entity		-	-	23,265	(150,349)	(127,084)
Shares issued during the period (net of share issue costs)		703,315	108,641	-	-	811,956
Balance at 31 December 2013		14,749,398	330,006	47,489	(6,497,240)	8,629,653
Balance at 1 July 2014		15,701,181	509,148	23,513	(11,684,706)	4,549,136
Total comprehensive loss attributable to member of parent entity		-	-	10,731	(1,129,348)	(1,118,617)
Shares issued during the period (net of share issue costs)		-	274,342	-	-	274,342
Balance at 31 December 2014		15,701,181	783,490	34,244	(12,814,054)	3,704,861

The accompanying notes form part of these consolidated interim financial statements.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2014

	CONSOLIDATED GROUP	
	31-Dec-14	31-Dec-13
	\$	\$
<i>Cash flows from operating activities</i>		
Interest received	3,560	2,827
Payments to suppliers and employees	(224,986)	(164,731)
Refund of R&D rebate	-	(101,679)
Net cash used in operating activities	(221,426)	(263,583)
<i>Cash flows from investing activities</i>		
Payment for exploration assets	(216,303)	(127,849)
Net cash used in investing activities	(216,303)	(127,849)
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares, net of share issue cost	-	563,047
Net cash provided by financing activities	-	563,047
Net (decrease)/increase in cash and cash equivalents held	(437,729)	171,615
Cash and cash equivalents at beginning of period	595,088	161,432
Foreign exchange movement of cash	-	(1,692)
Cash and cash equivalents at end of period	157,359	331,355

The accompanying notes form part of these consolidated interim financial statements.

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2014

NOTE 1. CORPORATE INFORMATION

The financial report of Erin Resources Limited ('Erin' or the 'Company') and its controlled entities (the 'Group') for the half-year ended 31 December 2014 was authorised for issue in accordance with a resolution of the directors on 13 March 2015.

Erin Resources Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Group during the half year was exploration and evaluation of mineral licenses.

NOTE 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Basis of Preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new or revised accounting standards and interpretations

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 their operations and effective for the current half-year.

New and revised standards and amendments thereof, and interpretations effective for the current half-year that are relevant to the Group, include:

- i) *AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities.*

The Group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

- ii) *AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets.*

The Group has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

- iii) *AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C).*

ERIN RESOURCES LIMITED AND CONTROLLED ENTITIES
Consolidated Interim Financial Report 31 December 2014

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2014

The Group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgments made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

Accounting standards issued but not yet effective

The adoption of new and amended standards and interpretations had no impact on the financial position or performance of the Company.

The Company has not elected to early adopt any new accounting standards and interpretations.

Estimates

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2014.

Financial report prepared on a going concern basis

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

The consolidated entity incurred a loss from continuing operations of \$1,118,617 (2013: \$127,084) during the half year ended 31 December 2014 (mainly due to a one-off expense for the loss on relinquishment of tenements) and a cash balance as at that date of \$157,359.

In the directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable for the following reasons:

- (i) Subsequent to half year end the company issued 64,426,983 shares to raise \$322,134 for general working capital as part of a placement to sophisticated professional investors;
- (ii) Further capital raisings or loan facilities as required; and
- (iii) The Directors monitor and review the cash flow forecast on a continuous basis to ensure that the Company can pursue its exploration strategy.

NOTE 3. DIVIDENDS

There are no dividends paid or declared during the period.

ERIN RESOURCES LIMITED AND CONTROLLED ENTITIES
Consolidated Interim Financial Report 31 December 2014

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2014

NOTE 4. EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED GROUP	
	31-Dec-2014	30-Jun-2014
	\$	\$
Reconciliation of exploration and evaluation expenditure:		
Costs brought forward	4,315,040	8,466,010
Additions during the period	160,971	485,176
Fair value of the exploration and evaluation expenditure acquired during the period	-	-
Loss on relinquishment of tenements ¹	(649,861)	(4,834,962)
Amortisation of share based payments during the period	99,594	197,562
Foreign currency movement	10,752	1,254
	3,936,496	4,315,040

The value of exploration and evaluation expenditure carried forward is dependent on continued rights of tenure, the results of future exploration and recoupment of costs through successful development or sale.

¹ The carrying value of Wassadou South and Balankonko was reduced to nil on the relinquishment of these tenements.

NOTE 5. SHARE BASED PAYMENTS

a) Valuation of the Voluntary Holding Lock shares

As part of the acquisition of Erin Mineral Resources, Voluntary Holding Lock shares were issued to the Erin Mineral Resources shareholders.

The Voluntary Holding Lock shares (VHL Shares) may only be released from their holding lock upon the earlier of the following being satisfied:

- a) a change in control of the Company; or
- b) the Company achieving an enterprise value of at least \$25 million for ten consecutive trading days.

The VHL Shares will be fully paid ordinary shares that will rank equally with all existing shares on issue.

If, within 5 years from the date of issue of the VHL shares, the milestone is not reached and there is no change of control event, in relation to Erin, the VHL Shares will be cancelled by way of selective capital reduction or share buy-back at a price of \$0.000001 per share.

The VHL shares are included in the acquisition fair value of exploration and evaluation and amortised over a period of 5 years.

Number of VHL shares issued	13,000,000
Fair value per share ¹	\$0.07
Total value of the issue	\$906,588

	31-Dec-14	30-Jun-14
Amortisation expense (based on 5 years)	\$441,566	\$347,746

¹ The shares have been valued based on the probability of the events occurring, using the volatility and the share price on the date of acquisition.

Valuation date	17-August-12
Dividend yield (%)	Nil
Expected volatility (%)	71.75%
Share price at grant date (\$)	\$0.25
Probability (%)	27.8%

ERIN RESOURCES LIMITED AND CONTROLLED ENTITIES
Consolidated Interim Financial Report 31 December 2014

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2014

b) Valuation of the options issued

(i) 4 million unlisted options

In part consideration for the provision of corporate advisory services to the Company, the Company issued 4,000,000 unlisted options (post consolidation) to Verona. The options have an exercise price of \$0.20 each expiring on or before 30 June 2017. The options will only vest and become exercisable upon the voluntary holding lock in respect of the VHL Shares being released.

The fair value of the share options, at grant date is determined using a binomial option pricing method that takes into account the exercise price, the term of the option, the probability of exercise, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The following table lists the inputs to the model used for valuation of options:

Valuation date	17 August-12
Dividend yield (%)	Nil
Expected volatility (%)	71.75%
Risk-free interest rate (%)	3.09%
Expected life of option (years)	5
Option exercise price (\$)	\$0.20
Share price at grant date (\$)	\$0.25
Expiry date	30 June 2017
Performance conditions	Described above

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The probability of the performance conditions occurring was included in determining the fair value of the options.

The options are amortised over their expected life, being 5 years, and included in the fair value acquisition cost of exploration and evaluation expenditure.

Number of options		4,000,000
Fair value per option		\$0.01
Total value of the issue		\$55,790
	31-Dec-14	30-Jun-14
Amortisation expense (based on 5 years)	\$27,173	\$21,400

(ii) 2 million unlisted options

On 23 January 2013, a total of 2 million unlisted share options were issued to Mr Paul Cranney in consideration for geological consultancy services provided to the Company. The options were issued in three tranches and have an expiry date of 23 January 2018.

The fair value of the share options at grant date are determined using a binomial option pricing method that takes into account the exercise price, the term of the option, the probability of exercise, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

ERIN RESOURCES LIMITED AND CONTROLLED ENTITIES
Consolidated Interim Financial Report 31 December 2014

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2014

The following table lists the inputs to the model used for valuation of options:

	Tranche 1	Tranche 2	Tranche 3
Valuation date	23 January 2013	23 January 2013	23 January 2013
Vesting Date	23 January 2013	27 August 2013	27 August 2014
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	81%	81%	81%
Risk-free interest rate (%)	3.29%	3.29%	3.29%
Expected life of option (years)	5	5	5
Option exercise price (\$)	\$0.30	\$0.35	\$0.40
Share price at grant date (\$)	\$0.08	\$0.08	\$0.08
Expiry date	23 January 2018	23 January 2018	23 January 2018
Performance conditions	Described above	Described above	Described above

The options are amortised over their vesting date, and are expensed accordingly.

31 December 2014	Tranche 1	Tranche 2	Tranche 3	Total
Number of options	1,000,000	500,000	500,000	2,000,000
Fair value per option	\$0.034	\$0.032	\$0.030	-
Total value of the issue	\$34,000	\$16,000	\$15,000	\$65,000
Amortisation expense (based on 5 years)	-	-	\$1,497	\$1,497

(iii) 15 million listed options

On 16 May 2014, the Company issued 15 million listed options to external consultants in lieu of cash payment for services provided to the Company. The options are exercisable at \$0.02 each on or before 30 June 2015.

The fair value of the share options at grant date are determined using a binomial option pricing method that takes into account the exercise price, the term of the option, the probability of exercise, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The following table lists the inputs to the model used for valuation of options:

Valuation date	18 June 2014
Dividend yield (%)	Nil
Expected volatility (%)	125%
Risk-free interest rate (%)	2.68%
Expected life of option (years)	1.1
Option exercise price (\$)	\$0.02
Share price at grant date (\$)	\$0.013
Expiry date	30 June 2015

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The options are amortised over their vesting date, and are expensed accordingly.

(iv) 3.5 million unlisted options

On 22 July 2014, 3.5 million unlisted options in two tranches of 1,750,000 were issued to Key Personnel for their past and ongoing services to the Company.

ERIN RESOURCES LIMITED AND CONTROLLED ENTITIES
Consolidated Interim Financial Report 31 December 2014

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2014

The fair value of the share options at grant date are determined using a binomial option pricing method that takes into account the exercise price, the term of the option, the probability of exercise, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The following table lists the inputs to the model used for valuation of options:

	Tranche 1	Tranche 2
Valuation date	18 July 2014	18 July 2014
Dividend yield (%)	Nil	Nil
Expected volatility (%)	125%	125%
Risk-free interest rate (%)	2.79%	2.79%
Expected life of option (years)	3	3
Option exercise price (\$)	\$0.025	\$0.04
Share price at grant date (\$)	\$0.013	\$0.013
Expiry date	30 June 2017	30 June 2017

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The options are amortised over their vesting date, and are expensed accordingly.

31 December 2014	Tranche 1	Tranche 2	Total
Number of options	1,750,000	1,750,000	3,500,000
Fair value per option	\$0.0082	\$0.0072	-
Total value of the issue	\$14,350	12,600	\$26,950

(v) 19 million unlisted options

On 17 September 2014, 19 million unlisted options were issued in tranches of 9.5 million to Directors (and a past director) for their services to the Company.

The fair value of the share options at grant date are determined using a binomial option pricing method that takes into account the exercise price, the term of the option, the probability of exercise, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The following table lists the inputs to the model used for valuation of options:

	Tranche 1	Tranche 2
Valuation date	18 July 2014	18 July 2014
Dividend yield (%)	Nil	Nil
Expected volatility (%)	125%	125%
Risk-free interest rate (%)	2.79%	2.79%
Expected life of option (years)	3	3
Option exercise price (\$)	\$0.025	\$0.04
Share price at grant date (\$)	\$0.01	\$0.01
Expiry date	30 June 2017	30 June 2017

ERIN RESOURCES LIMITED AND CONTROLLED ENTITIES
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Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2014

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The options are amortised over their vesting date, and are expensed accordingly.

31 December 2014	Tranche 1	Tranche 2	Total
Number of options	9,500,000	9,500,000	19,000,000
Fair value per option	\$0.0082	\$0.0072	-
Total value of the issue	\$77,900	\$68,400	\$146,300

c) Reconciliation of share based payment expense

As at 31 December 2014	Number of VHL shares/ unlisted options	Note	Value \$	Share based payment at 31 December 2014 \$
Opening balance				
VHL shares issued	13,000,000		0.069	347,746
Movement during the year:				
Amortisation expense				93,820
Total VHL share (note 6a)	13,000,000			441,566
Opening balance				
Options issued	21,000,000			161,402
Movement during the year:				
Unlisted options issued @ \$0.20 (note 5bi)	-	14/09/13	0.014	5,775
Unlisted options issued @ \$0.40 (Tranche 3) (note 5bii)	-	27/08/14	0.030	1,497
Unlisted options issued @ \$0.025 (Tranche 1) (note 5biv)	1,750,000	22/07/14	0.008	14,350
Unlisted options issued @ \$0.04 (Tranche 2) (note 5biv)	1,750,000	22/07/14	0.007	12,600
Unlisted options issued @ \$0.025 (Tranche 1) (note 5bv)	9,500,000	17/09/14	0.008	77,900
Unlisted options issued @ \$0.04 (Tranche 2) (note 5bv)	9,500,000	17/09/14	0.007	68,400
Total unlisted options	22,500,000			341,924
Total share based payment reserve	56,500,000			783,490

ERIN RESOURCES LIMITED AND CONTROLLED ENTITIES
Consolidated Interim Financial Report 31 December 2014

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2014

As at 30 June 2014	Number of VHL shares/ unlisted options	Vesting date	Value \$	Share based payment at 30 June 2014 \$
Opening balance				
VHL shares issued	13,000,000		0.069	161,636
Movement during the year:				
Amortisation expense				186,110
Total VHL shares	13,000,000			347,746
Opening balance				
Options issued	6,000,000			59,729
Movement during the year:				
Unlisted options issued @ \$0.20 (note 5bi)	-	14/09/13	0.014	11,453
Unlisted options issued @ \$0.35 (Tranche 2) (note 5bii)	-	27/08/13	0.032	4,297
Unlisted options issued @ \$0.40 (Tranche 3) (note 5bii)	-	27/08/13	0.030	9,423
Unlisted options issued @ \$0.02 (note 5biii)	15,000,000	16/05/14	0.0051	76,500
Total unlisted options	15,000,000			161,402
Total share based payment reserve	34,000,000			509,148

NOTE 6. OPERATING SEGMENTS

Following the completion of the successful acquisition of Erin Mineral Resources Limited, the Company became a gold exploration company. The Company has interests in 5 prospective gold assets in the Republic of Senegal which acts as the sole reportable segment to the executive management of the Group.

NOTE 7. CONTINGENT LIABILITIES

The company currently has contingent liabilities of \$100,054 that are related to, and dependent upon material events occurring in relation to its Senegalese gold projects.

NOTE 8. EVENTS SUBSEQUENT TO REPORTING DATE

On 6 March 2015 the Company announced a working capital placement to raise \$322,134 before costs through the issue of up to 64,426,983 ordinary shares at \$0.005 each. For every four (4) shares issued the Company will issue one (1) free attaching Listed Option exercisable at \$0.02 on or before 30 June 2015. This Placement was undertaken for general working capital and to advance the Company's priority Lingokoto and Maleko gold projects in Senegal.

The 64,426,983 ordinary shares were issued on 12 March 2015 and the free attaching options will be issued upon shareholder approval at the Company's next shareholder meeting.

ERIN RESOURCES LIMITED AND CONTROLLED ENTITIES
Consolidated Interim Financial Report 31 December 2014

Directors' Declaration

The Directors of the Company declare that:

1. the interim financial statements and notes, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Australian Accounting Standard AASB134 Interim financial reporting and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Consolidated entity's financial position as at 31 December 2014 and its performance for the half year ended on that date; and
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Brett Mitchell
Executive Director
Dated 13 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ERIN RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Erin Resources Limited (the Company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a 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 31 December 2014, or during the half year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

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

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

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Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the financial report, which confirmed that the consolidated entity incurred a net loss after tax of \$1,129,348 during the half year ended 31 December 2014. These conditions, along with other matters as set out in Note 2, indicates the existence of a material uncertainty that may cast significant doubt about the Company and consolidated entity's ability to continue as a going concern and therefore, the Company and consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the consolidated entity and the Company does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company and/or the consolidated entity not continue as going concerns.



PKF MACK



SIMON FERMANIS
PARTNER

13 MARCH 2015
WEST PERTH,
WESTERN AUSTRALIA