



Tasman Resources Ltd
ABN 85 009 253 187

and Controlled Entities

Interim Financial Report
for the
Half-Year Ended 31 December 2016

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HIGHLIGHTS

EDEN INNOVATIONS LTD (ASX Code: EDE)

- As at 31 December 2016 Tasman through its wholly owned subsidiary, Noble Energy Pty Ltd, held 493,198,298 fully paid shares in Eden (representing 39% of the total issued capital of Eden) and 101,359,779 EDEO options representing 47% of the issued EDEO options. Based on the closing prices on the ASX of EDE (\$0.23) and EDEO (\$0.195) on 31/12/16, this investment had a market value of \$133 million, which is equivalent to 34.9 cents for every currently issued TAS share.
- Highlights of Eden's progress during the period are set out in the review of operations.

PARKINSON DAM EPITHERMAL GOLD-SILVER PROJECT

- No further exploration activities were conducted at this project.

LAKE TORRENS COPPER-URANIUM-GOLD PROJECT

- Between June and November 2016, a detailed review by a major international mining company took place but in November 2016 Tasman was advised that they did not wish to proceed with a possible joint venture.
- No further exploration activities were conducted at this project.

CORPORATE DIRECTORY

DIRECTORS:

Gregory H Solomon **LLB** (Executive Chairman)

Douglas H Solomon **BJuris LLB (Hons)** (Non-Executive)

Guy T Le Page **BA, BSc (Hons), MBA, FINSIA, MAusIMM** (Non-Executive)

COMPANY SECRETARY:

Aaron P Gates **B.Com, CA, AGIA**

REGISTERED OFFICE:

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Western Australia 6000

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Website: www.tasmanresources.com.au

SOLICITORS:

Solomon Brothers

Level 15

197 St Georges Terrace

Perth WA 6000

Minter Ellison

1 King William Street

Adelaide SA 5000

AUDITORS:

Nexia Perth Audit Services Pty Ltd

Level 3

88 William Street

Perth WA 6000

SHARE REGISTRY:

Advanced Share Registry Services

110 Stirling Highway

Nedlands WA 6009

STOCK EXCHANGE LISTING:

ASX Code: TAS (ordinary shares)

TASO (31 March 2018 \$0.05 Options)

Quotation has been granted for all the ordinary shares and all issued options of the company on all Member Exchanges of the Australian Stock Exchange Limited.

REVIEW OF OPERATIONS

DETAILS

INVESTMENT IN EDEN INNOVATIONS LTD (ASX Code: EDE)

As at 31 December 2016 Tasman through its wholly owned subsidiary, Noble Energy Pty Ltd, held 493,198,298 fully paid shares in Eden (representing 39% of the total issued shares of Eden) and 101,359,779 EDEO options representing 47% of the issued EDEO options. Based on the closing prices on the ASX of EDE (\$0.23) and EDEO (\$0.195) on 31/12/16, this investment had a market value of \$133 million, which is equivalent to 34.9 cents for every currently issued TAS share.

The board of Tasman believes there is potentially significant further upside in its investment in Eden and as a major part of Tasman's investment strategy it intends to continue to hold the Eden shares and options as a long term investment.

The Highlights of progress made by Eden during the period are as follows:

EdenCrete®

- ASTM C494 "S" Test Programme for EdenCrete®, which over a 12 month period measured the changes in performance of a standard concrete mix when EdenCrete® was added, has been successfully completed. The final compressive strength test of concrete continued the earlier trend and showed an impressive 37% increase in compressive strength at 365 days, compared with identical concrete of the same age without EdenCrete®.
- Eden received and shipped its first European order for 1,000 gallons of EdenCrete®, worth US\$25,000.
- More than 30 commercial trials have commenced or are scheduled to occur in 2017 across USA for many possible applications, including:
 - Pervious concrete
 - Pre-cast / pre-stressed bridge beams
 - Other pre-cast applications
 - Ready mix concrete
 - Low shrinkage concrete suitable for dams
 - Highly abrasion resistant concrete
 - Shotcrete
- Additional trials for a range of possible customers and applications are expected to continue to occur on an ongoing basis as an integral part of the process of securing new customers.
- Progress was made with Georgia Department of Transportation ("GDOT") and Metropolitan Atlanta Rapid Transit Authority ("MARTA") towards use of EdenCrete® in projects which resulted in the first contract for a GDOT repair project occurring in 2017.
- Applications made to a number of other US State Departments of Transport ("DOTs") for approval to use EdenCrete® on highway projects, and also for under NTPEP, the federal DOT testing process. EdenCrete® has since the end of 2016 been approved for use by both the Tennessee and Arkansas DOTs.
- Installation of first on-site bulk EdenCrete® storage / dispensing equipment in Denver.
- First commercial project with EdenCrete® used in a warehouse floor, completed in late 2016.
- The expansion of Eden's Colorado based production capability of EdenCrete® to a targeted maximum of 2-2.4 million gallons per year continued and is expected to be operational in April 2017.
- Purchase of existing Colorado Production Facility Completed.
- Eden entered into a contract to purchase an adjoining property to its existing Colorado plant for US\$1.525 million. This purchase has now been completed, securing additional space, and facilitating a possible further increase in the EdenCrete® production capacity in Colorado.
- The election in November 2016 of US President-elect Donald Trump and the approval by Georgia of increases in sales taxes to fund improvements to roads and upgrade of the bus and rail systems, raises the US infrastructure market prospects for EdenCrete®.
- Work commenced on clearing the access road to the proposed Augusta, EdenCrete® plant.

Optiblend™ Dual Fuel

- Orders received in the USA during the period for nine units (approx. US\$300,000) and in India for two units (approx. US\$27,000).

Corporate

- Eden completed a placement of A\$15 million additional capital through Bell Potter, with the majority to four Australian institutions.
- Name change of “Eden Energy” to “Eden Innovations” completed, reflecting the Group’s future focus.

Please refer to Eden Innovations Ltd (ASX Code: EDE) Quarterly Report published on 30 January 2017 for further details.

PARKINSON DAM GOLD-SILVER EPITHERMAL PROJECT, SOUTH AUSTRALIA, EL 5602 (TASMAN 100%)

Corrie Dam Prospect

No further field exploration or drilling was conducted at Corrie Dam Prospect during the six months (Figure 1). Previous air core drilling at the prospect has intersected anomalous lead, silver and copper mineralisation at shallow depths, including 25m downhole from 60m averaging 0.36% Pb and 1.4g/t Ag in hole CDAC015 and 15m down hole from 55m at 6.6g/t Ag, 0.17% Cu and 0.11% Pb in drill hole CDAC 030 (true widths are not known). These results were reported to the ASX on 8th April 2015 and on 21 May 2015.

In light of the current modest upturn in commodity prices, further exploration including a possible IP geophysical survey over the area containing the earlier gold-silver discoveries at Parkinson Dam, including drill hole PD 63 (see Figure 1), and /or drilling at Corrie Dam including possible deeper RC holes, is currently being considered.

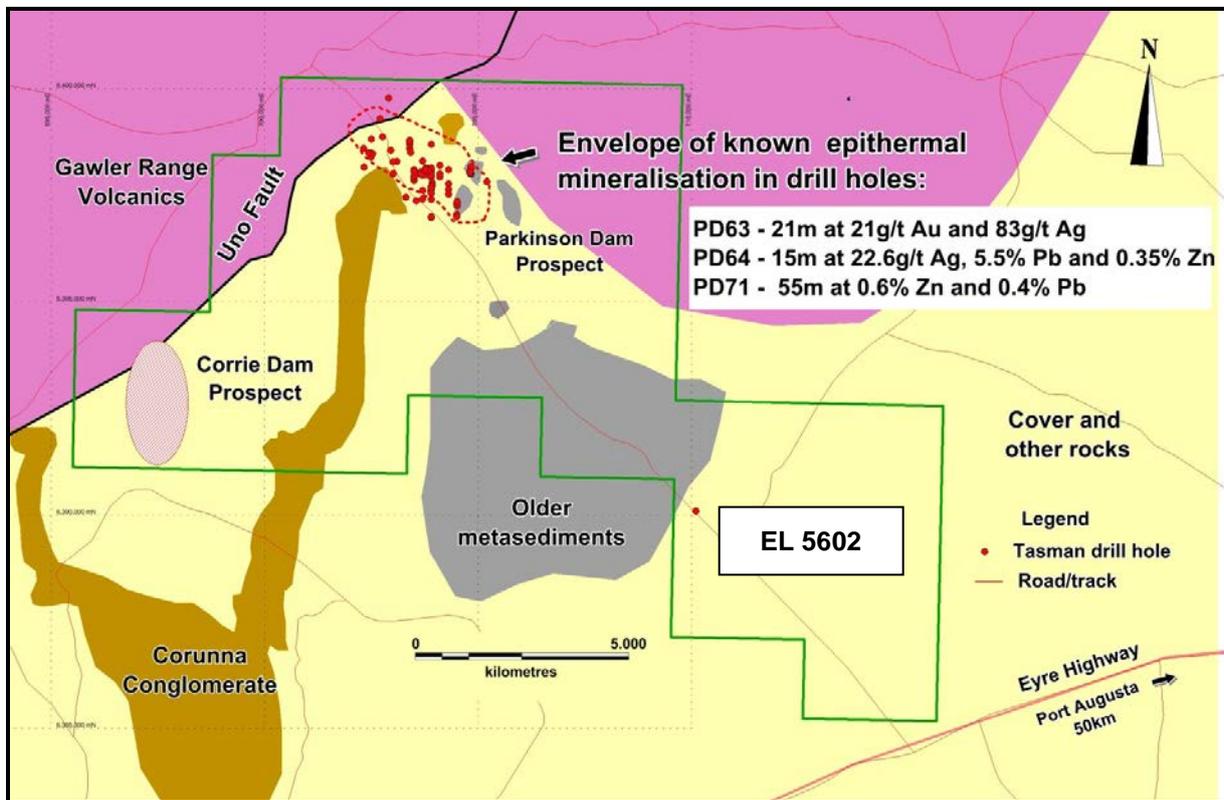


Figure 1: Plan of Tasman’s Parkinson Dam Project (EL 5602) showing area of previously defined mineralisation and Corrie Dam Prospect adjacent to the Gawler Range Volcanics (GDA 94; Zone 53).

LAKE TORRENS PROJECT, SOUTH AUSTRALIA (TASMAN 100%)

The Lake Torrens IOCGU Project is located approximately 15km north of Olympic Dam, and has been the focus of a significant exploration effort by Tasman over a number of years. During the period, no further field exploration was conducted on this Project.

Between June and November 2016, a detailed five month review by a major international mining company took place but in November 2016 Tasman was advised that they did not wish to proceed a possible joint venture.

Tasman is continuing to actively seek a suitable joint venture partner to continue the exploration on this deep, but very prospective project.

In light of the current modest upturn in commodity prices, Tasman is currently reviewing the prospect of conducting one or more geophysical surveys, gravity focused, in a very anomalous and prospective area between Vulcan prospect and the similar style copper-uranium-gold discovery at Titan, about 16km to the northwest.

PROJECT LOCATIONS

No other significant exploration activity occurred on Tasman's projects during the six months. The location of all Tasman's exploration projects is shown in Figure 2.



Figure 2: Location of Tasman Project Areas in South Australia

CORPORATE

Investment in Conico Ltd (ASX Code: CNJ)

Tasman has a 14% interest in potential nickel-cobalt producer Conico Ltd as at 31 December 2016.

Mt Thirsty Nickel-Cobalt Project

During the six months a six-hole reverse circulation drilling program totalling 234m was completed. The holes were drilled within the area of the JORC (2004) Indicated Resource to provide a range of samples for further metallurgical testwork. The results of this work will be used in a scoping study to assist the Mt Thirsty Joint Venture in assessing development options for the project. Further details are available in Conico Ltd reports available at www.conico.com.au.

Please refer to Conico Ltd (ASX: CNJ) Quarterly Report published on 18 January 2017 for further details.

Background

Conico Ltd owns 50% of the Mt Thirsty Nickel-Cobalt Project in WA, with the other 50% held by Barra Resources Limited (ASX: BAR). Mt Thirsty is located 20 kilometres north-northwest of Norseman, Western Australia. Mt Thirsty has a JORC (2004) compliant Indicated Resource of 16.6 million tonnes at 0.14% Co, 0.60% Ni and 0.98% Mn and a JORC (2004) compliant Inferred Resource of 15.3 million tonnes at 0.11% Co, 0.51% Ni and 0.73% Mn over an apparent strike of 1.3 kilometres and a width of around 800 metres.

(This resource information was prepared and first disclosed under the JORC Code 2004. It has 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, refer ASX Announcement 8th March 2011: "Resource Upgrade", available to view on www.conico.com.au.)

Disclaimer

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Robert N. Smith and Michael J. Glasson, Competent Persons who are members of the Australian Institute of Geoscientists.

Mr Smith and Mr Glasson are employees of the company. Mr Smith and Mr Glasson are share and option holders.

Mr Smith and Mr Glasson have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith and Mr Glasson consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2016.

Directors

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

Mr Gregory H Solomon

Mr Douglas H Solomon

Mr Guy T Le Page

Review of Operations

The net loss after income tax for the half year was \$3,640,078 (2015: \$1,867,685).

A review of the operations of the Group during the half-year ended 31 December 2016 is set out in the Review of Operations on page 5.

Subsequent Events

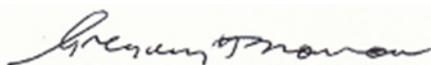
Events after the reporting period are set out in Note 7 on page 16.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 10 for the half-year ended 31 December 2016.

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

Director

A handwritten signature in black ink, appearing to read "Gregory H Solomon", written over a light yellow rectangular background.

Gregory H Solomon

Dated this 9th day of March 2017

Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Tasman Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 31 December 2016, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

**Nexia Perth Audit Services Pty Ltd**

TJ Spooner
Director

Perth
9 March 2017

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

| | Note | Consolidated Group | |
|--|------|--------------------|-------------|
| | | 31 Dec 2016 | 31 Dec 2015 |
| | | \$ | \$ |
| Revenue | | 467,578 | 344,347 |
| Other Income | | 45,056 | 8,575 |
| Share of profit/(loss) of associate | | - | (131,810) |
| Depreciation and amortisation expense | | (193,749) | (65,528) |
| Employee benefits expense | | (2,665,948) | (952,252) |
| Finance costs | | (49) | - |
| Foreign exchange gain | | 554,199 | - |
| Other expenses | | (1,720,470) | (902,163) |
| Raw materials and consumables used | | (126,695) | (216,323) |
| Loss before income tax | | (3,640,078) | (1,915,154) |
| Income tax benefit | | - | 68,886 |
| Loss from continuing operations | | (3,640,078) | (1,846,268) |
| Loss after tax from discontinuing operations | | - | (21,417) |
| Loss for the period | | (3,640,078) | (1,867,685) |
| Other Comprehensive (Loss) / Income, net of income tax | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Exchanges differences on translating foreign operations | | 304,047 | (89,131) |
| Other comprehensive (loss) / income, net of income tax | | 304,047 | (89,131) |
| Total Comprehensive Income / (Loss) | | (3,336,031) | (1,956,816) |
| Loss attributable to: | | | |
| Owners of the parent | | (1,676,087) | (1,081,483) |
| Non-controlling interests | | (1,963,991) | (786,202) |
| | | (3,640,078) | (1,867,685) |
| Total comprehensive loss attributable to: | | | |
| Owners of the parent | | (1,551,689) | (1,121,471) |
| Non-controlling interests | | (1,784,342) | (835,345) |
| | | (3,336,031) | (1,956,816) |
| Basic/diluted loss per share (cents per share) | | (0.4401) | (0.3313) |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

| | Note | Consolidated Group | |
|--|------|--------------------|-------------------|
| | | 31 Dec 2016 | 30 Jun 2016 |
| | | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 20,658,326 | 12,166,347 |
| Inventories | | 659,818 | 491,333 |
| Other assets | | 167,662 | 75,392 |
| Trade and other receivables | | 406,615 | 214,468 |
| TOTAL CURRENT ASSETS | | 21,892,421 | 12,947,540 |
| NON-CURRENT ASSETS | | | |
| Exploration and Evaluation expenditure | | 17,604,064 | 17,528,885 |
| Intangibles | | 3,379,225 | 3,009,306 |
| Other receivables | | - | 106,945 |
| Property, plant and equipment | | 4,428,976 | 747,538 |
| TOTAL NON-CURRENT ASSETS | | 25,412,265 | 21,392,674 |
| TOTAL ASSETS | | 47,304,686 | 34,340,214 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 858,392 | 773,938 |
| Provisions | | 190,016 | 215,738 |
| Interest bearing liabilities | | 231,939 | - |
| TOTAL CURRENT LIABILITIES | | 1,280,347 | 989,676 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | | 3,949 | 2,853 |
| Interest bearing liabilities | | 1,231,155 | - |
| TOTAL NON-CURRENT LIABILITIES | | 1,235,104 | 2,853 |
| TOTAL LIABILITIES | | 2,515,451 | 992,529 |
| NET ASSETS | | 44,789,235 | 33,347,685 |
| EQUITY | | | |
| Issued capital | 3 | 27,882,151 | 27,786,696 |
| Reserves | | 11,629,565 | 6,149,107 |
| Accumulated losses | | (10,932,125) | (9,256,038) |
| Parent interest | | 28,579,591 | 24,679,765 |
| Non-controlling interest | | 16,209,644 | 8,667,920 |
| TOTAL EQUITY | | 44,789,235 | 33,347,685 |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

| | Ordinary Shares | Option Reserve | Foreign Currency Translation Reserve | Other Equity | Accumulated Losses | Non- controlling Interests | Total |
|------------------------------------|--------------------|-------------------|---|------------------|-----------------------|----------------------------------|-------------------|
| | \$ | \$ | \$ | | \$ | \$ | \$ |
| Balance at 1 July 2015 | 24,953,765 | 989,885 | 341,288 | 125,034 | (7,010,088) | 1,163,562 | 20,563,446 |
| Issue of shares | 1,304,082 | - | - | - | - | - | 1,304,082 |
| Issue of options | - | 519,888 | - | - | - | - | 519,888 |
| Issue of shares in subsidiary | - | - | - | - | - | 999,510 | 999,510 |
| Issue of options in subsidiary | - | - | - | - | - | 242,915 | 242,915 |
| Change in ownership of subsidiary | - | - | - | 469,358 | - | (495,140) | (25,782) |
| Loss for the period | - | - | - | - | (1,081,483) | (786,202) | (1,867,685) |
| Other comprehensive loss | - | - | (39,988) | - | - | (49,143) | (89,131) |
| Balance at 31 December 2015 | 26,257,847 | 1,509,773 | 301,300 | 594,392 | (8,091,571) | 1,075,502 | 21,647,243 |
| Balance at 1 July 2016 | 27,786,696 | 1,591,754 | 55,273 | 4,502,080 | (9,256,038) | 8,667,920 | 33,347,685 |
| Issue of shares | 95,455 | - | - | - | - | - | 95,455 |
| Issue of shares in subsidiary | - | - | - | - | - | 14,277,711 | 14,277,711 |
| Issue of options in subsidiary | - | - | - | - | - | 404,415 | 404,415 |
| Change in ownership of subsidiary | - | - | - | 5,356,060 | - | (5,356,060) | - |
| Loss for the period | - | - | - | - | (1,676,087) | (1,963,991) | (3,640,078) |
| Other comprehensive loss | - | - | 124,398 | - | - | 179,649 | 304,047 |
| Balance at 31 December 2016 | 27,882,151 | 1,591,754 | 179,671 | 9,858,140 | (10,932,125) | 16,209,644 | 44,789,235 |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

| | Consolidated Group | |
|---|---------------------------|-----------------------|
| | 31 Dec 2016 | 31 Dec 2015 |
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 299,400 | 124,468 |
| Payments to suppliers and employees | (4,312,532) | (2,305,325) |
| Interest received | 6,074 | 5,371 |
| Other receipts | - | 68,886 |
| Net cash used in operating activities | <u>(4,007,058)</u> | <u>(2,106,600)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Exploration expenditure | (75,179) | (76,654) |
| Payments for development of intangibles | (428,302) | (406,575) |
| Payments for property, plant & equipment | (2,122,835) | (410,778) |
| Purchase of shares in subsidiary | - | (25,782) |
| Net cash used in investing activities | <u>(2,626,316)</u> | <u>(919,789)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of shares, net of issue costs | <u>14,360,002</u> | <u>2,671,998</u> |
| Net cash provided by financing activities | <u>14,360,002</u> | <u>2,671,998</u> |
| Net increase / (decrease) in cash held | 7,726,628 | (354,391) |
| Net increase / (decrease) due to foreign exchange movements | 765,351 | (24,536) |
| Cash at beginning of period | <u>12,166,347</u> | <u>1,275,918</u> |
| Cash at end of period | <u><u>20,658,326</u></u> | <u><u>896,991</u></u> |

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 1: BASIS OF PREPARATION

The financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134: Interim Financial Reporting ensures compliance with IAS 34: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Tasman Resources Ltd and its controlled entities during the half-year. The half-year report does not include full disclosures of the type normally included in an annual financial report.

Going Concern

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

Accounting Policies

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the 30 June 2016 financial report except for the adoption of new and revised Accounting Standards. The new and revised standards have had no material impact on the reporting of the Group's transactions in the period.

NOTE 2: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

a. Key Management Personnel

| | 2016 | 2015 |
|---|-------------|-------------|
| | \$ | \$ |
| Management fees and administration fees paid to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest. | 258,000 | 217,335 |
| Legal and professional fees paid to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners. | 20,116 | 39,637 |
| Capital raising fees paid to RM Corporate Finance Pty Ltd, a company in which Mr GT Le Page has an interest. | - | 24,610 |
| Consulting fees paid to Orequest Pty Ltd, a company in which Mr GT Le Page has an interest. | - | 3,400 |

b. Associated Companies

| | 2016 | 2015 |
|--|-------------|-------------|
| | \$ | \$ |
| Noble Energy Pty Ltd, (a 100% subsidiary of Tasman Resources Ltd) acquired shares and free attaching options in Eden Innovations Ltd (in which the company has a 39% interest) in part satisfaction of loaned funds. | - | 28,926 |
| Noble Energy Pty Ltd, (a 100% subsidiary of Tasman Resources Ltd) provided Eden Innovations Ltd (in which the company has a 39% interest) an unsecured loan. | - | 1,710,000 |
| Reimbursement from Conico Ltd (in which Tasman has a 14% interest) for employee costs on an hourly basis, for Tasman staff utilised by Conico. | 38,983 | 3,205 |

| | 31 Dec 2016 | 30 June 2016 |
|--|--------------------|--------------------|
| | \$ | \$ |
| NOTE 3: ISSUED CAPITAL | | |
| 381,412,067 (30 June 2016: 379,502,960) fully paid ordinary shares | 27,882,151 | 27,786,696 |
| | <u>27,882,151</u> | <u>27,786,696</u> |
| a. Ordinary shares | No. | No. |
| At the beginning of reporting period | 379,502,960 | 306,451,851 |
| Shares issued – prior year | - | 73,051,109 |
| Shares issued - Options Exercised | 1,909,107 | - |
| At reporting date | <u>381,412,067</u> | <u>379,502,960</u> |

NOTE 4: EDEN INNOVATIONS LTD INVESTMENT MARKET VALUE

Tasman Resources Ltd has an investment in ASX listed Eden Innovations Ltd (ASX: EDE & EDEO), through its subsidiary Noble Energy Pty Ltd, which is consolidated for accounting purposes. The below is a summary of the market value of that investment based on the last traded price of Eden Innovations Ltd shares and options as at 31 December 2016.

| Type of Security | Number Held | Last traded price | Market Value |
|--|-------------|-------------------|--------------------|
| | # | \$ | \$ |
| Eden Innovations Ltd Shares (ASX: EDE) | 493,198,298 | 0.230 | 113,435,609 |
| Eden Innovations Ltd Options (ASX: EDEO) | 101,356,779 | 0.195 | 19,764,572 |
| | | | <u>133,200,181</u> |

The net assets balance of the Eden Innovations Ltd group included in the consolidated balance sheet of Tasman Resources Ltd as at 31 December 2016 was \$26,703,641.

NOTE 5: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities as at 31 December 2016.

NOTE 6: COMMITMENTS

Exploration commitments:

In order to maintain current rights of tenure to exploration tenements, the company is required to perform minimum exploration work to meet the requirements specified by various State governments. It is anticipated that minimum expenditure commitments for the twelve months will be tenement rentals of approximately \$20,000 (2015: \$25,000) and exploration expenditure of approximately \$800,000 (2015: \$920,000).

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

On 13 January 2017 the Group purchased a property in Littleton, Colorado for approximately US\$1.5 million.

Other than as referred to above, no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 8: SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance.

Activities of the Group are managed on a Group structure basis and operating segments are therefore determined on the same basis. In this regard the following list of reportable segments has been identified.

- Tasman Resources Ltd – Mineral exploration in South Australia
- Eden Innovations Ltd – EdenCrete® and OptiBlend™ sales, service and manufacturing in India and the USA.

| | Tasman Resources Ltd | Eden Innovations Ltd | Eliminations | Consolidated Entity | Discontinued Operations |
|----------------------------------|-------------------------|-------------------------|--------------|------------------------|----------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| 31 December 2016 | | | | | |
| Total external revenue | - | 467,578 | - | 467,578 | - |
| Inter-segment revenue | - | - | - | - | - |
| Total segment revenue | - | 467,578 | - | 467,578 | - |
| Segment profit / (loss) result | (318,615) | (3,327,488) | - | (3,646,103) | - |
| Unallocated expenses | | | | - | - |
| Result from operating activities | | | | (3,646,103) | - |
| Interest revenue | | | | 6,074 | - |
| Interest expense | | | | (49) | - |
| Income tax (expense)/benefit | | | | - | - |
| Loss after income tax | | | | (3,640,078) | - |
| Segment assets | 24,935,332 | 29,077,224 | (6,707,870) | 47,304,686 | - |
| Unallocated assets | | | | - | - |
| Total assets | | | | 47,304,686 | - |
| Segment liabilities | 141,686 | 2,373,583 | - | 2,515,451 | - |
| Unallocated liabilities | | | | - | - |
| Total liabilities | | | | 2,515,451 | - |
| Capital expenditure | 75,179 | 3,953,517 | - | 4,028,696 | - |
| Depreciation and amortisation | 4,425 | 189,324 | - | 193,749 | - |
| 31 December 2015 | | | | | |
| Total external revenue | - | 344,347 | - | 344,347 | - |
| Inter-segment revenue | - | - | - | - | - |
| Total segment revenue | - | 344,347 | - | 344,347 | - |
| Segment profit / (loss) result | (499,640) | (1,420,685) | - | (1,920,325) | (21,417) |
| Unallocated expenses | | | | - | - |
| Result from operating activities | | | | (1,920,325) | (21,417) |
| Interest revenue | | | | 5,371 | - |
| Interest expense | | | | (200) | - |
| Income tax (expense)/benefit | | | | 68,886 | - |
| Loss after income tax | | | | (1,846,268) | (21,417) |
| Segment assets | 23,863,402 | 4,413,863 | (5,920,126) | 22,357,139 | 966,841 |
| Unallocated assets | | | | - | - |
| Total assets | | | | 22,357,139 | 966,841 |
| Segment liabilities | 144,700 | 2,547,039 | (1,931,074) | 760,665 | 916,072 |
| Unallocated liabilities | | | | - | - |
| Total liabilities | | | | 760,665 | 916,072 |
| Capital expenditure | 51,444 | 817,353 | - | 868,797 | 171,196 |
| Depreciation and amortisation | 5,354 | 60,174 | - | 65,528 | - |

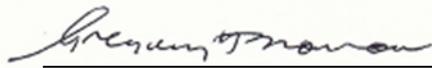
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 17:
 - a. comply with Accounting Standard AASB 134 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 2016 and of its performance for the half-year ended on that date.
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.

Director

A handwritten signature in black ink, appearing to read "Gregory H Solomon", written over a light yellow rectangular background.

Gregory H Solomon

Dated this 9th day of March 2017

Independent Auditor's Review Report to the members of Tasman Resources Limited

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Tasman Resources Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, other selected explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the period.

Directors' Responsibility for the Interim Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the *Corporations Act 2001*. This responsibility includes: establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tasman Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Tasman Resources Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



Nexia Perth Audit Services Pty Ltd



TJ Spooner
Director

Perth
9 March 2017