ABN 79 124 990 405

and

Controlled Entities

Annual Report

For the year ended 30 June 2017

Contents

Corporate Directory

CHAIRMAN
Joseph S. Pinto

MANAGING DIRECTOR
Bruno Seneque

TECHNICAL DIRECTOR
Nick Revell

NON-EXECUTIVE DIRECTOR
Frank Lesko

COMPANY SECRETARY
Yugi Gouw

REGISTERED OFFICE
Level 2, 679 Murray Street
West Perth WA 6005
Telephone: + 61 (08) 9485 1040
Facsimile: + 61 (08) 9485 1050

AUDITORS
Bentleys
Level 3, 216 St Georges Terrace
Perth, WA 6000
Telephone: +61 (08) 9226 4500
Facsimile: +61 (08) 9226 4300

SHARE REGISTRAR
Advanced Share Registry Ltd
110 Stirling Highway
Nedlands, WA 6009
Telephone: +61 (08) 9389 8033
Facsimile: +61 (08) 9389 7871

STOCK EXCHANGE LISTING
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: TYX

BANKERS
Westpac Banking Corporation
Murray Street
West Perth, WA 6005

Managing Director's Letter

Dear Fellow Shareholder,

Welcome to the 2017 Annual Report for Tyranna Resources Limited (ASX: TYX) which I present on behalf of our Board and management team.

Since the successful merger of Trafford Resources and IronClad to create Tyranna in 2015, our focus on gold exploration in the past year has seen some major gains in our endeavours. Unfortunately, while our efforts have been successful to an extent, this has not been mirrored in our market performance, which has not favoured junior explorers in the past year. We are working hard to improve this and confident we can achieve a better result for our shareholders.

Our central project is the Jumbuck Gold Project in South Australia's Gawler Craton. The project comprises nearly 10,000 square kilometres, giving us a large foothold in the area but also meaning that we must choose our targets carefully. The area already hosts the Challenger Gold Mine, developed by Kingsgate but now operated by WPG Resources, one of our Joint Venture partners in the Jumbuck project. The mine commenced operation in 2002 and has produced more than 1 million ounces of gold, and Tyranna is confident that our exploration can lead to further discoveries within trucking distance to Challenger.

A major achievement in 2017 was our announcement of Maiden Inferred Resource for the Jumbuck Gold Project of 219,000 ounces of gold, reported in accordance with JORC Code 2012. This comprised estimates for the Golf Bore, Golf Bore North, Greenewood, Mainwood and Campfire Bore deposits, which are all located within trucking distance of the Challenger gold mine. Our plans for more exploration in 2018 will aim to build on this, with potential that further inventory could open up more development opportunities for Tyranna.

The Greenewood prospect will be an initial focus in 2018, with drilling to test strike continuation, a zone parallel to the south-east of the strike, and a geochemical anomaly located to the west of Greenewood Central. Drilling commenced in September.

Our results to date at the Typhoon prospect, in the southern part of the Jumbuck project, have exceeded our expectations and we look forward to further drilling there as well as metallurgical test work to understand the prospect better.

Apart from Jumbuck, Tyranna is also exploring the Wilcherry Hill Project in a Joint Venture with Alliance Resources. Strong results have been returned from several prospects at Wilcherry Hill over recent months, particularly from the Weednanna gold prospect, which has returned bonanza grade gold results. We will continue to work with Alliance to ensure we achieve our combined goals at Wilcherry Hill.

I would like to thank the Board of Directors for their guidance over the past year, and our staff for their efforts. I also thank our Shareholders for your support throughout 2017 and hope that it continues as our hard work will in 2018.

Bruno Seneque
Managing Director

About the Company

Tyranna is a gold exploration company focused on the large Jumbuck Gold Project in the Northern Gawler Block of South Australia. Tyranna is undertaking an exploration program for 2017 comprising a drilling campaign of 15,000 – 20,000 metres at Jumbuck which commenced in March 2017. A total of 14,389 metres was drilled at the Jumbuck Gold Project during the 2016 calendar year with the aim to explore for high grade open pit, gold mineralisation within trucking distance of the Challenger gold operations. The Challenger gold operations is owned and operated by Tyranna's joint venture partner WPG Resources Ltd.

Jumbuck is a highly prospective and underexplored area, similar in style to the Albany/Fraser belt adjacent to the Yilgarn Craton in Western Australia which is host to the large 6.3M Au Oz Tropicana gold deposit. Tyranna controls over 9,762 km^2 of ground in this area, which also hosts the Challenger gold mine (owned by WPG Resources Ltd). Challenger has produced in excess of 1 million ounces of gold to date.

The Jumbuck Project has numerous gold occurrences over large areas with strong potential for significant resources of shallow oxide ore and repeat Challenger style deposits.

Tyranna's strategy is to target those more advanced gold prospects which are situated within 50 km's of the Challenger gold processing operations and increase the economic scale of these prospects via focused and extensive exploration drilling.

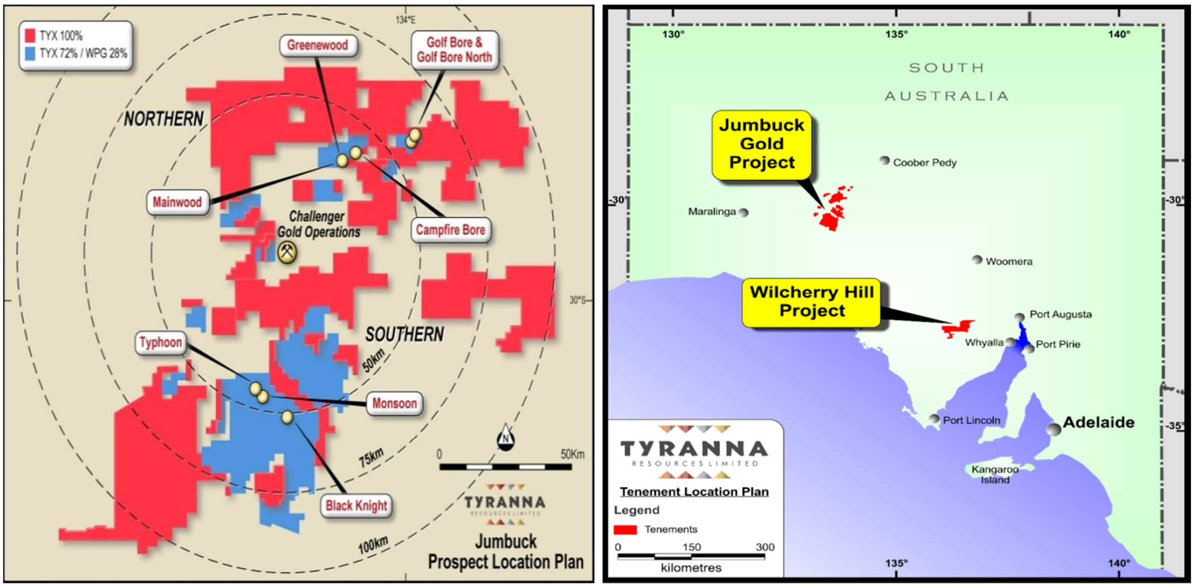


Figure 1: Location of project and Jumbuck Gold tenement maps

JUMBUCK GOLD PROJECT

In January, Tyranna as manager of the Western Gawler Craton Joint Venture which includes WPG Resources Ltd (ASX: WPG) and Coombedown Resources Pty Ltd, announced a Maiden Mineral Inferred Resource for the Jumbuck Gold Project of 219,000 ounces of gold, reported in accordance with JORC Code 2012. The resource estimation was undertaken by MPR Geological Consultants Pty Ltd (MPR) and forms part of ongoing resource drilling and project development being undertaken at the Jumbuck Gold Project.

Resources were estimated for Golf Bore, Golf Bore North, Greenewood, Mainwood and Campfire Bore deposits, which are all located within trucking distance of the Challenger gold mine operated by TYX joint venture partner WPG Resources. All deposits included in the estimate are interpreted to be open at depth and have excellent potential to increase the resource with further drilling.

Tyranna sole funded exploration for the first half of the 2017 calendar year and has earned a 75% interest in the Western Gawler Craton Joint Venture based on past exploration expenditure sole funded by Tyranna.

Greenewood Gold Prospect

Tyranna announced assay results from 11 reverse circulation (RC) holes drilled at the Greenewood Gold Prospect in November. Greenewood is Tyranna's first gold discovery and part of the Jumbuck Gold Project and approximately 37km north of the Challenger Gold Mine.

Holes 16GWRC030 to 16GWRC041 were drilled to test down dip of previously established gold mineralisation as well as a possible southern extension to the prospect. Total reverse circulation meters completed at Greenewood tally up to 5,170 m.

Hole 16GWRC038 was drilled beneath 16MWRC012 (which intercepted 3m@2.43g/t Au from Phase 1 drilling) and proved the down dip continuity with an intercept of 14m@5.79g/t Au from 35m, including 1m@52.60/t. This result established mineralisation along a continuous structure 50m down dip and remains open. Furthermore, a lower zone of mineralisation was also intersected with a grade of 2m@2.41g/t Au from 64m in the same hole (16GWRC038).

The total strike length of the Greenewood prospect was extended to the south as a result of hole 16GWRC040 which intersected 8m@4.08g/t Au from 20m, including 1m@23.40/t Au (see Figure 2).

The final batch of assay results from the Phase 2 program were released in December. Planned drilling intersected multiple gold-bearing zones with similar results to the phase 1 and phase 2 programs. The high-grade section of the system is known as Greenewood Central. Phase 2 drilling comprised of a combination of infill, down-dip and diamond drilling used to improve the understanding of this section of the geological structure. The drilling program included grid spacing to at least 50m spacing and has now been completed within the central section with some sections completed down to 25m line spacing. Two diamond holes were also drilled to gather structural information as well as to aid in visualisation of ore zones. Hole 16GWRC073, which was drilled 100m north to the last mineralised line of drilling, and increased the strike length to greater than 600 metres. The Tyranna technical team is assessing all results from drilling at the Greenewood prospect to better understand the structure and the gold distribution with the aim of targeting the primary source of gold mineralisation.

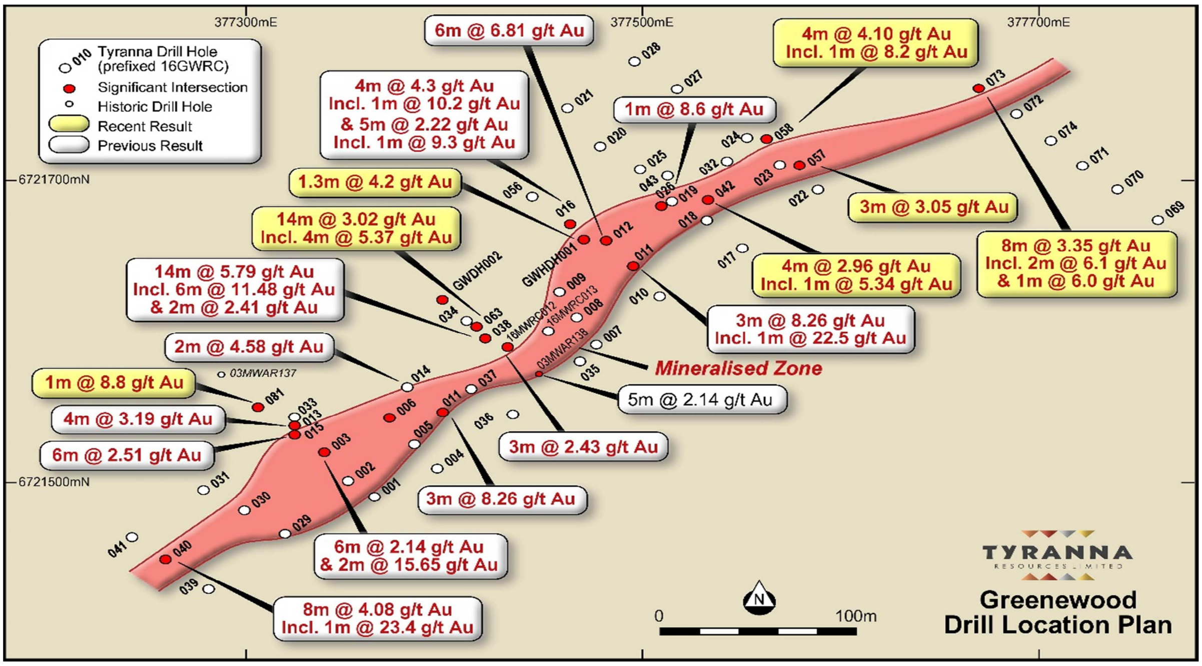


Figure 2: Drill hole location plan at Greenewood gold prospect

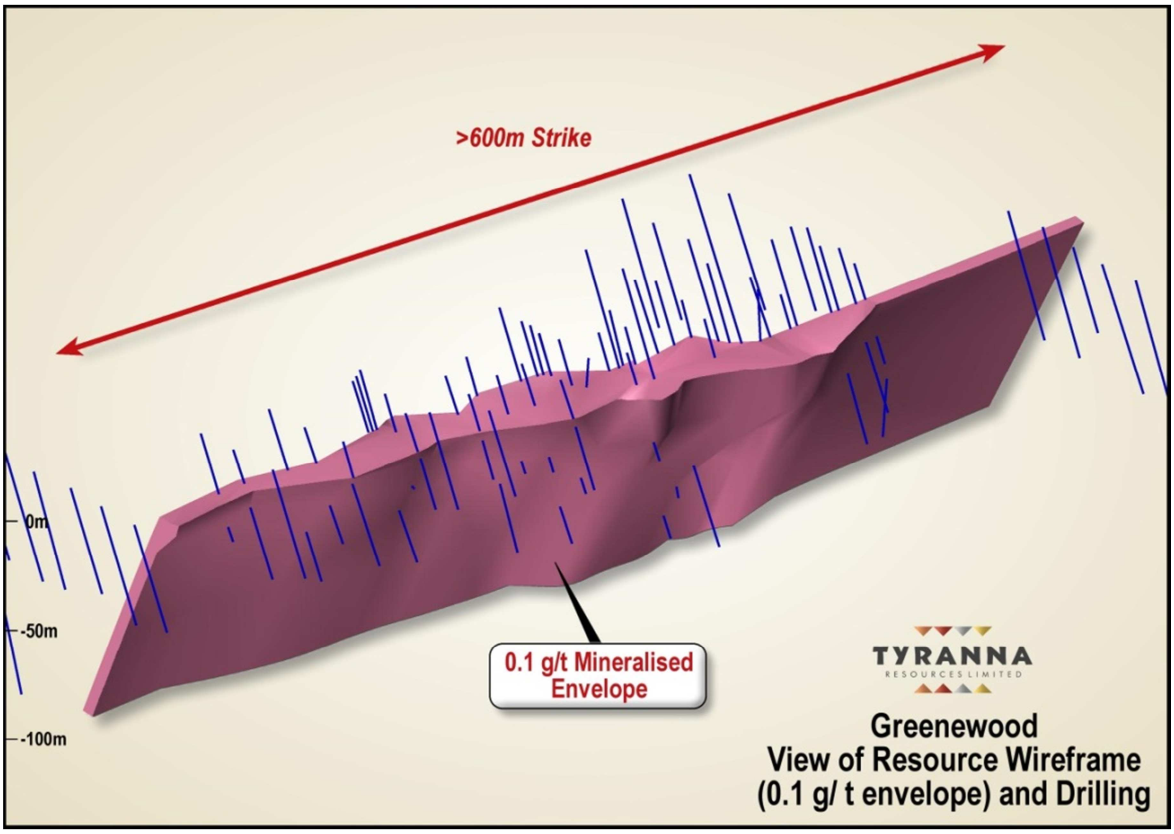


Figure 3: Greenewood 3D Model Long Section

Campfire Bore

Phase 2 of the drilling at Campfire Bore, 5km to the east of Greenewood, was completed during the period and all assays received. A total of 37 RC holes were drilled for 2,658 metres, and one diamond hole completed for 100 metres. Drilling results indicated that the targeted structure is continuous along strike. Results from 18 RC holes and one diamond hole were reported in November with results including:

- 16CBRC038: 14m @ 2.67 g/t gold from 74m
- 16CBRC035: 16m @ 1.55 g/t gold from 46m, inc: 1m@11.5g/t Au
- 16CBRC040: 6m @ 2.00g/t gold from 35m
- 16CBRC044: 11m @ 1.70 g/t gold from 33m

Holes 16CBRC034 to 16CBRC051 were drilled to test different possible orientations of gold-bearing structures discovered by Tyranna earlier in 2016. Historically, Campfire Bore has been the target of multiple generations of drilling however the orientation of the ore zones has never been clearly understood. The first results appeared to identify the prevailing strike of one of these structures and opened the possibility that many parallel structures exist.

Drilling delineated a consistent supergene gold blanket at the transition zone between the oxidised and fresh rock boundary. This is evident from multiple drill intercepts with grades greater than 30 g/t Au that have been attributed to supergene enrichment (refer figure 4):

- 16CBRC022 1 m @ 37.8 g/t Au from 47m
- 16CBRC015 1 m @ 36.8 g/t Au from 42m
- 16CBRC038 1 m @ 30.8 g/t Au from 56m
- 16CBRC029 1 m @ 30.5 g/t Au from 41m

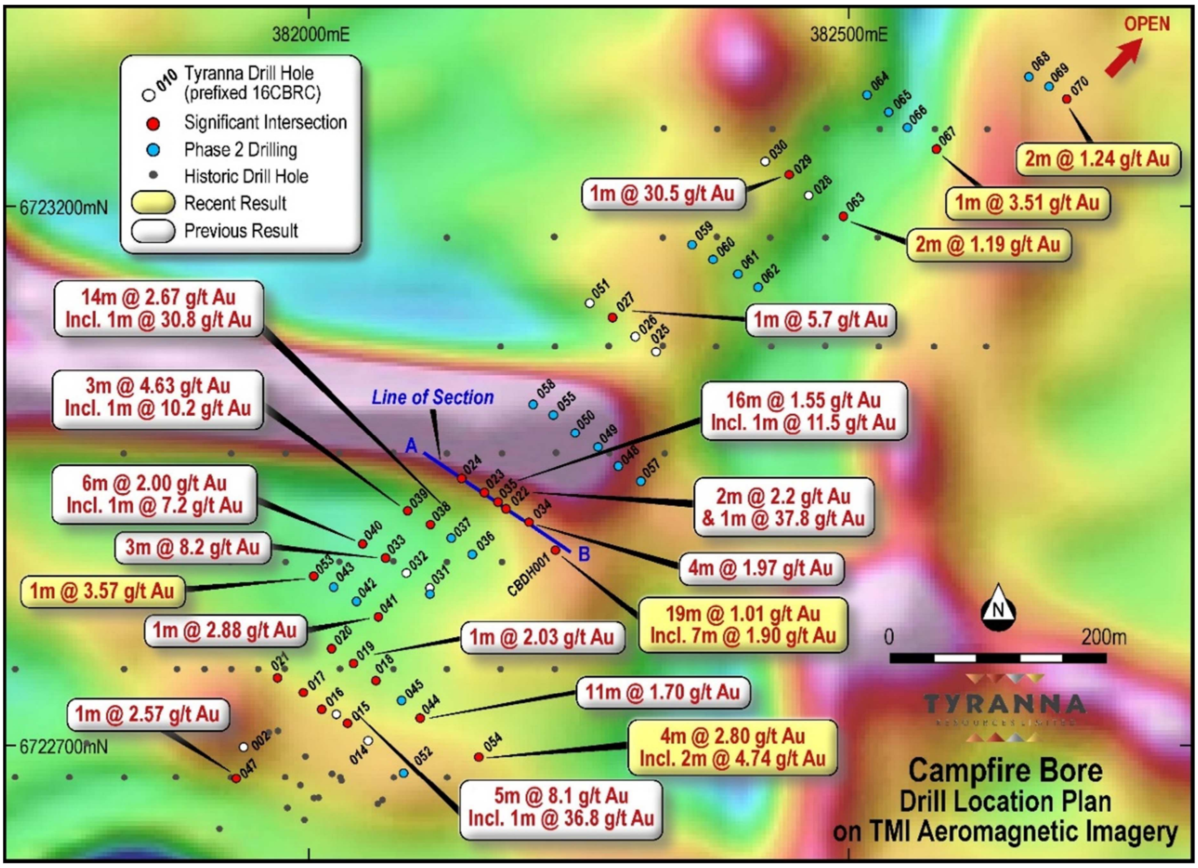


Figure 4: Drillhole location plan at Campfire Bore

In addition to the supergene enrichment, the results of this program of drilling proves the mineralised structure extends below the supergene blanket and into a primary zone. The implication is that deeper drilling is required to extend the gold zone and thus increase resource potential. Refer to figure 5 which shows diamond drill hole 16CBDH001 and 16CBRC035 which both intersected primary style gold mineralisation.

Diamond hole 16CBDH001 intersected 19m @ 1.01 g/t Au from 37m, including 7m @ 1.9 g/t Au from 37m. In the mineralised zone, evident from this diamond hole, sampling was taken at 1 metre intervals however the intervals sampled did not replicate the mineralised structures known as the “blue quartz vein” which ranges from 10cm to 60cm in length. A new sampling program will be undertaken to sample only the blue quartz veins in the mineralised structures to show a true reflection of the irregular distribution of the nuggetty gold which is similar to the gold mineralisation at the Challenger Gold mine (refer to WPG Resources September 2016 Quarterly Report).

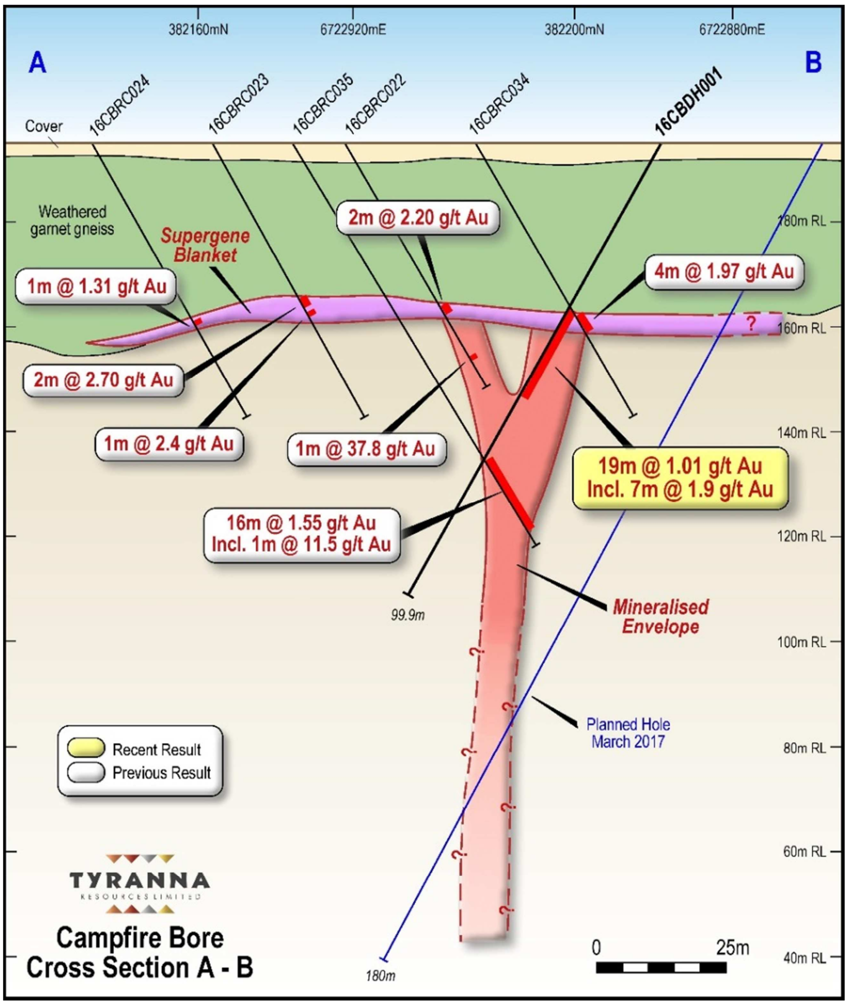


Figure 5: Cross Section at Campfire Bore

Typhoon Gold Prospect

During the last quarter, Tyranna announced assay results from reverse circulation (RC) drill holes completed at the Typhoon Gold Prospect, which is 39km south of the Challenger Gold Mine and part of the larger Jumbuck Gold Project in the Northern Gawler Block of South Australia.

Assay results from the program included:

- 17TYRC004 14m @ 1.24 g/t gold from 32m
- 17TYRC004 1m @ 50.7 g/t gold from 71m
- 17TYRC012 13m @ 3.88 g/t gold from 47m including 4m @ 10.18 g/t
- 17TYRC013 5m @ 2.55 g/t gold from 70m including 1m @ 7.5 g/t
- 17TYRC001 3m @ 2.95 g/t gold from 45m

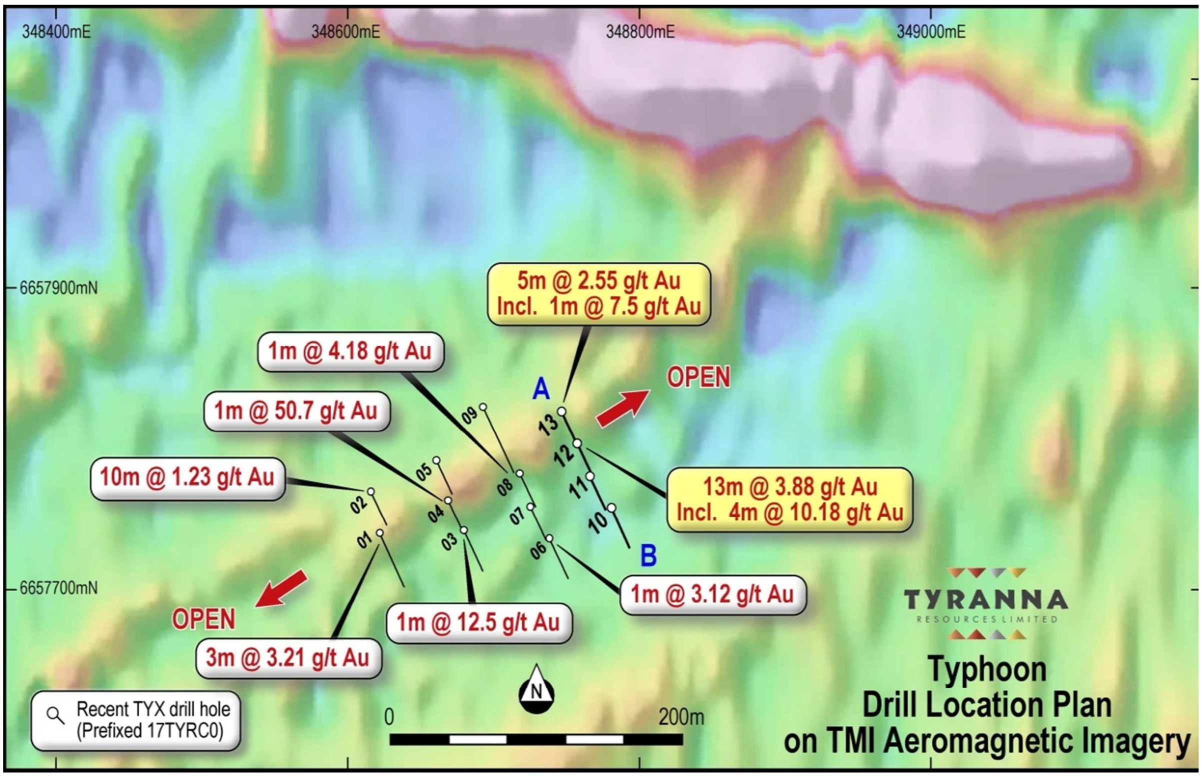


Figure 6: Typhoon drill hole location plan

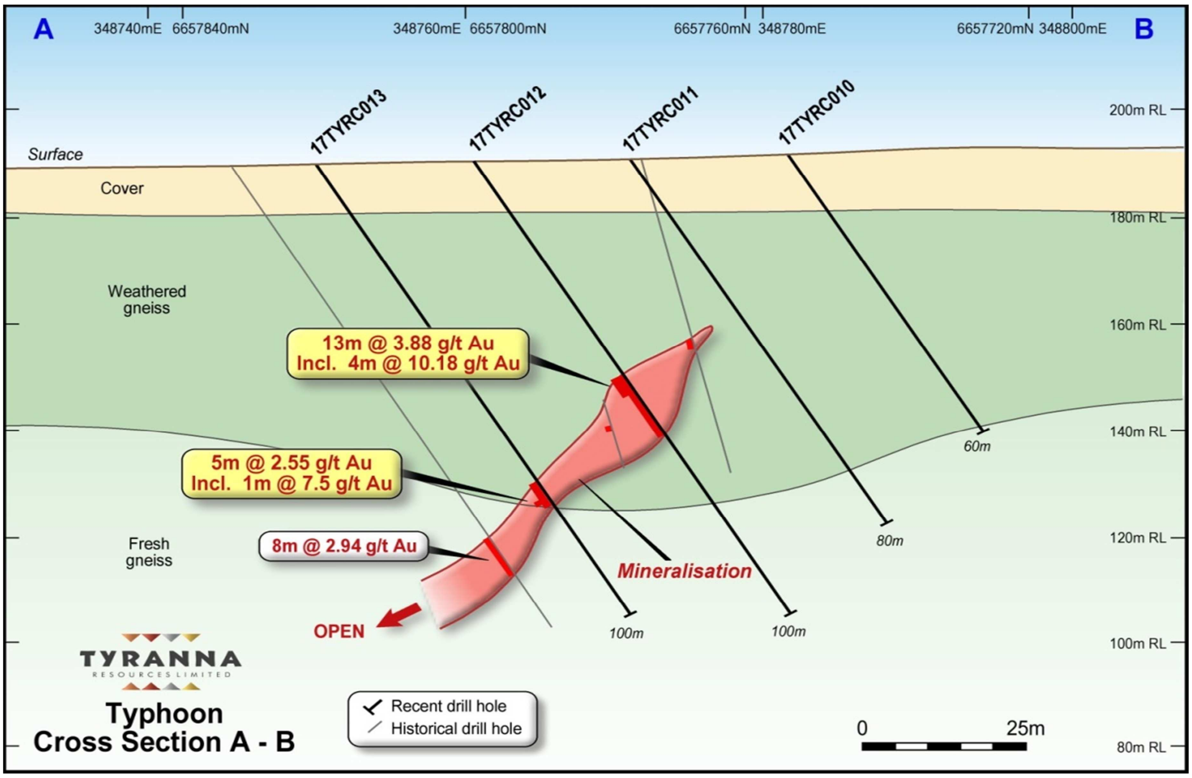
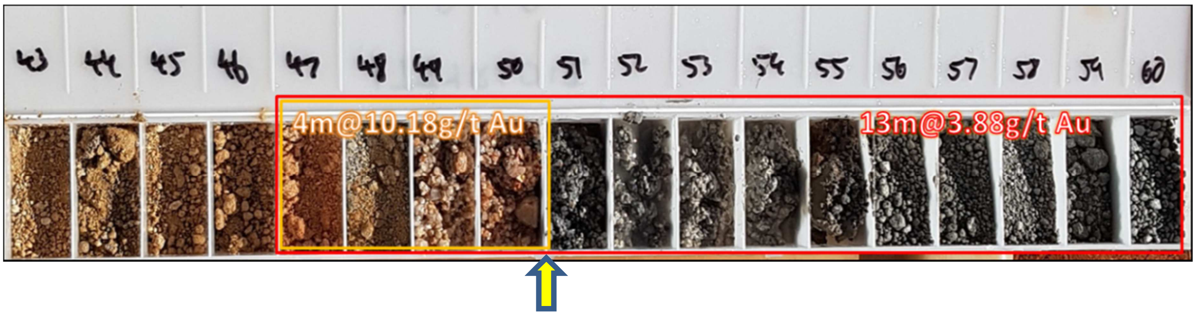


Figure 7: A-B Cross section drilling looking north east (refer to Figure 6)

The outstanding result from hole 17TYRC012 occurs at the BOPO (Base of Partial Oxidisation). The BOPO is commonly where supergene mineralisation has been observed by Tyranna geologists, also occurring at the Golf Bore, Campfire Bore and Greenewood gold prospects. This BOPO is used by the geologists as a marker horizon that is indicative of the supergene enriched areas that for example, commonly carry grades of greater than 2 g/t Au over widths of 4 metres or greater.

Figure 8: RC chip tray for hole 17TYRC012



BOPO Boundary (Base of Partial Oxidisation)

Monsoon

Drilling at Monsoon, 1.5 km east of Typhoon Gold Prospect, commenced to test four main target areas, and by quarter-end 54 RC drill holes were completed for 4,250m for an average depth of 78 metres. Results from Monsoon reported on 6 July included:

- 12m @ 1.60 g/t gold from 33m (17MNRC019)
- 11m @ 1.21 g/t gold from 48m (17MNRC023)
- 7m @ 1.12 g/t gold from 30m (17MNRC004)
- 3m @ 1.94 g/t gold from 49m (17MNRC037)
- 1m @ 3.58g/t gold from 62m (17MNRC041).

Based on results from this first-pass drilling, Monsoon has been classified a secondary order target in the southern Jumbuck area.

Second Half 2017 Exploration Program

Assay results received from the Typhoon gold prospect exceeded expectations and a 2,000 metre RC drill program to test strike continuation and down dip extension is planned for early August 2017.

Tyranna is also planning to drill the Greenewood prospect, which is part of the northern Jumbuck area, with approximately 3,000 metres of RC drilling, scheduled to commence after the Typhoon second pass drilling as stated above.

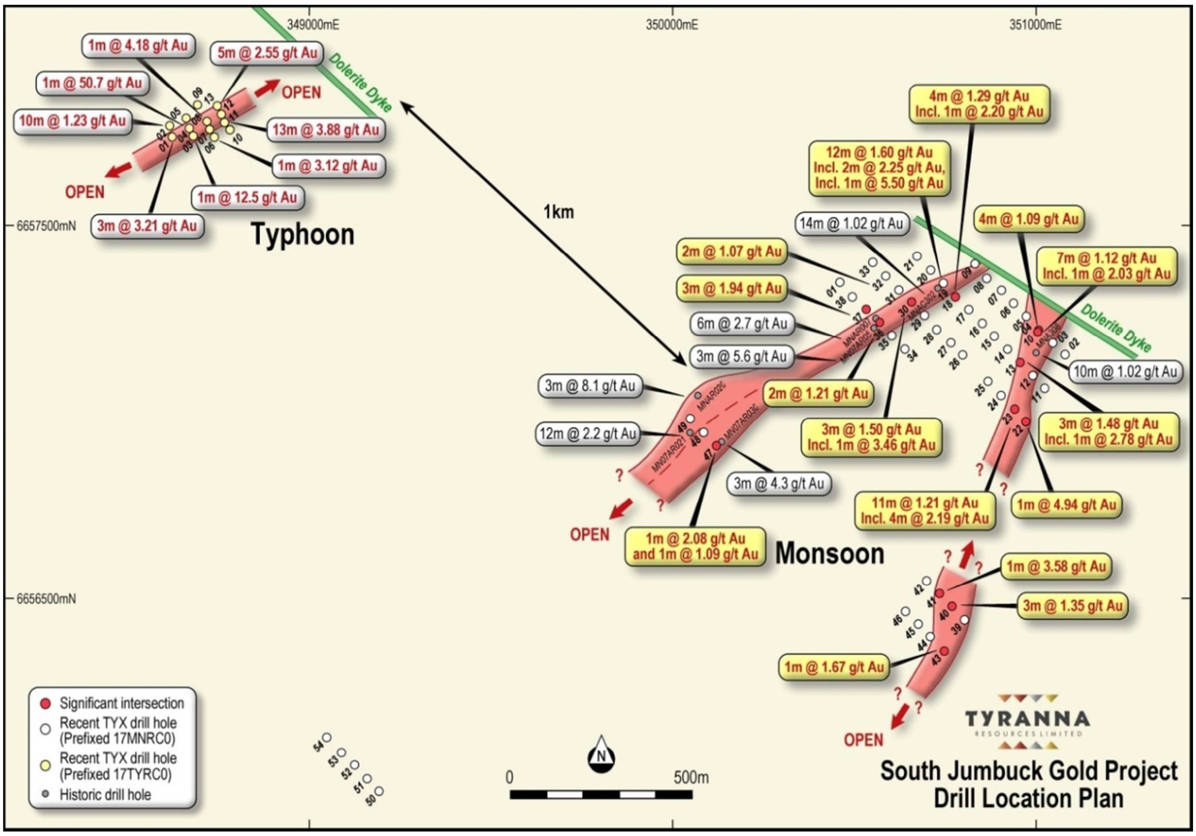


Figure 9: Southern Jumbuck Drill Hole Location Plan showing Typhoon and Monsoon

WILCHERRY JOINT VENTURE

Tyranna formed a strategic joint venture with Alliance Resources Limited (ASX: AGS) covering the Wilcherry Project, 100km northwest of Whyalla, South Australia. Alliance paid Tyranna \$2 million cash to acquire a 51% equity interest in the Wilcherry Project and invested in Tyranna and can acquire up to 19.9% of Tyranna's issued share capital to become a cornerstone shareholder in the Company.

Zealous Prospect

Reverse circulation (RC) drilling commenced at the Zealous base metals prospect, part of the Wilcherry Hill Joint Venture between Tyranna (49%) and Alliance Resources Ltd (51%). Zealous is a first order conductive target identified by a helicopter-borne electromagnetic (HEM) survey conducted during December 2016 and confirmed by a high-powered ground moving loop electromagnetic (MLEM) survey completed in March 2017.

Previous drilling at Zealous between 2012 and 2014 intersected significant tin (Sn) grades, including:

- 20.0m @ 1.29% Sn from 42m in 12ZLRC007
- 12.3m @ 1.10% Sn from 119m in 13ZLDH001
- 10.0m @ 1.23% Sn from 128m in 13ZLRC001.

The first two RC drill holes (SW hole and NE hole) at the prospect encountered deep regolith consisting of kaolinite (clay) and very fine sand. The southern hole failed to reach target depth and the northern hole entered the top of the target zone but failed to reach final target depth. A total of 366m was drilled before a decision was made to suspend the RC drilling at Zealous and to source a diamond drilling rig to further test this prospect. A diamond drill rig was scheduled to arrive on site on 30 June to drill three holes at Zealous (instead of five RC holes) and the two remaining holes at Telephone Dam, for a total of 1,500m.

Telephone Dam Prospect

After a decision was made to diamond drill at Zealous, the RC drill rig was moved to the Telephone Dam zinc-lead-silver prospect where the southernmost hole was completed to 210m. A decision was made not to RC drill the northern two holes at Telephone Dam and these will instead be diamond drilled.

Diamond drilling at Telephone Dam will be undertaken once the remaining holes at Zealous are completed. Results from the completed holes are expected in late August to early September.

Weednanna Prospect

The RC drill rig relocated from Telephone Dam to the Weednanna gold prospect where 25 holes were drilled for a total of 4,051m. Drilling at Weednanna in the previous quarter intersected bonanza gold (Au) grades, including:

- 49m @ 6.3 g/t Au from 45m (incl. 21m @ 10.7 g/t Au from 48m) in 17WDRC003
- 10m @ 6.8 g/t Au from 79m (incl. 3m @ 15.5 g/t Au from 81m) in 17WDRC011
- 2m @ 61.1 g/t Au from 167m in 17WDRC012.

Wilcherry MLEM Surveys

Ground moving loop electromagnetic (MLEM) surveys commenced in late May to follow up further heli-electromagnetic (HEM) conductors at the Wilcherry Project.

A high-powered MLEM survey programme commenced at the first of four targets by Gap Geophysics Australia Pty Ltd to follow-up further first order regional HEM survey conductors identified during the December 2016 survey and which may be prospective for accumulations of massive sulphides.

A total of 22 traverse lines are planned for 34 line km of surveying (353 stations).

The aims of the survey are:

- Follow-up HEM anomalism and confirm the presence of significant bedrock conductors at the target areas; and
- Optimise drill targets to test bedrock conductors for economic concentrations of metals.

Investments

Orinoco Gold Ltd (ASX: OGX)

Orinoco continues with the recommence of the Cascavel plant after technical consultants determined that operational issues at the plant could be resolved with minor modifications and refinements with additional developments to improve access and infrastructure underground during trial mining.

As at 30 June 2017, Tyranna held 4.6% of shares on issue in Orinoco.

Kairos Minerals Limited (ASX: KAI)

During the period, the Company increased its holdings to 31,299,531 shares in WA-based explorer Kairos Minerals through on market purchase, placement participation and the receipt of additional 9 million shares as the Mount York Gold Lithium exploration tenement applications converted to granted exploration licenses.

As at 30 June 2017, Tyranna held 6.4% of shares on issue in Kairos Minerals.

Corporate

Board and Management Changes

During the period, the Company underwent Board and Management changes with the appointment of Mr. Joseph S. Pinto as Non-Executive Chairman and Mr Frank Lesko as Non-Executive Director.

Following the resignation of Mr Ian Finch and Mr Neil McKay, the Company promoted Mr Nick Revell to the position of Technical Director and Mr Yugi Gouw as Chief Financial Officer and Company Secretary.

Shares and Options on issue

During the year, from share placements, share purchase plan and option conversions, the Company issued 115,667,723 ordinary shares and 53,078,963 options exercisable at $0.04 on or before 24 August 2017.

It has also finalised the cancellation of 2,000,000 options exercisable at $0.03 on or before 10 June 2017.

Sale of Less than Marketable Parcels

In October 2016, Tyranna announced details of a share sale facility for holders of less than a marketable parcel of the Company's shares (less than $500 value) to enable investors with less than marketable parcels, who otherwise find it difficult or expensive to dispose of those shares through normal means, to sell their holdings without incurring broking fees. These fees can often render the sale of small parcels unattractive or uneconomical. The Facility also helps the Company reduce the significant administrative cost of managing these small share parcels.

Tyranna had approximately 3,410 shareholders of which approximately 1,909 held less than marketable parcels. A total of 7,823,876 shares were sold on behalf of those shareholders who did not elect to retain their shares. The Company distributed to those shareholders $212,659, being the consideration received for selling those shares.

Directors' Report

Your directors present their report on Tyranna Resources Limited (the "Company") and of the Group being the Company and its controlled entity for the financial year ended 30 June 2017.

Directors

The names of directors in office at any time during or since the end of the year are:

Joseph S. Pinto (appointed 18 July 2016)
Bruno Seneque
Nick Revell (appointed 1 Aug 2016)
Frank Lesko (appointed 1 Aug 2016)
Ian D. Finch (resigned 1 Aug 2016)
Neil W. McKay (resigned 1 Aug 2016)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Pragiyugi Gouw — Bachelor of Commerce

Principal Activities

The principal activities of the Group during the financial year were mineral exploration and project development.

There were no significant changes in the nature of the principal activities during the financial year.

Operating Results and Financial Review

Profit and loss

The Group's loss after providing for income tax amounted to $6,110,203 (2016: 1,604,005). The Group continues to work towards advancing its project toward gold production.

Financial Position

The directors believe the Group is in a stable financial position to expand and grow its current operations. The Group's net assets as at 30 June 2017 are $12,537,107 (2016: $19,035,940).

Liquidity and capital resources

The Company's principal source of liquidity as at 30 June 2017 is cash of $1,406,729 (2016: $302,047). None of which (2016: $nil) has been placed on short term deposit. The Company's main source of cash during the year are the receipt of research and development rebate in relation to the year ended 30 June 2016, proceeds from capital raisings and sale of assets.

Dividends Paid or Recommended

No amounts have been paid or declared by way of dividends by the Company since the end of the previous financial period and up until the date of this report. The directors do not recommend the payment of any dividend for the financial year ended 30 June 2017.

Review of Operations

- Maiden Mineral Inferred Resource for the Jumbuck Gold Project of 219,000 ounces of gold, reported in accordance with JORC Code 2012.
- Increase the Company's stake in the Challenger Joint Venture from 59% to 75%.
- Formed strategic joint venture with Alliance Resources Limited (ASX: AGS) covering the Wilcherry Hill Project.
- Sale of Less than Marketable Parcels to improve cost efficiency in managing share register.

Significant Changes in State of Affairs

There was no significant change in the state of affairs of the Group that occurred during the financial year under review that is not mentioned elsewhere in this report or listed below.

After Balance Date Events

There has been no significant event after balance date which has not been disclosed as part of this Annual Report.

Future Developments, Prospects and Business Strategies

To maximise shareholder wealth, the following developments are intended to be implemented in the near future:

i. Upgrade and extend known prospects in order to increase project's resource ounces (target 500,000 ounces).

ii. Make new high grade discovery.

iii. Increase JV ownership interest and develop potential of 100% owned project.

iv. Develop potential mining feasibility of one or more prospects with centrally located plant.

Environmental Issues

The Group's operations are subject to environmental regulation under the law of the Commonwealth and State in relation to exploration activities. Details of the Group's performance in relation to environmental regulations follow.

National Greenhouse and Energy Reporting Guidelines

The Group is subject to the conditions imposed by the registration and reporting requirements of the *National Greenhouse Gas and Energy Reporting Act 2007* (the NGER Act), and is registered with the Greenhouse and Energy Data Office. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Group either for the current or subsequent financial year. The Directors will reassess this position as and when the need arises.

Energy Efficiency Opportunities Guidelines

The Group is not subject to the conditions imposed by the registration and reporting requirements of the *Energy Efficiency Opportunities Act 2006* in the current financial year as its energy consumption was below the 0.5 petajoule registration threshold.

If the Group exceeds this threshold in future reporting periods, it will be required to register with the Department of Resources, Energy and Tourism and complete an Energy Savings Action Plan. This plan assesses the energy usage of the Group and identifies opportunities for the Group to reduce its energy consumption.

Clean Energy Act 2011

In November 2011, the Federal Parliament passed the Clean Energy Act 2011, which implements a carbon pricing mechanism from 1 July 2012. Under the mechanism, entities that produce over the threshold level of carbon emissions will be required to purchase permits to offset their carbon emissions.

Director's Report

The Group is not directly impacted by the carbon pricing mechanism because it does not control facilities that produce emissions greater than the threshold level. However, the Group will be indirectly impacted by the mechanism through increases in the prices it pays for energy and materials purchased from suppliers that are impacted by the introduction of the mechanism. The Group also anticipates that it will experience an increase in expenditures related to waste disposal under the carbon pricing mechanism, although any future increases in such costs are likely to be less significant than the anticipated increases in energy and material costs.

Management of the Group has considered whether the introduction of the carbon pricing mechanism is an impairment indicator and has determined that it is not expected to have a significant impact on the estimated net cash flows of the Group's operations or the recoverability of its assets, principally because the Group has the capacity to pass on any increases in production costs through its contracts with customers.

Information on Directors

Joseph S. Pinto	Non-Executive Chairman
Qualifications	Bachelor of Laws and Bachelor of Commerce
Experience	Mr. Pinto is a Solicitor and Barrister of the Supreme Court of N.S.W.as well as having been admitted as a Solicitor to the High Court of Australia. He has been a major shareholder and supporter of the Company and is also the major shareholder of Orinoco Gold Limited, a company in which Tyranna Resources through its wholly owned subsidiary Trafford Resources, was a cornerstone investor.
Interest in Shares	43,734,138 fully paid ordinary shares.
Interest in Options	None.
Directorships held in other listed entities	None.
Bruno Seneque	Managing Director
Qualifications	Bachelor of Business (Accounting), CPA
Experience	Mr Seneque is a Certified Practicing Accountant with CPA Australia, and has 20 years' experience as a qualified accountant. Over the last 17 years Mr Seneque has accumulated experience in the mining industry in various roles including executive general management, CFO, company secretarial services, corporate and mine site accounting. He was previously Managing Director of Fox Resources Ltd, which operated the Radio Hill nickel/copper mine in Karratha.
Interest in Shares	287,143 fully paid ordinary shares.
Interest in Options	2,500,000 Performance Rights expiring 30 November 2018. 5,000,000 Performance Rights expiring 30 November 2019.
Directorships held in other listed entities	None.
Nick Revell	Technical Director (Appointed on 1 August 2016)
Qualifications	Bachelor of Applied Science (Geology)
Experience	Mr Revell was previously employed as the Company's Business Development Manager and played an integral role in leading the exploration team credited with the recent success at the Greenewood/Campfire Bore Gold Prospects, as part of the Jumbuck Gold Project, with over 25 years' experience as an exploration/mine geologist specializing in gold and iron ore. He has also held directorships in a number of junior listed exploration companies including IPO's.

Interest in Shares & Options	150,000 fully paid ordinary shares. 2,500,000 Performance Rights expiring 30 November 2018. 5,000,000 Performance Rights expiring 30 November 2019.
Directorships held in other listed entities	Director of Orinoco Gold Limited.

Frank Lesko	Non-Executive Director (Appointed on 1 August 2016)
Qualifications	Associate Diploma in Applied Science (Building)
Experience	Mr Lesko is a successful investor in junior listed exploration companies and has been active over the last 15 years in this sector. He was the founding director of numerous construction related businesses in Sydney prior to their acquisition by larger global organisations. Currently Mr Lesko consults to a growing medium sized construction company based in the Sydney CBD along with managing a substantial share and property portfolio.
Interest in Shares & Options	771,740 fully paid ordinary shares.
Directorships held in other listed entities	None.

Ian D Finch	Technical Director (Resigned on 1 August 2016)
Qualifications	BSc (Hons) in Geology from the University of Birmingham (England), a Member of the Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Company Directors.
Experience	Mr Finch's career spans 46 years of mining and exploration. He worked extensively throughout Southern Africa between 1970 and 1981 – from the Zambian Copper Belt and Zimbabwean Nickel and Chrome fields to the Witwatersrand Gold Mines in South Africa. In 1981 he joined CRA Exploration as a Principal Geologist, before joining Bond Gold as its Chief Geologist in 1987. In these roles he was instrumental in the discovery and development of several new gold and copper/gold resources in Australia. In 1993 Mr Finch established Taipan Resources Ltd, a company which successfully pioneered the exploration for large gold deposits in the Ashburton District of Western Australia – when it was discovered a resource of approximately 1.0 million ounces at the Paulsen's Project. In 1999 Mr Finch founded Templar Resources Limited, now a 100% owned subsidiary of Canadian Listed company Goldminco Corporation. As President/CEO for Goldminco until May 2005, Mr Finch established an extensive exploration portfolio in New South Wales where the Company is actively exploring for large porphyry copper / gold deposits. During his presidency Mr Finch forged strong strategic ties with major mining houses and financial institutions in Vancouver, Toronto and London.
Interest in Shares	7,642,771 fully paid ordinary shares on resignation date.
Interest in Options	None.
Directorships held in other listed entities	Director of Orinoco Gold Limited. Director of Kairos Minerals Ltd.

Neil W. McKay	Non-Executive Director (Resigned on 1 August 2016) Company Secretary (Resigned on 31 August 2016)
Qualifications	Bachelor of Business
Experience	Mr. McKay is a former Chartered Accountant and has been involved in the resources industry for more than 29 years. He has been Company Secretary for several listed resource public companies and held senior administrative and accounting positions for a number of other resource companies. Since 1995, he has operated as an independent consultant, specialising in the incorporation and administration of resource companies with special focus in South East Asia. For the last two years, he has divided his time between Australia where he provides consultation to various public companies, and South East Asia where he continues his involvement.
Interest in Shares	4,126,369 fully paid ordinary shares on resignation date.
Interest in Options	None.
Directorships held in other listed entities	None.

Meetings of Directors

During the financial year, 14 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Held	Attended	Eligible to attend
Joseph Pinto	14	13	13
Bruno Seneque	14	14	14
Nick Revell	14	10	10
Frank Lesko	14	10	10
Ian Finch	14	3	3
Neil McKay	14	2	2

Indemnifying Officer

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer or agent of the Group shall be indemnified out of the property of the Group against any liability incurred by him in his capacity as Officer or agent of the Group or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The amount paid for this indemnity was $11,950.

Options

At the date of this report, the outstanding options are as follows:

Grant Date	*Expiry Date*	*Exercise Price*	*Number of Options*
4 June 2015	4 June 2018	$0.03	10,000,000

Proceedings on Behalf of Group

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 other proceedings during the year.

Non-audit Services

The board of directors is satisfied that the provision of non-audit services performed during the year by the Group's auditors, Bentleys Audit & Corporate (WA) Pty Ltd, is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No other fees were paid or payable to the auditors for non-audit services performed during the year except for a fee of $13,620 (2016: $20,950) paid for taxation services.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C for the year ended 30 June 2017 has been received and can be found on page 25 of the directors' report.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each key management person of the Group.

Remuneration policy

The remuneration policy of Tyranna Resources Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board of Tyranna Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best people to run and manage the Company, as well as create goal congruence between directors and shareholders.

The board's policy for determining the nature and amount of remuneration for board members is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior staff members, was developed by the Company Secretary and approved by the board after seeking professional advice from independent external consultants, where appropriate.
- In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice is obtained, where appropriate, to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators have been met.
- Incentives paid in the form of options or shares rights are intended to align the interests of directors and company with those of the shareholders.

The Group is an exploration and development 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.

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

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5% and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

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

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board in consultation with independent advisors determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. 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 company and are able to participate in the employee incentive scheme. Options granted under the scheme do not carry dividend or voting rights.

Group Performance, Shareholder Wealth and Directors' and Executives Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. This has been achieved by the issue of equity related incentive to the majority of directors and executives to encourage the alignment of personal and shareholder interest.

The Group has not included the 5-year group performance summary because for a group involved in exploration, evaluation and development, the information would not reflect the true performance of directors and executives.

Names and positions held of the entity's key management personnel in office at any time during the financial year are:

Joseph Pinto	Non-Executive Chairman (Appointed 18 July 2016)
Bruno Seneque	Managing Director
Nicholas Revell	Technical Director (Appointed 1 August 2016)
Frank Lesko	Non-Executive Director (Appointed 1 August 2016)
Ian Finch	Executive Chairman (Resigned 1 August 2016)
Neil McKay	Non-Executive Director (Resigned 1 August 2016)
Peter Rowe	Non-Executive Director (Deceased 27 September 2015)

Employment Contracts of Executive Directors

The Group has entered into contract with its key management personnel that are unlimited in term but capable of termination with 6-12 months' notice and that the Group retains the right to terminate the contract immediately, by making payment in lieu of notice.

The contract of employment with the Managing Director and Technical Director specifies their duties and obligations. In general, the terms of that contract are as follows:

- The contract is not for a specific term.
- The personnel may resign from his position and thus terminate this contract by giving 6 months written notice.
- The Company is required to give 12 months' notice to terminate the employment agreement if on a without cause basis.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred.

Details of Remuneration for Year Ended 30 June 2017

The remuneration for each director and executive of the Group during the period was as follows:

2017

	Salary, Fees and Commissions	Director's Fee	Cash Bonus	Super-annuation Contribution	Termination	Options /Share Rights (vii)	Total	Represented by Options/Share Rights
	$	$	$	$	$	$	$	%
Directors								
Joseph Pinto (i)	-	57,381	-	5,451	-	-	62,832	-
Bruno Seneque	225,000	-	-	21,375	-	(11,010)	235,365	-
Nicholas Revell (ii)	167,000	-	-	30,100	-	3,573	200,673	1.8
Franke Lesko (ii)	-	36,667	-	3,483	-	-	40,150	-
Ian Finch (iii)	24,507	-	-	23,614	298,750	(7,292)	339,579	-
Neil McKay (iii)	45,400	3,349	-	20,101	217,116	(7,292)	278,674	-
	461,907	**97,397**	**-**	**104,124**	**515,866**	**(22,021)**	**1,157,273**	
2016								
Directors								
Ian Finch	324,216	-	-	32,697	-	7,292	364,205	2
Bruno Seneque (v)	131,250	50,000	-	12,469	-	14,583	208,302	7
Neil McKay	176,933	40,183	-	21,515	-	7,292	245,923	3
Peter Rowe (vi)	-	12,557	-	1,193	-	-	13,750	-
	632,399	**102,740**	**-**	**67,874**	**-**	**29,167**	**832,180**	

(i) Appointed as Non-Executive Chairman on 18 July 2016.

(ii) Appointed as Director on 1 August 2016.

(iii) Resigned as Director on 1 August 2016.

(iv) Appointed as Company Secretary on 1 August 2016.

(v) Appointed as Managing Director on 1 December 2015.

(vi) Deceased 27 September 2015.

(vii) The share rights were granted with the approval of shareholders on 30 November 2016 and 2015. During the year, share rights with performance conditions were not met and cancelled. The expense recognised was reversed in line with the requirements of AASB 2 Share Based Payments.

Share-based payments as part of remuneration

Options and share rights are issued to directors and executives as part of their remuneration and are issued based on performance or price criteria to increase goal congruence between executives, directors and shareholders. When the performance or price criteria are met, all options and share rights can then be converted into ordinary shares only on a 1:1 basis.

Shares Issued on Exercise of Compensation Options or Share Rights

15,750,000 performance share rights have been issued to Directors and Key Management Personnel during the current financial year, and represent the only share based payments in existence during the current and prior periods. No share rights have vested during the financial year ending 30 June 2017.

6,000,000 performance rights issued to Directors during the financial year ending 30 June 2016 have now been cancelled.

2017	Granted Number	Grant Date	Fair Value per Right $	Expiry Date	Vested Number
Directors					
Bruno Seneque	2,500,000	30 Nov 16	0.0041	30 Nov 18	-
	2,500,000	30 Nov 16	0.0011	30 Nov 19	-
	2,500,000	30 Nov 16	0.0001	30 Nov 19	-
Nicholas Revell	2,500,000	30 Nov 16	0.0041	30 Nov 18	-
	2,500,000	30 Nov 16	0.0011	30 Nov 19	-
	2,500,000	30 Nov 16	0.0001	30 Nov 19	-
	15,000,000				-

2016	Granted Number	Grant Date	Fair Value per Right $	Expiry Date	Vested Number
Directors					
Ian Finch	1,500,000	30 Nov 15	0.025	30 Nov 18	-
Bruno Seneque	3,000,000	30 Nov 15	0.025	30 Nov 18	-
Neil McKay	1,500,000	30 Nov 15	0.025	30 Nov 18	-
	6,000,000				-

Number of Shares Held by Key Management Personnel

2017	Balance 1.7.2016	Granted As Compensation	Purchased	Options/ Rights Exercised[2]	Net Change Other*	Balance 30.6.2017
Joseph Pinto	25,300,000	-	10,400,689	-	-	35,700,689
Bruno Seneque	120,000	-	167,143	-	-	287,143
Nicholas Revell	-	-	100,000	-	-	100,000
Frank Lesko	-	534,153	100,000	-	-	634,153
Ian Finch	7,642,771	-	-	-	(7,642,771)	-
Neil McKay	4,126,369	-	-	-	(4,126,369)	-
Total	**37,189,140**	**534,153**	**10,767,832**	**-**	**(11,769,140)**	**36,721,985**

2016	Balance 1.7.2015	Granted As Compensation	Purchased	Options/ Rights Exercised[2]	Net Change Other*	Balance 30.6.2016
Ian Finch	6,892,771	-	750,000	-	-	7,642,771
Bruno Seneque	-	-	120,000	-	-	120,000
Neil McKay	3,751,369	-	375,000	-	-	4,126,369
Peter Rowe	-	-	-	-	-	-
Total	**10,644,140**	**-**	**1,245,000**	**-**	**-**	**11,889,140**

Number of Options Held by Key Management Personnel

2017	Balance 1.7.2016	Granted As Compensation	Exercised	Net Change Other*	Balance 30.6.2017	Unvested and not exercisable
Joseph Pinto	1,902,867	-	-	597,133	2,500,000	
Bruno Seneque	-	-	-	8,572	8,572	-
Nicholas Revell	-	-	-	-	-	-
Frank Lesko	-	-	-	-	-	-
Ian Finch	1,000,000	-	-	-	1,000,000	-
Neil McKay	1,000,000	-	-	-	1,000,000	-
Total	**3,902,867**	**-**	**-**	**605,705**	**4,508,572**	**-**

2016	Balance 1.7.2015	Granted As Compensation	Exercised	Net Change Other*	Balance 30.6.2016	Unvested and not exercisable
Ian Finch[1]	634,750	-	-	365,250	1,000,000	-
Bruno Seneque	-	-	-	-	-	-
Neil McKay[1]	176,000	-	-	824,000	1,000,000	-
Peter Rowe	-	-	-	-	-	-
Total	**810,750**	**-**	**-**	**1,189,250**	**2,000,000**	**-**

1 During the financial period ending 30 June 2015, the Company received two $50,000 unsecured loans, from Mr. Finch and Mr McKay, at an interest rate of 15% p.a. At the Company's General Meeting held on 29 July 2015, shareholders approved the issue of 1,000,000 options, each to Mr Finch and Mr McKay, exercisable at $0.03 on or before 24 August 2017 as consideration for providing the loan. Refer to transactions with related parties (Note 26).

*Net Change Other refers to shares/options issued not as part of remuneration, purchased, sold or expired during the financial year.

The fair value of the options is determined using Black-Scholes option pricing method, detailed in Note 18.

Other transactions with key management personnel of the Group

During the financial period ending 30 June 2015, the Company received two $50,000 unsecured loans, from Mr. Finch and Mr McKay, at an interest rate of 15% p.a. The Company has repaid the loan in August 2017.

End of Remuneration Report

Corporate Governance Statement

The Board of Directors of Tyranna Resources Limited ("Tyranna" or "the Company"), is responsible for the Corporate Governance of the Company. The Board is committed to achieving and demonstrating the highest standard of corporate governance applied in a manner that is appropriate to the Company's circumstances.

The Company has taken note of the Corporate Governance Principles and Recommendations 3rd Edition, which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for the financial years beginning on or after 1 July 2014.

The Company's Corporate Governance Statement is current as of the date of this report and it has been approved by the Board. The Corporate Governance Statement is available on the Company's website at:

http://www.tyrannaresources.com/about/corporate-governance

Consent of Competent Persons

The information in this announcement that relates to Exploration Results and general project comments is based on information compiled by Nicholas Revell, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Revell is the Technical Director of the Company. Mr. Revell 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. Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Resource estimates is based on information compiled by Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Jonathon Abbott is a full time employee of MPR Geological Consultants Pty Ltd and is an independent consultant to Tyranna Resources Limited. Mr Abbott has 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 a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Mr. Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

Bruno Seneque
Managing Director
Dated this 22nd day of September 2017

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Tyranna Resources Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated at Perth this 22nd day of September 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 30 June 2017

	Notes	2017 $	2016 $
Revenue and other income	2	60,016	2,219,534
Administrative expense		(92,967)	(125,021)
Consultancy expenses		(238,597)	(474,322)
Compliance and regulatory expenses		(87,406)	(88,048)
Depreciation and amortisation		(367,600)	(472,829)
Director fees		(97,396)	(101,065)
Share-based payment issued/(cancelled)	18	21,042	(29,167)
Legal fees		(126,371)	(26,422)
Finance costs		(6,398)	(79,184)
Occupancy costs		(178,587)	(254,014)
Public relation costs		(79,928)	(56,202)
Staffing costs		(845,206)	(424,614)
Asset impairment	9, 10	(1,213,432)	(548,750)
Net foreign exchange gain/(loss)		(35,961)	130,710
Discount on receivables		-	(33,590)
Exploration costs		(3,477,259)	(2,302,186)
Other expenses from ordinary activities		(120,886)	(152,498)
Loss before income tax		(6,886,936)	(2,817,668)
Income tax benefit	3	776,733	1,213,663
Loss for the year		(6,110,203)	(1,604,005)
Other comprehensive income			
Net gain/(loss) on revaluation of financial assets		(4,325,334)	2,229,633
Total comprehensive income		(10,435,537)	625,628
Loss per share (cents per share)	6	(0.01)	(0.61)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position
As At 30 June 2017

	Note	2017 $	2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,406,729	302,047
Trade and other receivables	8	79,447	1,964,064
TOTAL CURRENT ASSETS		1,486,176	2,266,111
NON-CURRENT ASSETS			
Trade and other receivables	8	85,000	45,000
Property, plant and equipment	9	4,297,778	4,624,708
Exploration and evaluation expenditure	10	5,716,568	8,930,000
Financial assets	11	1,724,546	4,771,477
TOTAL NON-CURRENT ASSETS		11,823,892	18,371,185
TOTAL ASSETS		**13,310,068**	**20,637,296**
CURRENT LIABILITIES			
Trade and other payables	12	605,647	1,244,916
Provisions	14	167,314	156,440
Borrowings	13	-	200,000
TOTAL CURRENT LIABILITIES		772,961	1,601,356
TOTAL LIABILITIES		**772,961**	**1,601,356**
NET ASSETS		**12,537,107**	**19,035,940**
EQUITY			
Issued capital	15	76,763,991	72,834,176
Reserve	16	(1,846,881)	2,471,564
Accumulated losses		(62,380,003)	(56,269,800)
TOTAL EQUITY		**12,537,107**	**19,035,940**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For Year Ended 30 June 2017

	Note	Issued Capital	Accumulated Losses	Financial Asset Reserve	Share-Based Payment Reserve	Total
		$	$	$	$	$
Balance at 1 July 2016		**72,834,176**	**(56,269,800)**	**2,330,837**	**140,727**	**19,035,940**
Loss for the year		-	(6,110,203)	-	-	(6,110,203)
Other comprehensive income		-	-	(4,325,334)	-	(4,325,334)
Total comprehensive income for the year		-	(6,110,203)	(4,325,334)	-	(10,435,537)
Transaction with owners, in the capacity as owners, and other transfers						
Share options or rights cancelled		-	-	-	(29,167)	(29,167)
Share options or rights issued		-	-	-	36,056	36,056
Shares issued during the year		4,231,652	-	-	-	4,231,652
Transaction costs in relation to prior year		(301,837)	-	-	-	(301,837)
Balance at 30 June 2017	15	**76,763,991**	**(62,380,003)**	**(1,994,497)**	**147,616**	**12,537,107**
Balance at 1 July 2015		**71,164,212**	**(54,665,795)**	**101,204**	**81,706**	**16,681,327**
Loss for the year		-	(1,604,005)	-	-	(1,604,005)
Other comprehensive income		-	-	2,229,633	-	2,229,633
Total comprehensive income for the year		-	(1,604,005)	2,229,633	-	625,628
Transaction with owners, in the capacity as owners, and other transfers						
Share options or rights issued		-	-	-	59,021	59,021
Shares issued during the year		1,798,260	-	-	-	1,798,260
Transaction costs in relation to prior year		(128,296)	-	-	-	(128,296)
Balance at 30 June 2016	15	**72,834,176**	**(56,269,800)**	**2,330,837**	**140,727**	**19,035,940**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For Year Ended 30 June 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments for exploration and evaluation activity		(3,782,914)	(2,088,944)
Payments to suppliers and employees		(2,077,024)	(1,714,831)
Interest received		22,764	1,827
Interest and other charges paid		(10,117)	(76,636)
Research and development rebate and other income		776,733	1,288,663
Net cash outflows from operating activities	17	(5,070,558)	(2,589,921)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets		-	112,821
Purchase of financial assets		(746,310)	(100,000)
Proceeds from disposal of property, plant and equipment		1,372,466	1,545,300
Payments for property, plant and equipment		(59,777)	(402,093)
Proceeds from disposal of mineral tenements		2,000,000	198,000
Receipts/(Payments) on security deposits		(40,000)	200
Net cash inflows from investing activities		2,526,379	1,354,228
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		4,025,991	1,798,260
Fundraising Costs		(273,905)	(129,287)
Repayment of borrowings		(100,000)	(500,000)
Net cash provided inflows from financing activities		3,652,086	1,168,973
Net increase/(decrease) in cash held		1,107,907	(66,720)
Cash at beginning of financial year		302,047	390,644
Effect of exchange rates on cash holdings in foreign currencies		(3,225)	(21,877)
Closing Cash and Cash Equivalents	7	**1,406,729**	**302,047**

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the economic entity of Tyranna Resources Limited and controlled entities (the "Group"). Tyranna Resources Limited is a listed public company, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial report was authorised for issue in accordance with a resolution of the directors on 22nd September 2017.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

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

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

The Group made a net loss after tax for the year of $6,110,203 (2016: $1,604,005) which include asset impairment of $1,213,432. Net cash inflows for the year was $1,107,907 (2016: outflows of $66,720) which has resulted in the Group's cash and cash equivalents balance increasing from $302,047 to $1,406,729 as at 30 June 2017. Furthermore, the Group holds investments in listed securities of $1,724,546 (2016: $4,771,477) as at year end.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure additional funds and developing its mineral assets.

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

The Directors believe it is appropriate to prepare these accounts on going concern basis because subsequent to the end of the reporting period:

- The Group has raised additional funds of approximately $1.54 million (before costs) through placement to sophisticated investors in August 2017 and has plan to raise an additional $1 million through Share Purchase Plan due to be finalised at the end of September 2017 as detailed in Note 28. In light of the Group's current exploration and project development, the Directors believe that the additional capital required can be raised in the market;
- The Group has decided not to contribute to the Wilcherry JV for the 2017/18 financial year;
- The Group has no existing loans to external and related parties; and
- The Directors have an appropriate plan to contain certain expenditure if appropriate funding is unavailable.

Notes to the Financial Statements

a. **Principles of Consolidation**

The consolidated financial statements comprise the financial statements of Tyranna Resources Ltd and its subsidiaries as at 30 June 2017.

Subsidiaries are all those entities over which the Company has control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

In preparing the consolidated financial statements all intra-group balances and transactions, income, expenses and profit and loss resulting from intra-group transactions have been eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Company.

Where controlled entities have entered or left the Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

b. **Income Tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Research and development costs are claimed as a rebate with the corresponding refund shown as an income tax benefit for the year.

c. **Foreign Currency Transactions and Balances**

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the consolidated

Notes to the Financial Statements

statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the consolidated statement of comprehensive income.

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.

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 consolidated statement of comprehensive income during the financial year in which they are incurred.

Plant and equipment under construction are valued at cost. Upon commissioning, which is the date when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management, the assets are allocated into the relevant plant and equipment category for depreciation purposes.

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 date of commissioning. 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 are:

Class of Fixed Asset	**Depreciation Rate**
Residential camp	5%
Motor Vehicles	20%
Plant and Equipment	20 – 33%
Computer Equipment	20 – 33%
Under Construction	0%

Paintings are not depreciated and are held at cost subject to revaluation at fair value.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 consolidated statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e. **Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the Group, are classified as finance leases.

Notes to the Financial Statements

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f. **Earnings Per Share**

Basic earnings per share ("EPS") is calculated as the profit / (loss) attributable to the equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus entitlements in ordinary shares issued during the year.

g. **Revenue Recognition**

Revenue is measured at the fair value of the gross consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The amount of revenue is not considered to be reliably measurable until all material contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Interest

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

h. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks with an original maturity of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

i. **Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

j. **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 consolidated statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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.

Notes to the Financial Statements

k. **Impairment of Assets**

At the end of each reporting period the Group assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

l. **Joint Venture Entities**

A joint venture entity is an entity in which the Group holds a long-term interest and which is jointly controlled by the Group and one or more other venturers. Decisions regarding the financial and operating policies essential to the activities, economic performance and financial position of that venture require the consent of each of the venturers that together jointly control the entity.

The results and assets and liabilities of the joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

m. **Financial Instruments**

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Notes to the Financial Statements

Financial instruments are initially measured at fair value plus transactions costs.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through other comprehensive income

Financial assets are classified at 'fair value through other comprehensive income' when they are listed equity securities held for strategic purposes. Such assets are subsequently measured at fair value with changes in carrying value being included in other comprehensive income.

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

Financial assets are classified at 'fair value through profit or loss' when they are considered to be derivatives and other designated assets. Such assets are subsequently measured at fair value with changes in carrying value being recognised through profit or loss.

(iii) Financial liabilities

The Group's financial liabilities include trade and other payables and borrowings. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled, or expired. The difference between carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

n. **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event for which, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements

Where the Group expects some or all of its provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

o. **Share-Based Payment Transactions**

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’).

There is currently an Employee Incentive Scheme, which provides benefits to directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes option pricing model, further details of which are given in note 18.

In valuing equity-settled transactions, the amount recognised as an expense is adjusted to reflect the related service and non-market vesting conditions on the probability that they are expected to be met.

p. **Trade and Other Payables**

Trade and other payables are carried at cost and represent the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

q. **Contingencies**

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involved the exercise of significant judgement and estimates of the outcome of future events.

r. **Borrowing Costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Financial Statements

s. **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates and judgements:

Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes option pricing model, using the assumptions detailed in Note 18.

Exploration and evaluation costs

Exploration and evaluation expenditure in regards to acquisition costs incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at reporting period date reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

Environmental Issues

Balances disclosed in the consolidated financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Fair value measurements and valuation process

The Group measure some of its assets and liabilities at fair value for financial reporting. The directors of the Company determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Should Level 1 or Level 2 inputs are not available; the Group engages third party qualified valuers to perform the valuation where appropriate. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 10 and 12.

Ore reserve and resource estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its ore reserves based on information compiled by appropriately qualified persons relating to the geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, provision for rehabilitation, and depreciation and amortisation charges.

Taxation

Balances disclosed in the consolidated financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Notes to the Financial Statements

Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its consolidated financial statements, a consolidated statement of financial position as at the beginning of the earliest comparative period will be disclosed.

t. **Fair Value of Assets and Liabilities**

The Group measures some of its assets and liabilities at fair value, on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable

Notes to the Financial Statements

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

u. **Asset classified as held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment of the portion of the investment that will be disposed is classified as held for sale when the above criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not be classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with AASB 139 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and the fair value less costs to sell.

Notes to the Financial Statements

v. **Application of New and Revised Accounting Standards**

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Early adoption of new Accounting Standards not yet mandatory

The Group has early adopted AASB 9: Financial Instruments and prospectively applied all the measurement and recognition requirements of AASB 9: Financial Instruments (December 2014), including consequential amendments to other standards, on 1 July 2016. The adoption of AASB 9 results in no material changes to the Group's treatment of its financial instruments, as the Group's financial assets, comprising of investments in listed equity securities, have been designated as financial assets at fair value through other comprehensive income. This treatment is consistent in nature to the previous recognition and measurement requirements of AASB 139.

New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are set out below:

AASB 15 - Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018.

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Notes to the Financial Statements

AASB 16 - Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117 : Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116 : Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Notes to the Financial Statements

NOTE 2: REVENUE AND OTHER INCOME

	2017 $	2016 $
Interest earned	22,924	1,827
Net fair value gain/(loss) on financial assets	37,092	-
Conversion - Orinoco's performance shares	-	254,210
Sale of tenements	-	1,816,376
Sale of financial assets	-	72,121
Other	-	75,000
	60,016	**2,219,534**

NOTE 3: INCOME TAX

(a) **Income tax benefit**

Current tax	(776,733)	(1,213,663)
Deferred tax	-	-
	(776,733)	**(1,213,663)**
Deferred income tax expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	-	-
Increase/(decrease) in deferred tax liabilities	-	-
	-	-

(b) **Reconciliation of income tax expense to prima facie tax payable**

Profit/(Loss) from ordinary activities before income tax	(6,886,936)	(2,817,668)
The prima facie tax (payable)/refundable on profit/(loss) from ordinary activities before income tax at 30%	(1,893,907)	(845,300)
Add / (Less) Tax effect of:		
Share-based payments	(5,512)	8,750
Entertainment	1,870	2,615
Non-deductible expenses	-	2,679
Deferred tax assets not brought to account	1,897,549	831,257
Effect of previously unrecognised and unused tax losses and deductible temporary differences now offset against deferred tax liabilities	-	-
Income tax attributable to operating profit/(loss)	-	-
Research and development claim refund	(776,733)	(1,213,663)
Income tax benefit	(776,733)	(1,213,663)
Applicable weighted average effective tax rates	Nil%	Nil%
Balance of franking account at year end	Nil	Nil

Notes to the Financial Statements

NOTE 3: INCOME TAX (CONTINUED)

	2017 $	2016 $
(c) **Deferred tax assets**		
Tax losses	19,222,472	16,397,545
Mine development expenditure	2,960,428	6,590,933
Provisions and accruals	50,411	55,967
Capital raising costs	17,390	49,468
Other	548,486	-
	22,799,188	23,093,915
Set-off deferred tax liabilities	(1,506,937)	(3,293,774)
Net deferred tax assets	21,292,251	19,800,141
Less: deferred tax assets not recognised	(21,292,251)	(19,800,141)
Net tax assets	-	-
(d) **Deferred tax liabilities**		
Exploration expenditure	1,503,306	2,604,000
Other	3,631	689,774
	1,506,937	3,293,774
Set-off deferred tax assets	(1,506,937)	(3,293,774)
Net deferred tax assets	-	-
(e) **Tax losses**		
Unused tax losses for which no deferred tax asset has been recognised	69,899,899	43.679.237

(f) The potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2017 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised.

ii) The Group complies with the conditions for deductibility imposed by the law including the satisfaction of corporate tax recoupment rules; and

iii) No changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the loss.

Notes to the Financial Statements

NOTE 4: KEY MANAGEMENT PERSONNEL

Remuneration to the Group's key management personnel can be in the form of cash, options and share rights. Refer to the Remuneration Report contained in the Directors' Report for further details.

a. **Remuneration for Key Management Personnel**

	2017 **$**	**2016** **$**
Short term employment benefits	559,304	735,139
Post- employment benefits	104,124	67,874
Share-based payments	(22,021)	29,167
Termination payments	515,866	-
Total remuneration	**1,157,273**	**832,180**

NOTE 5: AUDITORS' REMUNERATION

	2017 **$**	**2016** **$**
Remuneration of the auditor of the Group for:		
— Auditing and reviewing financial reports	32,205	33,062
— Other services	13,620	20,950
	45,825	**54,012**

NOTE 6: EARNINGS PER SHARE (EPS)

Basic earnings per share

The calculation of basic earnings per share is based on the profit/ (loss) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding as follows:

	2017 **$**	**2016** **$**
Profit / (Loss) attributable to ordinary shareholders	(6,110,203)	(1,604,005)
	No.	**No.**
Weighted average number of ordinary shares	747,015,512	262,394,237

Diluted earnings per share

There were potentially dilutive options on issue at balance date. However, given the share price of the Company is lower than the exercise price of the options, there is no dilution of earnings hence the diluted loss per share is the same as basic loss per share.

Notes to the Financial Statements

	2017 $	2016 $
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	25,278	84,442
Short-term bank deposits	1,381,451	217,605
	1,406,729	**302,047**

Cash at bank and short term bank deposits earn interest at floating rate based on daily bank deposit rates.

	2017 $	2016 $
NOTE 8: TRADE AND OTHER RECEIVABLES		
CURRENT		
GST receivable	31,041	-
Receivable from sale of barge	32,661	1,437,665
Receivable from sale of tenement	-	495,000
Other	15,745	31,399
	79,447	**1,964,064**
NON-CURRENT		
Environmental bond	-	30,000
Other bonds	85,000	15,000
	85,000	**45,000**

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within this note.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2017 $	2016 $
RESIDENTIAL CAMP		
At cost	4,500,000	4,500,000
Accumulated depreciation	(562,500)	(337,500)
	3,937,500	**4,162,500**
(a) Reconciliation		
Carrying amount at beginning of period	4,162,500	4,387,500
Impairment	-	-
Depreciation expense	(225,000)	(225,000)
Carrying amount at end of period	**3,937,500**	**4,162,500**

Notes to the Financial Statements

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

PLANT AND EQUIPMENT

	2017 $	2016 $
At cost	796,032	755,362
Accumulated depreciation	(435,754)	(293,154)
	360,278	**462,208**

(b) Reconciliation		
Carrying amount at beginning of period	462,208	1,486,515
Transfer from assets under construction		-
Equipment additions	40,670	43,522
Equipment disposal	-	(271,250)
Impairment	-	(548,750)
Depreciation expense	(142,600)	(247,829)
Carrying amount at end of period	**360,278**	**462,208**
Total Property, Plant and Equipment	**4,297,778**	**4,624,708**

There is no plant and equipment of the Group that has been pledged as collateral.

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE

Carrying amount at beginning of the period	8,930,000	8,930,000
Addition/(Reduction):		
Disposal of 51% interest in Wilcherry Project [1]	(2,000,000)	-
Less impairment on capitalised exploration costs [2]	(1,213,432)	-
Carrying amount at end of period	**5,716,568**	**8,930,000**

[1] Alliance Resources Ltd purchased 51% interest in the Wilcherry Hill Project for $2 Million.

[2] As a result of the sale of 51% of the Group's interest in the Wilcherry Hill Project Area, the remaining interest held by the Group was impaired in accordance with the fair value as indicated by this transaction.

NOTE 11: FINANCIAL ASSETS

Shares in Orinoco Gold Limited(i)	1,077,173	3,648,101
Options in Orinoco Gold Limited(ii)	177,880	133,376
Shares in Kairos Minerals Limited (iii)	469,493	990,000
Options in Kairos Minerals Limited (iv)	-	133,376
	1,724,546	**4,771,477**

Notes to the Financial Statements

NOTE 11: FINANCIAL ASSETS (CONTINUED)

(i) At 30 June 2017, the Group has 22,918,566 shares in Orinoco Gold Limited. Investment in Orinoco Gold Limited is measured at fair value. During the period, the Group received additional 7,411,664 shares in Orinoco Gold Limited when it converted the convertible loan of $500,000 which was provided by the Group in November 2016. The Group also increased its holdings in Orinoco by another 616,694 shares through on market purchase.

(ii) The Group has 14,823,328 OGXOD options in Orinoco Gold Limited through conversion of its convertible loan. The option is listed on ASX and measured at fair value through profit or loss.

(iii) At 30 June 2017, the Group has 31,299,531 shares in Kairos Minerals Limited. Investment in Kairos Minerals Limited is measured at fair value. During the period, the Group received additional 9,000,000 shares in Kairos Minerals Limited when the Lynas Find Lithium-Gold Project tenements were granted. The Group also increased its holdings in Kairos by another 4,299,531 shares through on market purchase and participation in private placement.

(iv) The Group previously has 9 million options in Kairos Minerals Limited exercisable at $0.10 on or before 30 June 2017. The options have now lapsed.

	2017 $	2016 $
NOTE 12: TRADE AND OTHER PAYABLES		
Accounts payable	589,647	1,155,465
Accruals	16,000	20,000
GST Payable	-	69,451
	605,647	**1,244,916**

Accounts payable are generally non-interest bearing and on 30 day terms. Related entity payable is further discussed in Note 25.

NOTE 13: BORROWINGS

	Maturity Date	Effective Interest Rate		
Secured loan	25 July 2016	15%	-	100,000
Unsecured loans from related party (i)	15 Aug 2016	15%	-	100,000
			-	**200,000**

(i) Details of these loans have been disclosed in Note 26.

Notes to the Financial Statements

NOTE 14: PROVISIONS

	Employee entitlements (i)	Taxes (ii)	Rehabilitation (iii)	Total
	$	$	$	$
Opening balance at 1 July 2016	97,308	19,132	40,000	156,440
Additional provisions	111,859	19,414	40,000	171,273
Amount used	(86,224)	(34,175)	(40,000)	(160,399)
Closing balance at 30 June 2017	122,943	4,371	40,000	167,314

(i) Estimate of annual leave and long service leave payable to employees

(ii) Estimate of fringe benefit tax payable

(iii) Estimate of environmental rehabilitation required after drilling

NOTE 15: ISSUED CAPITAL

a. **Ordinary shares**

	2017	**2016**
	$	**$**
Balance at beginning of reporting period	72,834,176	71,164,212
Placement at $0.02	-	320,115
Share Purchase Plan at $0.02	-	385,800
Placement to drilling contractor at $0.02	-	39,335
Placement at $0.022	-	242,480
Placement at $0.03	-	810,500
Exercise of options at $0.20	-	30
Cancellation of shares held by subsidiary	-	-
Placement at $0.0313	105,660	-
Placement at $0.033	100,000	-
Placement at $0.037	1,776,000	-
Entitlement offer at $0.037	1,785,352	-
Placement at $0.036	450,101	-
Exercise of 4 cent options	92	-
Remuneration share issued to director	14,447	-
Transaction cost relating to share issues	(301,837)	(128,296)
	76,763,991	**72,834,176**

Notes to the Financial Statements

NOTE 15: ISSUED CAPITAL (CONTINUED)

Ordinary shares	**2017**	**2016**
	No	**No**
Balance at beginning of reporting period	283,382,719	236,857,050
Placement at $0.02	-	16,005,733
Share Purchase Plan at $0.02	-	19,290,000
Placement to drilling contractor at $0.02	-	1,966,750
Placement at $0.022	-	11,021,813
Placement at $0.03	-	27,016,668
Exercise of options at $0.20	-	150
Cancellation of shares held by subsidiary	-	(28,775,445)
Placement at $0.0313	3,375,718	-
Placement at $0.033	3,000,000	-
Placement at $0.037	48,000,000	-
Entitlement offer at $0.037	48,252,747	-
Placement at $0.036	12,502,795	-
Exercise of 4 cent options	2,310	-
Remuneration share issued to director	534,153	-
At the end of reporting period	399,050,442	283,382,719

Terms of Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

The Company has fully paid shares of no par value.

For information on relating to share-based payments made to key management personnel during the financial year, refer Note 4: Key Management Personnel, Note 16: Share-Based Payment Reserve, and Note 18: Share-based Payments.

Capital Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

Notes to the Financial Statements

NOTE 15: ISSUED CAPITAL (CONTINUED)

b. Options and share rights	No	$
Balance at beginning of reporting period	49,626,448	140,727
Brokers fees	1,750,000	27,931
Performance rights issued to employees	3,202,500	979
Placement at $0.037 - free attaching options	24,000,000	-
Entitlement offer at $0.037 - free attaching options	24,126,463	-
Cancellation of performance rights (i)	(6,900,000)	(29,167)
Exercise of 4 cent options	(2,310)	-
Performance rights issued to directors (ii)	15,000,000	7,146
Options lapsed	(2,000,000)	-
	108,803,101	147,616

(i) During the period, the Group cancelled 6,900,000 performance rights issued to existing and former directors.

(ii) The Company issued current Directors with 15,000,000 Performance Rights. These performance rights were approved at the Company's Annual General Meeting held on 30 November 2016. These performance rights were independently valued in accordance to the probability of achieving the required performance milestone at grant date.

	2017	2016
	$	$
The Group's available working capital at 30 June is disclosed in the table below:		
Cash and cash equivalents	1,406,729	302,047
Trade and other receivables	79,447	1,964,064
Borrowings, short term provisions, trade and other payables	(772,961)	(1,601,356)
	713,215	**664,755**

NOTE 16: RESERVE

Share-based payment Reserve

The share-based payment reserve records the valuation of employee share options/rights.

Financial Assets Reserve

The financial assets reserve records revaluations of financial assets.

Notes to the Financial Statements

NOTE 17: CASH FLOW INFORMATION

Reconciliation of net profit / (loss) after income tax to the net cash flows from operations	**2017 $**	**2016 $**
- Profit / (loss) for the year	(6,110,203)	(1,604,005)
Non-cash items		
- Share-based payment	(21,042)	29,167
- Asset impairment	1,213,432	548,750
- Consultancy paid in shares	105,660	-
- Depreciation and amortisation	367,600	472,829
- Fair value adjustment on financial assets	(37,092)	-
- Conversion – Orinoco's performance shares	-	(254,210)
- Sale of financial assets	-	(72,121)
- Sale of tenements	-	(1,816,376)
- Foreign exchange loss / (gain)	35,924	(130,982)
- Interest and charges in borrowings	(3,719)	17,791
Changes in operating assets and liabilities		
- Decrease / (Increase) in trade and other receivables	(15,548)	48,942
- Increase / (decrease) in trade & other payables	(616,444)	179,421
- Increase / (decrease) in provisions	10,874	(9,127)
Net cash outflows from operating activities	**(5,070,558)**	**(2,589,921)**

Notes to the Financial Statements

NOTE 18: SHARE-BASED PAYMENTS

The Company has adopted a scheme called the Tyranna Employee Incentive Scheme (Scheme). The purpose of the Scheme is to give employees, directors, executive officers of the Company an opportunity, in the form of options and share rights, to subscribe for ordinary shares in the Company. The Directors consider the Scheme will enable the Company to retain and attract skilled and experienced employees, board members and executive officers and provide them with the motivation to make the Company more successful.

All options and share rights granted to key management personnel, consultant and financier confer the right to purchase before the expiry date one ordinary share at the exercise price for every option or share right held.

SHARE RIGHTS

2017

Pursuant to the scheme, during the year, the Company after cancelling all the performance rights issued on 30 November 2015, issued 15,000,000 share rights to the Directors on 30 November 2016 and 2,302,500 to the employees on 2 August 2016. The share rights are divided into six classes, where each class will convert into ordinary share upon satisfaction of the relevant milestone as set out below and in accordance with the terms and conditions. These rights have not met the vesting criteria and have not been converted to ordinary shares during the period.

Class of Share Rights	Milestone Date	No Issued Interest Rate	Performance conditions
Class D	30 Nov 2018	767,500	Share price of $0.06 for a period of 30 consecutive calendar days.
Class E	30 Nov 2019	767,500	Share price of $0.10 for a period of 30 consecutive calendar days.
Class F	30 Nov 2019	767,500	Share price of $0.16 for a period of 30 consecutive calendar days.
Class G	30 Nov 2018	5,000,000	Share price of $0.06 for a period of 30 consecutive calendar days.
Class H	30 Nov 2019	5,000,000	Share price of $0.10 for a period of 30 consecutive calendar days.
Class I	30 Nov 2019	5,000,000	Share price of $0.16 for a period of 30 consecutive calendar days.

Reconciliation of share based payment expense:

Class of Share Rights	Grant Date	Milestone Date	Fair Value per Right	Share based payment at 30 June 2017
Class A	30 Nov 2015	30 Nov 2018	$0.025	($20,000)
Class B	30 Nov 2015	30 Nov 2018	$0.025	($7,500)
Class C	30 Nov 2015	30 Nov 2018	$0.025	($1,667)
Class D	2 Aug 2016	30 Nov 2018	$0.0041	$821
Class E	2 Aug 2016	30 Nov 2019	$0.0011	$145
Class F	2 Aug 2016	30 Nov 2019	$0.0001	$13
Class G	30 Nov 2016	30 Nov 2018	$0.0041	$5,979
Class H	30 Nov 2016	30 Nov 2019	$0.0011	$1,070
Class I	30 Nov 2016	30 Nov 2019	$0.0001	$97
				($21,042)

Notes to the Financial Statements

NOTE 18: SHARE-BASED PAYMENTS (CONTINUED)

The share rights were valued based on the price of the Company's shares with discount applied for performance based vesting conditions. Included in the 2017 statement of profit or loss and other comprehensive income is share-based payments of $21,042 (2016: 29,167), which relates to the amortisation of the value of share rights over the vesting period.

2016

The Company issued 6,000,000 share rights to the Directors on 30 November 2015. The share rights are divided into three classes of 2,000,000 shares each, where each class will convert into ordinary share upon satisfaction of the relevant milestone as set out below and in accordance with the terms and conditions. These rights have not met the vesting criteria and have not been converted to ordinary shares during the period.

Class of Share Rights	Milestone Date	No Issued Interest Rate	Performance conditions
Class A	30 Nov 2018	2,000,000	The raising of sufficient funds to commence a Feasibility Study to support the issue of a Mining Lease within the Jumbuck Project Area.
Class B	30 Nov 2018	2,000,000	The completion of a Feasibility Study supporting development of a gold mine.
Class C	30 Nov 2018	2,000,000	Delivery of first gold.

Reconciliation of share based payment expense:

Class of Share Rights	Grant Date	Milestone Date	Fair Value per Right	Share based payment at 30 June 2016
Class A	30 Nov 2015	30 Nov 2018	$0.025	$20,000
Class B	30 Nov 2015	30 Nov 2018	$0.025	$7,500
Class C	30 Nov 2015	30 Nov 2018	$0.025	$1,667
				$29,167

OPTIONS

The options outstanding at 30 June 2017 had a weighted average exercise price of $0.032 (2016: $0.035) and a weighted average remaining contractual life of 0.63 years (2016: 1.62 years). Exercise prices of these options range from $0.03 to $0.04 (2016: $0.03 to $0.04) and the weighted average fair value of the options granted during the year is $0.016 (2016: $0.0078).

	2017		2016	
	No of Options	Weighted Average Exercise Price $	No of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year	15,795,960	0.03	37,700,846	0.15
Granted	1,750,000	0.04	3,795,960	0.04
Exercised	-	-	(150)	0.20
Forfeited	-	-	-	-
Expired	(2,000,000)	0.03	(25,700,696)	0.20
Outstanding at year-end	**15,545,960**	**0.03**	**15,795,960**	**0.03**
Exercisable at year-end	**15,545,960**	**0.03**	**15,795,960**	**0.03**

Notes to the Financial Statements

NOTE 18: SHARE-BASED PAYMENTS (CONTINUED)

The tables below list the options in existence during prior period and options issued during the period (all options vest on grant date):

Option series	Grant date	Grant date fair value	Exercise price	Expiry date	Vesting date
Series 1	06/05/15	$0.000	$0.20	20/05/16	Grant date
Series 2	04/06/15	$0.007	$0.03	04/06/18	Grant date
Series 3	10/06/15	$0.005	$0.03	10/06/17	Grant date
Series 4	29/07/15	$0.0076	$0.03	24/08/17	Grant date
Series 5	25/08/15	$0.009	$0.04	24/08/17	Grant date
Series 6	04/09/15	$0.01	$0.04	24/08/17	Grant date
Series 7	04/01/16	$0.0052	$0.04	24/08/17	Grant date
Series 8	19/04/16	$0.013	$0.04	24/08/17	Grant date
Series 9	27/07/16	$0.016	$0.04	24/08/17	Grant date

The options that were issued during the year had their price calculated by using a Black-Scholes option pricing model applying the following inputs:

Option Series

	Series 9
Grant date	27/07/16
Grant date fair value	$0.016
Grant date share price	$0.041
Exercise price	$0.040
Expected volatility	93.53%
Option life	1.1 years
Expiry date	24/08/17
Risk-free interest rate	1.57%

12-monthly historical volatility from grant date has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

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

Included in the 2017 Consolidated Statement of Changes in Equity after accounting for the cancellation of previous year share rights issued to director, is share-based payments of $6,889 (2016: $59,021), of which $27,931 (2016: $29,854) relates to the value of options granted during the year.

The fair value of performance rights granted were independently valued using standard valuation techniques (including Monte Carlo simulation and probability distribution) taking into account the terms and conditions upon which the rights were granted as detailed below:

Class	Grant Date	Period (years)	Valuation per right	Expected Volatility	Risk free interest rate	Dividend Yield
D	2 Aug 2016	2	$0.0041	107%	1.72%	-
E	2 Aug 2016	3	$0.0011	112%	1.72%	-
F	2 Aug 2016	3	$0.0001	112%	1.80%	-
G	30 Nov 2016	2	$0.0041	107%	1.72%	-
H	30 Nov 2016	3	$0.0011	112%	1.72%	-
I	30 Nov 2016	3	$0.0001	112%	1.80%	-

Notes to the Financial Statements

NOTE 19: FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the Group's policy not to trade in financial instruments.

The Group does not use any form of derivatives as it does not have an exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors of the Group has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks under procedures approved by the Board of Directors.

Treasury Risk Management

The Group is not of a size nor are its financial affairs of such complexity to justify the establishment of a Finance Committee. However, senior executives of the Group analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The main risks arising from the Group's financial instruments are market risk (include interest rate risk), credit risk, and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Market Risk

- Interest Rate Risk

The Group's exposure to market risk relates primarily to interest rate on its cash and cash equivalents and some of its trade and other receivables.

The Group manages interest rate and liquidity risk by monitoring levels of exposure to interest rate and assessment of market forecast for interest rate. It also monitors immediate and forecast cash requirements, to ensure adequate cash reserves are maintained.

The following sensitivity analysis together with mix of financial assets and liabilities exposed to variable interest rate risk in existence at the end of the reporting period after taking into account judgements by management of reasonably possible movements in interest rates after consideration of the view of market commentators over the next twelve months.

Sensitivity Analysis

The following table summarises the sensitivity of the Group's financial assets and liabilities to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with other variables held constant, post tax loss and equity would have been affected as shown.

		Interest Rate Risk -1%		**Interest Rate Risk +1%**	
	Carrying Amount	Net Profit / (Loss) ($)	Equity ($)	Net Profit / (Loss) ($)	Equity ($)
30 June 2017					
Consolidated Cash	1,406,729	(14,067)	(14,067)	14,067	14,067
Environmental bond	-	-	-	-	-
30 June 2016					
Consolidated Cash	302,047	(3,020)	(3,020)	3,020	3,020
Environmental bond	30,000	(300)	(300)	300	300

Notes to the Financial Statements

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

- Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities. The Group does not have significant exposure to price risk.

- Foreign Exchange Risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. The Group is not significantly exposed to foreign exchange risk, as most of its financial instruments are held in AUD.

(b) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

Due to the nature of the Group's business (advanced exploration and development), the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the consolidated financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. The Group keeps its cash and cash equivalent with financial institution which has ratings AA or better.

Trade and other receivables

As the Group operates primarily in advanced exploration and development activities, it has limited trade receivables and exposure to credit risk in relation to trade receivables.

The Group where necessary establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

(c) 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 damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market, proceeds from asset sale and by continuously monitoring forecast and actual cash flows and the maturity profiles of its financial assets and liabilities to manage its liquidity risk.

The Group anticipates a need to raise additional capital in the next 12 months to meet forecast operational and development activities. The decision on how the Group will raise future funds which may include debt and equity will depend on market conditions existing at that time.

Notes to the Financial Statements

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the consolidated statement of financial position.

2017	Weighted Average Effective Interest Rate %	Less than one month	1 to 3 Months	3 Months to one year	1 to 5 Years ($)	Total ($)
Financial Assets						
Non-interest bearing		63,702	15,745	-	-	79,447
Variable interest rate	0.35	1,406,729	-	-	-	1,406,729
		1,470,431	**15,745**	**-**	**-**	**1,486,176**
Financial Liabilities						
Non-interest bearing		589,647	16,000	-	-	605,647
Variable interest rate	-	-	-	-	-	-
		589,647	**16,000**	**-**	**-**	**605,647**
Net financial assets		**880,784**	**(255)**	**-**	**-**	**880,529**

2016						
Financial Assets						
Non-interest bearing		-	1,446,856	22,208	-	1,469,064
Variable interest rate	0.76	302,047	-	-	-	302,047
		302,047	**1,446,856**	**22,208**	**-**	**1,771,111**
Financial Liabilities						
Non-interest bearing		1,052,426	123,039	-	-	1,175,465
Variable interest rate	13.46	-	200,000	69,451	-	269,451
		1,052,426	**323,039**	**69,451**	**-**	**1,444,916**
Net financial assets		**(750,379)**	**1,123,817**	**(47,243)**	**-**	**326,195**

(d) Net Fair Values

The net fair value of cash and cash equivalents and non- interest bearing monetary financial assets and liabilities approximates their carrying value.

The net fair value of financial assets and financial liabilities is based upon market prices at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Listed equity investments have been valued by reference to market prices prevailing at balance date.

Notes to the Financial Statements

NOTE 20: CONTROLLED ENTITIES

Name of Entity	Incorporated	Ownership %
Trafford Resources Pty Ltd (1)	Australia	100%
Telescope Investments Pty Ltd (2)	Australia	100%
Half Moon Pty Ltd (3)	Australia	100%
Coastal Shipping Pty Ltd (4)	Australia	100%

(1) Trafford Resources Pty Ltd is a wholly owned subsidiary of Tyranna Resources Ltd.

(2) Telescope Investments Pty Ltd is a wholly owned subsidiary of Trafford Resources Pty Ltd.

(3) Half Moon Pty Ltd is a wholly owned subsidiary of Telescope Investments Pty Ltd.

(4) Coastal Shipping Logistic Pty Ltd is a wholly owned subsidiary of Tyranna Resources Ltd.

NOTE 21: COMMITMENTS

	2017 **$**	**2016** **$**
Tenement Commitments		
Not longer than one year	913,750	1,242,917
Longer than one year, but not longer than five years	490,833	712,500
Longer than five years	-	-
	1,404,583	**1,955,417**
Lease Commitments		
Not longer than one year	178,888	176,088
Longer than one year, but not longer than five years	185,149	364,037
Longer than five years	-	-
	364,037	**540,125**
Capital Commitments		
Not longer than one year	-	-
	-	**-**

In order to maintain current rights of tenure to mining tenements, the Group has the above discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable.

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the consolidated statement of financial position may require review to determine appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

NOTE 22: CONTINGENT LIABILITIES

During the year the Company received a claim for $50,000 in relation to rehabilitation. The directors and the Company's legal counsel have reviewed the claim and do not believe that any amount will be payable in relation to this claim.

NOTE 23: COMPANY DETAILS

The registered office of the company is:

Level 2, 679 Murray Street
West Perth WA 6005

Notes to the Financial Statements

NOTE 24: PARENT ENTITY DISCLOSURES

	2017 $	2016 $
a) Financial Position		
Assets		
Current assets	1,484,268	1,766,902
Non-current assets	9,967,558	13,412,415
Total assets	**11,451,826**	**15,179,317**
Liabilities		
Current liabilities	772,963	1,514,021
Non-current liabilities	-	66,193
Total liabilities	**772,963**	**1,580,214**
Equity		
Issued capital	76,763,991	72,834,176
Reserve	(980,850)	2,308,285
Accumulated Losses	(65,104,278)	(61,543,358)
Total Equity	**10,678,863**	**13,599,103**
b) Financial Performance		
Profit / (Loss) for the year	(3,560,920)	173,579
Other comprehensive income	(3,296,024)	2,237,333
Total comprehensive income	**(6,856,944)**	**2,410,912**
c) Guarantees Entered into by the Parent Entity in Relation to the Debts of its Subsidiaries		
Guarantee provided under the deed of cross guarantee	-	-
d) Contingent Liabilities of the Parent Entity	-	-
e) Commitments for the Acquisition of Property, Plant and Equipment by the Parent Entity		
Plant and equipment		
Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
Total	**-**	**-**

Notes to the Financial Statements

NOTE 25: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

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 makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its exploration projects. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating tenements where the tenements are considered to form a single project. This is indicated by:

- Having the same ownership structure.
- Exploration being focused on the same mineral or type of mineral.
- Exploration programs targeting the tenements as a group, indicated by the use of the same exploration team, and shared geological data, knowledge and confidence across the tenements.
- Shared mining economic considerations such as mineralisation, metallurgy, marketing, legal, environmental, social and government factors.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

*Unallocated item*s

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- income tax expense;
- deferred tax assets and liabilities;
- discontinuing operations.

Notes to the Financial Statements

NOTE 25: OPERATING SEGMENTS (CONTINUED)

	Exploration International $	Exploration WA $	Shipping $	Exploration SA $	Total $
(i) Segment performance					
Period ended 30.06.2017					
Segment revenue	**-**	**-**	**-**	**-**	**-**
Reconciliation of segment revenue to Group's revenue					
Net interest income					22,924
Fair value adjustment					37,092
Sale of financial assets					-
Other income					-
Total revenue					**60,016**
Segment result	**-**	**(29,962)**	**-**	**(4,660,729)**	**(4,690,691)**
Reconciliation of segment result to Group's net loss before tax					
Unallocated items:					
Net corporate Charges					(1,849,687)
Depreciation					(367,600)
Share-based payments					21,042
Net loss before income tax					**(6,886,936)**
Period ended 30.06.2016					
Segment revenue	**-**	**1,816,376**	**-**	**-**	**1,816,376**
Reconciliation of segment revenue to Group's revenue					
Net interest income					1,827
Orinoco performance shares conv					254,210
Sale of financial assets					72,121
Other income					75,000
Total revenue					**2,219,534**
Segment result	**(10,764)**	**1,792,042**	**198,442**	**(2,815,838)**	**(836,118)**
Reconciliation of segment result to Group's net loss before tax					
Unallocated items:					
Net corporate Charges					(1,479,554)
Depreciation					(472,829)
Share-based payments					(29,167)
Net loss before income tax					**(2,817,668)**

Notes to the Financial Statements

NOTE 25: OPERATING SEGMENTS (CONTINUED)

(ii) Segment assets	Exploration International $	Exploration WA $	Shipping $	Exploration SA $	Total $
Period ended 30.06.2017					
Segment assets	-	-	-	10,026,568	10,026,568
Reconciliation of segment assets to Group's assets					
Unallocated items:					
Cash and cash equivalents					1,406,729
Trade and other receivables					79,447
Financial assets					1,724,546
Property, plant and equipment					72,778
Total assets					**13,310,068**
Additions/(reductions) in segment assets for the year:					
Capital expenditure	-	-	-	-	-
Bond	-	-	-	40,000	(40,000)
Depreciation	-	-	-	(340,000)	(340,000)
Asset impairment	-	-	-	(1,213,432)	(1,213,432)
Disposal	-	-	-	(2,000,000)	(2,000,000)
Total additions/(reductions)	**-**	**-**	**-**	**(3,513,432)**	**(3,513,432)**
Period ended 30.06.2016					
Segment assets	-	-	-	13,540,000	13,540,000
Reconciliation of segment assets to Group's assets					
Unallocated items:					
Cash and cash equivalents					302,047
Trade and other receivables					1,964,064
Financial assets					4,771,477
Property, plant and equipment					59,708
Total assets					**20,637,296**
Additions/(reductions) in segment assets for the year:					
Exploration expenditure written-off	-	-	-	-	-
Capital expenditure	-	-	4,758	-	4,758
Depreciation	-	-	-	(442,500)	(442,500)
Asset impairment	-	-	-	(548,750)	(548,750)
Disposal	-	-	(2,601,758)	(271,250)	(2,873,008)
Total additions/(reductions)	**-**	**-**	**(2,597,000)**	**(1,262,500)**	**(3,859,500)**

Notes to the Financial Statements

NOTE 25: OPERATING SEGMENTS (CONTINUED)

(iii) Segment liabilities	Exploration International $	Exploration WA $	Shipping $	Exploration SA $	Total $
Period ended 30.06.2017					
Segment liabilities	-	-	-	291,414	291,414
Reconciliation of segment liabilities to Group's liabilities					
Unallocated items:					
Trade and other payables					314,233
Borrowings					-
Provisions					167,314
Total liabilities					**772,961**
Period ended 30.06.2016					
Segment liabilities	-	-	-	541,182	541,182
Reconciliation of segment liabilities to Group's liabilities					
Unallocated items:					
Trade and other payables					743,734
Borrowings					200,000
Provisions					116,440
Total liabilities					**1,601,356**

All the Group's operation segments are currently located in Australia and it does not have any major external customer as it is currently has not reached production phase.

NOTE 26: RELATED PARTY INFORMATION
Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

Transactions with related entities:

In May 2015, the Company received two $50,000 unsecured loans, from Mr. Finch and Mr McKay, at an interest rate of 15% p.a. At the Company's General Meeting held on 29 July 2015, shareholders approved the issue of 1,000,000 options, each to Mr Finch and Mr McKay, exercisable at $0.03 on or before 24 August 2017 as consideration for providing the loan. These options were valued at $0.0076 per option. The Company has repaid in full the total $100,000 unsecured loans to Mr Finch and Mr McKay.

Notes to the Financial Statements

NOTE 27: EVENTS SUBSEQUENT TO REPORTING DATE

As at the date of signing, the Company has raised $1.543 million through private placement and in the process of completing a capital raising to raise additional $1 million (before costs) via a Share Purchase Plan due for completion on 29 September 2017.

On 21 September 2017, the price of Orinoco Gold Ltd was $0.023 per share, which reduced the total fair value of the investment held by $550,046.

On 21 September 2017, the price of Kairos Minerals Ltd was $0.02 per share, which increased the total fair value of the investment held by $156,498.

Directors' Declaration

The Directors of the company declare that:

1. the consolidated financial statements and notes, as set out on pages 26 to 64 and the remuneration disclosure that are contained in pages 19 to 23 of the Remuneration Report in the Directors' report, are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the company;
   c. the remuneration disclosures that are contained in pages 19 to 23 of the Remuneration Report in the Directors' report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and
   d. are in accordance with International Reporting Standard, issued by the International Accounting Standard Board; and
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view;
3. 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.

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

Bruno Seneque
Managing Director
Dated this 22nd day of September 2017

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

Independent Auditor's Report

To the Members of Tyranna Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tyranna Resources Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2017, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity 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 2017 and of its financial performance for the year then ended; 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 Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Independent Auditor's Report
To the Members of Tyranna Resources Limited *(Continued)*

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Property, plant and equipment - $4,297,778 (Refer to Note 9) Property, plant and equipment is a key audit matter due to the significance of the balance to the Consolidated Entity's consolidated financial position. Given the current and historical losses of the Consolidated entity, and its strategic direction, we considered the requirements of AASB 136 *Impairment of Assets* to assess the recoverability of these assets.	Our procedures included, amongst others: › Reviewing management's plans to utilise the mining assets; › Assessing the independent valuation of the mining assets obtained by management, including qualifications of the valuer and the methodologies used to value the asset; › Confirming the existence and condition of the mining assets, including obtaining visual evidence and supporting corroborative evidence; and › We assessed the appropriateness of the related disclosures in note 1 and note 9 to the financial statements.
Exploration and evaluation expenditure – $5,716,568 (Refer to Note 10) Exploration and evaluation is a key audit matter due to: › The significance of the balance to the Consolidated Entity's consolidated financial position. › The level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.	Our procedures included, amongst others: › Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the consolidated entity holds an interest and the exploration programmes planned for those tenements; › For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable; › We tested the disposal to capitalised expenditure for the year by evaluating the supporting sale agreement;

Independent Auditor's Report
To the Members of Tyranna Resources Limited *(Continued)*

Key audit matter	How our audit addressed the key audit matter

- The assessment of impairment of exploration and evaluation expenditure being inherently difficult.	- We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest.
	- We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:
	  - the licenses for the right to explore expiring in the near future or are not expected to be renewed;
	  - substantive expenditure for further exploration in the specific area is neither budgeted or planned
	  - decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and
	  - data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.
	- We assessed the appropriateness of the related disclosures in note 1 and note 10 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report
To the Members of Tyranna Resources Limited *(Continued)*

Responsibilities of the Directors 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 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

Independent Auditor's Report

To the Members of Tyranna Resources Limited *(Continued)*

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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 Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated at Perth this 22nd day of September 2017

Additional Information for Listed Public Companies

The distribution of members and their holdings of equity securities in the Company as at 18 September 2017 was as follows:

1. **Shareholding**

a. **Distribution of Shareholders**

Distribution of Shareholders	Number of Holders	Number Ordinary
1 – 1000	95	19,498
1001 - 5000	86	246,265
5,001 – 10,000	55	423,905
10,001 – 100,000	997	41,757,055
100,001 – and over	515	447,549,404
	1,748	**489,996,127**

b. The number of shareholdings held in less than marketable parcels is 747.

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholders	Number Ordinary
Alliance Resources Limited	71,221,199
Admark Investments Pty Limited	43,734,138

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

— 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.

e. **20 Largest Shareholders — Ordinary Shares**

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Alliance Resources Limited	71,221,199	14.54
2.	Admark Investments Pty Limited	43,734,138	8.93
3.	Mr. Malcolm Thom	13,000,002	2.65
4.	Chembank Pty Ltd	10,000,000	2.04
5.	Berne No 132 Nominees Pty Ltd	7,839,360	1.60
6.	DBS Vickers Securities (Singapore) Pte Ltd <Client Account>	6,680,822	1.36
7.	HS Superannuation Pty Ltd	5,140,736	1.05
8.	Australian Mineral & Waterwell Drilling Pty Ltd	4,560,825	0.93
9.	Kairos Minerals Ltd	4,411,766	0.90
10.	Factor Resources Pty Ltd	4,000,821	0.82
11.	Imperial Resources Management Pty Ltd	3,957,143	0.81
12.	Pershing Australia Nominees Pty Ltd	3,817,647	0.78
13.	Mr. Martin Francis O'Duffy	3,787,838	0.77
14.	Hanlong Metals Limited	3,780,000	0.77
15.	Leet Investments Pty Limited	3,750,000	0.77

e. **20 Largest Shareholders — Ordinary Shares (continued)**

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
16.	Neil McKay Pty Ltd	3,607,424	0.74
17.	Citicorp Nominees Pty Ltd	3,600,863	0.73
18.	ZW 2 Pty Ltd	3,527,429	0.72
19.	HSBC Custody Nominees (Australia) Ltd	3,483,520	0.71
20.	Dillan Jeffrey Olliver	3,340,000	0.68
		207,241,533	**42.29**

2. The name of the company secretary is Yugi Gouw
3. The address of the registered office in Australia is Level 2, 679 Murray Street, West Perth, WA 6005. Telephone + (08) 9485 1040
4. Registers of securities are held at the following addresses

   Western Australia: Advanced Share Registry Ltd. 110 Stirling Highway, Nedlands W.A. 6009
5. **Stock Exchange Listing**

   Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited. The Company's ASX code is TYX.
6. **Unquoted Securities**

   Options over Unissued Shares:

   A total of 10,000,000 options are on issue.

Schedule of Mineral Tenements
As at 22 September 2017

South Australia Tenement Schedule			
Exploration License No	**Tenement Name**	**Registered Holder**	**Beneficial Interest %**
5470	Valley Dam	Trafford Resources Pty Ltd	49%
5299	Wilcherry Hill	Trafford Resources Pty Ltd	49%
5164	Eurilla Dam	Trafford Resources Pty Ltd	49%
5590	Peterlumbo	Trafford Resources Pty Ltd	49%
5875	Mt Miccollo	Trafford Resources Pty Ltd	49%
5961	Pinkawillinie	Trafford Resources Pty Ltd	49%
4942	Irra Outstation (Jumbuck)	Trafford Resources Pty Ltd	100%
4943	Garford Outstation West	Trafford Resources Pty Ltd	100%
4944	Garford Outstation East	Trafford Resources Pty Ltd	100%
5098	Wildingi Claypen	Trafford Resources Pty Ltd	100%
5168	Indooroopilly	Trafford Resources Pty Ltd	100%
5282	Hilga Crutching Shed	Trafford Resources Pty Ltd	100%
5283	Mt Christie	Trafford Resources Pty Ltd	100%
5284	Commonwealth Hill	Trafford Resources Pty Ltd	100%
5285	Ingomar	Trafford Resources Pty Ltd	100%
5460	Mt Christie Siding	Trafford Resources Pty Ltd	100%
5680	Isthmus	Half Moon Pty Ltd	100%
5510	Mathews Tank	Trafford Resources Pty Ltd	100%
5551	Brickies - Wynbring	Trafford Resources Pty Ltd	100%
5526	Galaxy Tank	Trafford Resources Pty Ltd	100%
4932	Eagle Hawk	Trafford Resources Pty Ltd	100%
5032	Deep Leads	Trafford Resources Pty Ltd	100%
5817	Sandstone	Half Moon Pty. Ltd.	100%
5818	Lake Anthony	Half Moon Pty. Ltd.	100%
5819	Irra	Half Moon Pty. Ltd.	100%
5820	Barton Area	Half Moon Pty. Ltd.	100%
5772	Warrior Outstation	Half Moon Pty. Ltd.	100%
ELA2012/291	Barton Siding	Trafford Resources Limited	100%

South Australia Tenement Schedule			
Exploration License No	**Tenement Name**	**Registered Holder**	**Beneficial Interest %**
5183	Campfire Bore	Challenger Gold Operations Pty Ltd, Coombedown Resources Pty Ltd	68% rights to the gold
5298	Mulgathing	Challenger Gold Operations Pty Ltd	75% rights to the gold
5732	Sandstone JV	Challenger Gold Operations Pty Ltd, Coombedown Resources Pty Ltd	68% rights to the gold
4468	Jumbuck	Challenger Gold Operations Pty Ltd	75% rights to the gold
4532	Mobella	Challenger Gold Operations Pty Ltd	75% rights to the gold
4644	Sandstone	Challenger Gold Operations Pty Ltd	75% rights to the gold
4951	Blowout	Challenger Gold Operations Pty Ltd	75% rights to the gold
Western Australia Tenement Schedule			
Exploration License No	**Tenement Name**	**Registered Holder**	**Beneficial Interest %**
E36/880	Weebo	Tyranna Resources Ltd	100%
E37/1275	Weebo	Tyranna Resources Ltd	100%

* P Prospecting Licence
E Exploration Licence