

# Tyranna Resources Limited

ABN 79 124 990 405



and

Controlled Entities

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## Interim Financial Report

For the Half-Year Ended  
31 December 2017

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by Tyranna Resources Limited during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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## **CORPORATE DIRECTORY**

### **NON-EXECUTIVE CHAIRMAN**

Geoffrey Clifford

### **MANAGING DIRECTOR**

Bruno Seneque

### **TECHNICAL DIRECTOR**

Nick Revell

### **NON-EXECUTIVE DIRECTORS**

Joseph S. Pinto

### **COMPANY SECRETARY**

Yugi Gouw

### **REGISTERED OFFICE**

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Telephone: + 61 (08) 9485 1040  
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### **AUDITORS**

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### **SHARE REGISTRAR**

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Nedlands, WA 6009  
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### **STOCK EXCHANGE LISTING**

Australian Securities Exchange  
(Home Exchange: Perth, Western Australia)  
Code: TYX  
TYXOC

## **DIRECTORS' REPORT**

Your directors submit the financial report of the Group for the half-year ended 31 December 2017.

### **Directors**

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

Geoffrey Clifford (appointed 24 January 2018)  
Bruno Seneque  
Nick Revell  
Joseph Pinto  
Frank Lesko (resigned 5 December 2017)

### **Company Secretary**

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

Yugi Gouw — Bachelor of Commerce and Graduate Diploma of Applied Corporate Governance

### **Dividends**

No dividends were paid or declared during the half-year or in the period to the date of this report.

### **Principal Activities**

The principal activities of the Group during the course of the half-year were mineral exploration and project development. There were no significant changes in the nature of the principal activities during the financial period.

### **Review of Operations**

#### **Overview**

Tyranna Resources Limited ("Tyranna") has been engaged primarily in exploration and project development activities on its Jumbuck Gold Project in South Australia over the past six months.

Highlights of the reported progress during the period include:

- Acquisition of Eureka Gold Project which hosts the Eureka open cut gold mine.
- Increased the Company's stake in the Challenger Joint Venture to 75%.
- Successfully raised over \$2.5 million during the period through private placement and share purchase plan

## DIRECTORS' REPORT

### About the Company

Tyranna is a gold exploration company focused on the advanced Eureka Gold Project located North of Kalgoorlie in Western Australia and the large Jumbuck Gold Project in the Northern Gawler Block of South Australia.

The Eureka Gold Project which hosts the Eureka open cut gold mine was recently acquired from Central Iron Ore Limited (a company listed on the Canadian TSX Venture Exchange: TSX.V:CIO). The acquisition and subsequent planned development should provide Tyranna with a potential cash generating asset which can be used in funding exploration activities at the Jumbuck Gold Project.

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<sup>2</sup> of ground in this area, which also hosts the Challenger Gold Mine (owned and operated by Tyranna's JV partner, 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 a 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.

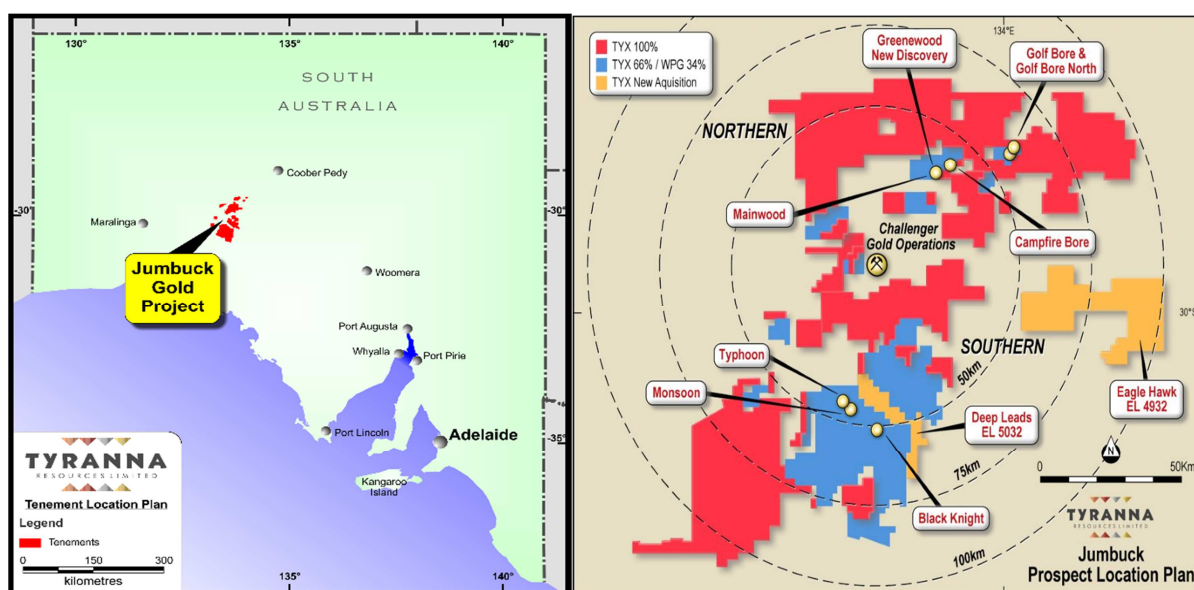


Figure 1: Location of Jumbuck Gold Project and tenement maps

### EUREKA GOLD MINE

In December 2017, Tyranna announced it had entered a binding agreement to acquire the advanced Eureka Gold Project, which hosts the Eureka open-cut gold mine, from Central Iron Ore Limited (a company listed on the Canadian TSX Venture Exchange: TSX.V: CIO).

Eureka has a historical Mineral Resource of 451,000 at 4.4 g/t gold for 64,200 oz of contained gold, however this mineral resource estimate is not reported in accordance with the JORC (2012). Tyranna is aiming to upgrade the historical resource estimate to a JORC (2012) compliant estimate. On completion of this, updated mining studies will commence with the aim of estimating an updated Ore Reserve.

## DIRECTORS' REPORT

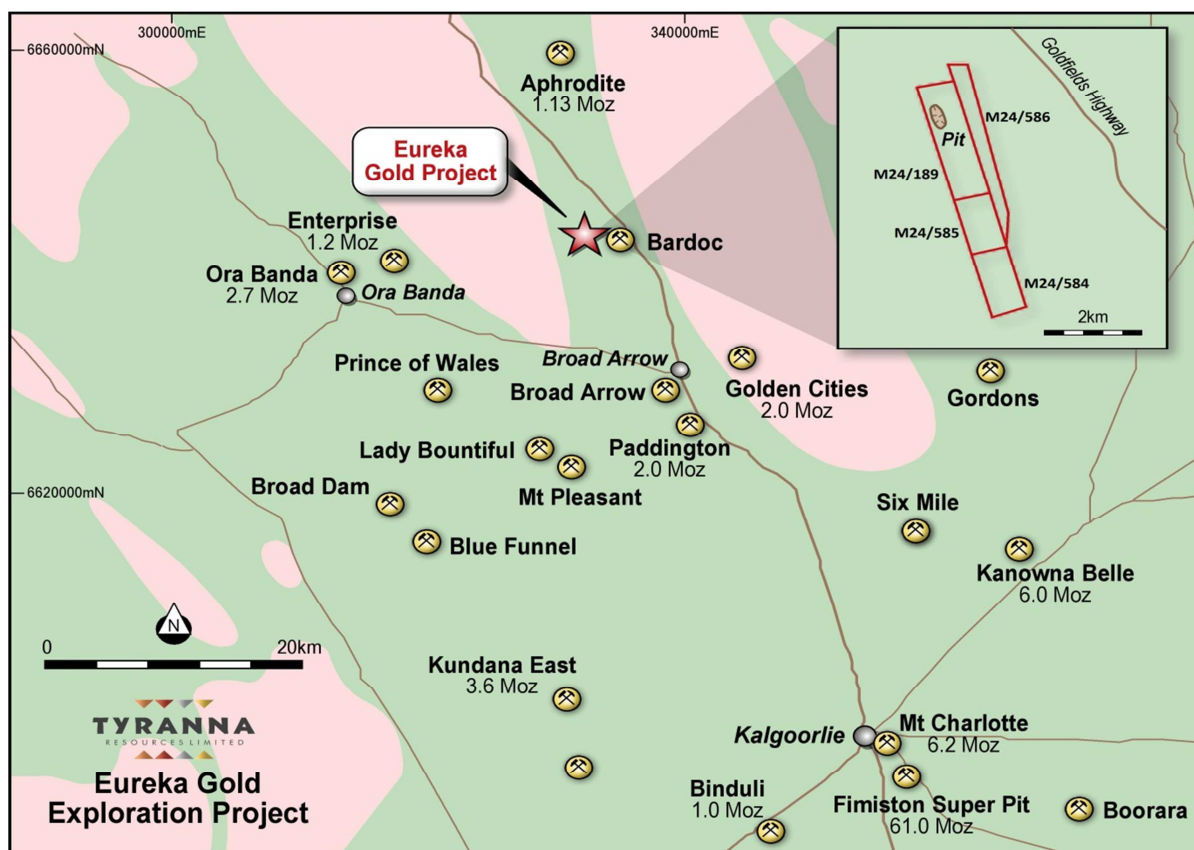


Figure 2: Eureka Gold Project location and tenement maps



Figure 3: Mining activity at Eureka

**DIRECTORS' REPORT**

The Eureka open cut gold mine was in development by a local contractor, and in mid-December, Tyranna announced that activities had transitioned to mining operations. Production is scheduled to extend the depth of the open pit by approximately 20 metres and will be completed during late March/early April 2018.

Once this phase of mining is completed, Tyranna will estimate an updated Ore Reserve with the aim of recommencing mining, via a cutback, pending the results of a feasibility study.

Acquisition terms included that Tyranna receive a royalty equal to 4% of the net smelter return generated from the sale of gold and or any other minerals, with royalty receipts used to offset the acquisition consideration during the current mining campaign. Mining activities at Eureka triggered a payment of \$250,000 from the local contractor (Eureka Mines Pty Ltd) being a pre-payment of the 4% net smelter royalty generated from the sale of gold.

Mining recommenced at Eureka in January following the Christmas break, and is scheduled to be completed by late March/early April 2018.

Tyranna submitted a Program of Works with the Department of Mines, Industry, Regulation and Safety for a Reverse Circulation (RC) drill program for 1,500 metres, which commenced on 23 January 2018, aiming to bring the historic mineral resource in compliance with JORC 2012 and provide geotechnical samples (Optical Televiwer (OTV) to be used for increased structural information collection and interpretation and metallurgical test work.

Approximately 1,500 – 2,000 metres will be drilled in two stages, with ~ 1,000 metres of drilling to follow up a compelling surface lateritic gold target. Stage 2 of the drill campaign is planned for late March/early April as this mining campaign is completed.

Upon receipt of the drill results, Tyranna will commence a mining feasibility study to evaluate the possibility of mining and toll treating to nearby processing mills.

**Acquisition Details**

The acquisition of the Eureka Gold Project (M24/189, M24/584, M24/585, M24/586) is equivalent to (AUD) \$3.2 million.

The structure of the consideration payable to Central Iron Ore Ltd (CIO) for the Eureka Gold Project consists of:

1. Cash payment of \$250,000 on execution of the sale agreement;
2. Issue of 14,705,882 shares in Tyranna at a deemed issue price of \$0.017 per Share within 5 days after the date of the 2017 Annual General Meeting of Shareholders;
3. Issue of 79,411,765 shares in Tyranna at a deemed issue price of \$0.017 per Share at completion being 31 March 2018 or another date to be agreed by the parties;
4. Cash payments at completion of \$1,350,000 less any royalty payments received (which includes the prepayment of \$250,000 and any other royalty payments to be received).

**JUMBUCK GOLD PROJECT**

During the period, Tyranna, as manager of the Western Gawler Craton Joint Venture which includes WPG Resources Ltd (ASX: WPG) and Coombedown Resources Pty Ltd, completed the drilling programme for the Typhoon and Greenwood Prospects at the Jumbuck Gold Project. The program aimed to explore high-grade open-pit gold mineralisation within trucking distance of the Challenger gold operations. Challenger gold operations is owned and operated by JV partner WPG Resources Ltd.



## DIRECTORS' REPORT

### Greenwood Gold Prospect

Previously, Tyranna had completed a highly successful drilling program in the first half of 2016, which yielded the first new discovery within the Jumbuck Gold Project area in over 15 years at the Greenwood Gold Prospect.

After interpretation of the results of the previous exploration drilling by Tyranna's structural geologist, it became apparent that the optimal azimuth direction needed to be modified to test the structural concept.

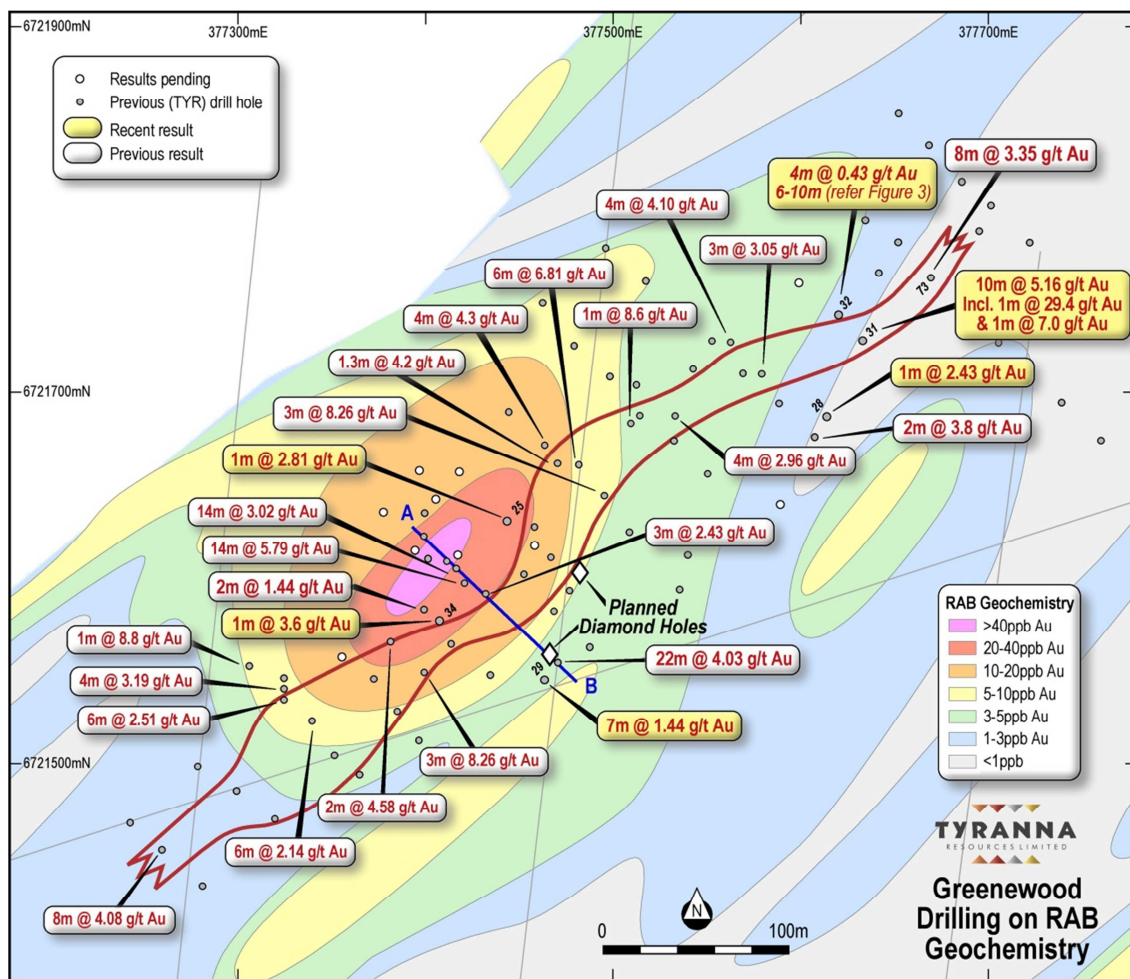


Figure 4: Drill hole location plan at Greenwood Gold Prospect

Hole 20 was the first of the holes that were drilled at an azimuth orientation of 310° which would effectively test a narrow, shallowly plunging shoot akin to Challenger type mineralisation.

Drilling at Greenwood was completed in November comprising 39 holes for 2,340 metres. The confirmation of gold assays confirmed the underlying RAB geochemistry.

Results announced by Tyranna in early November included an intersection of:

- 22m @ 4.03 g/t gold from 50m - from scissor hole (hole 020) including
  - o 1m @ 20.4 g/t gold 51-52m and,
  - o 1m @ 36.9 g/t gold 55-56m

The hole hit pipe-like, plunging, high-grade "Challenger"-type structure into fresh rock (primary zone).



## DIRECTORS' REPORT

Hole 020 was terminated due to poor ground conditions in and around the mineralisation envelope. The occurrence of bad ground conditions coincided with the mineralisation and hence the need for diamond drilling. Tyranna then commenced the process of obtaining approvals for diamond drilling.

Further results from the program were announced in mid-November, with an outstanding result from hole 031 which intersected 10m at 5.16g/t Au from 31 metres in the primary zone. This hole was drilled to intersect the same lithological structure as in hole 073 which intersected 8m at 3.35g/t Au from 55 metres in the primary zone. Hole 031 failed to achieve target depth and was truncated at 45 metres. This area at the northern extent of the mineralised envelope appears to be a secondary pipe like structure.



**Figure 5: RC Chip tray for Hole 031 highlighting elevated gold values near surface**

Hole 032 noted the unprecedented occurrence of mineralisation in the upper saprolite.

In late November, Tyranna commenced diamond drilling at Greenwood, with 1,000m of drilling planned to follow-up the RC results.

The diamond drilling aimed to:

- Follow-up recent RC drilling depth penetration difficulties
- Extend depth extension of primary zone fresh rock where the recent pipe-like structures were located
- Gain accurate structural information to update the current resource model
- Drill HQ-sized core to provide samples for geological, metallurgical and mining studies.

### Typhoon

During the period, the Company completed stage 2 RC drilling 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 which were announced on 18 October 2017 included:

- 11m @ 2.72 g/t gold from 35m including 2m @ 6.31 g/t gold (hole 030)
- 12m @ 1.58 g/t gold from 30m including 3m @ 3.41 g/t gold (hole 031)
- 4m @ 5.74 g/t gold from 23m (hole 029)
- 3m @ 4.23 g/t gold from 23m including 1m @ 10.00 g/t gold (hole 030)

## DIRECTORS' REPORT

The Stage 2 drilling at Typhoon was planned to follow up on a successful Stage 1 drill program which resulted in multiple drill holes intersecting shallow high-grade gold intercepts including 1m at 50.7g/t at the deeper extent of the hole. This Stage 2 set of results completes the drilling program in the southern portion of the Jumbuck Gold Project and has now completed 25 holes at Typhoon for 2,274m.

Successful historical drilling on the Typhoon prospect had been conducted by previous explorers who were highly encouraged by early results before the program was halted and focus was directed to drilling out the Challenger Gold Mine. Those early results outlined Typhoon as a priority target and Tyranna had designed a drill program to augment and enhance the previous work done on the prospect.

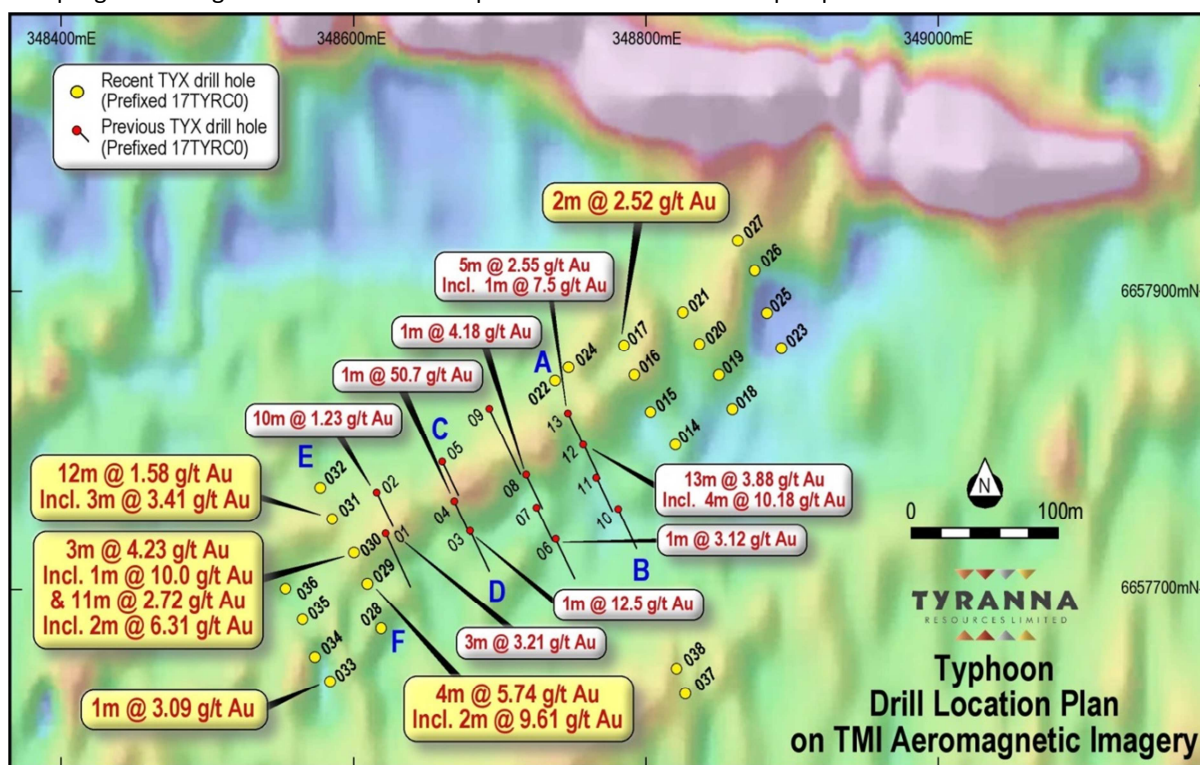


Figure 6: Typhoon drill hole location plan

Stage 2 drilling has delineated shallow continuous gold mineralisation which can be traced along strike – refer to drilling cross sections in Figures 7, 8 and 9. Tyranna's raw assay data results from stage 1 and 2 RC drilling at Typhoon is higher grade than the historical drilling intercepts. Typhoon therefore has the potential to become a satellite mill feed located within 39 km's of the Challenger Gold Operations.

Attempts to intercept deeper high-grade mineralisation below 120 RL failed due to poor ground conditions in and around the mineralisation envelope (refer to Figure 7 hole 17TYRC022). The occurrence of bad ground conditions coincides with the mineralisation. Future attempts to intercept deeper high-grade mineralisation will only be made via the use of diamond drilling.

## DIRECTORS' REPORT

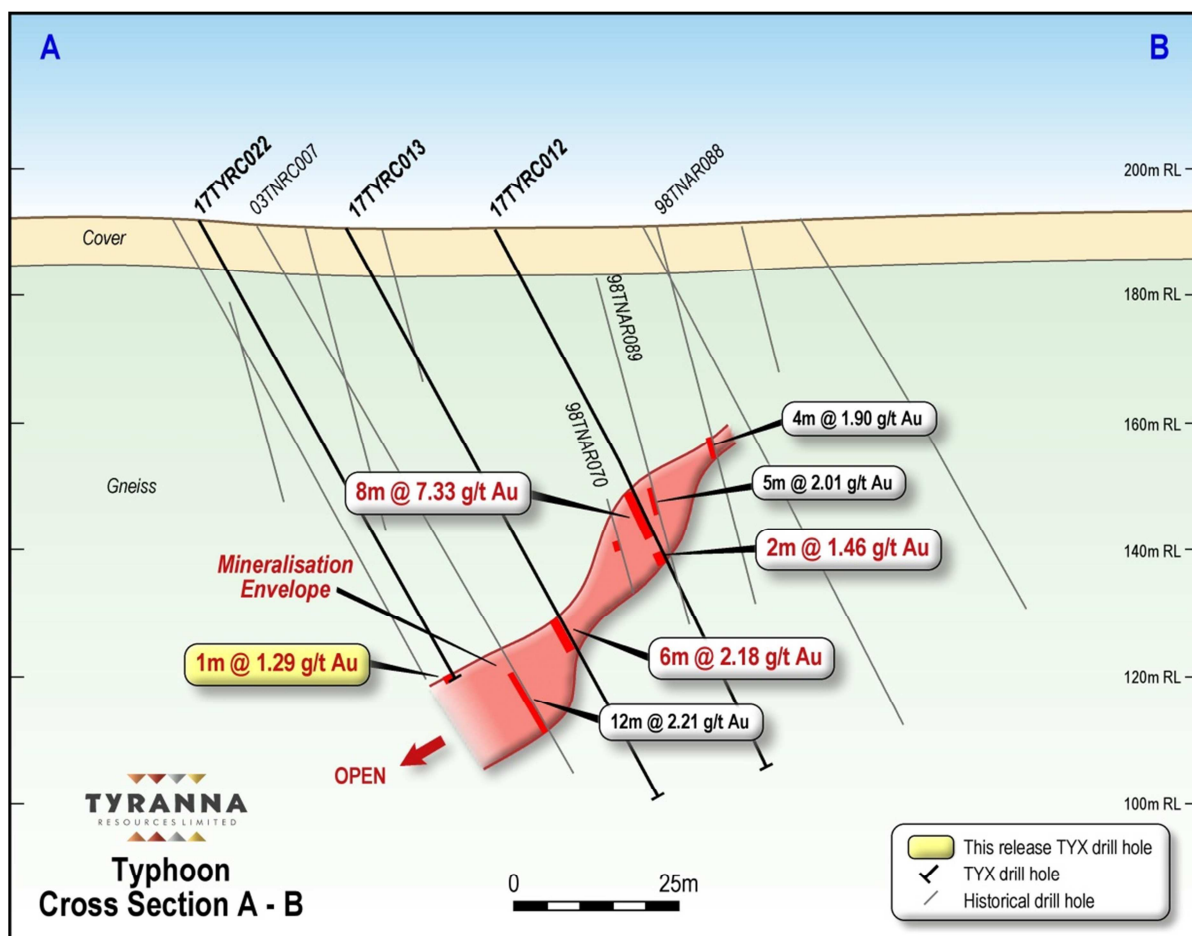


Figure 7: A-B Cross section drilling looking north east (refer to Figure 6)

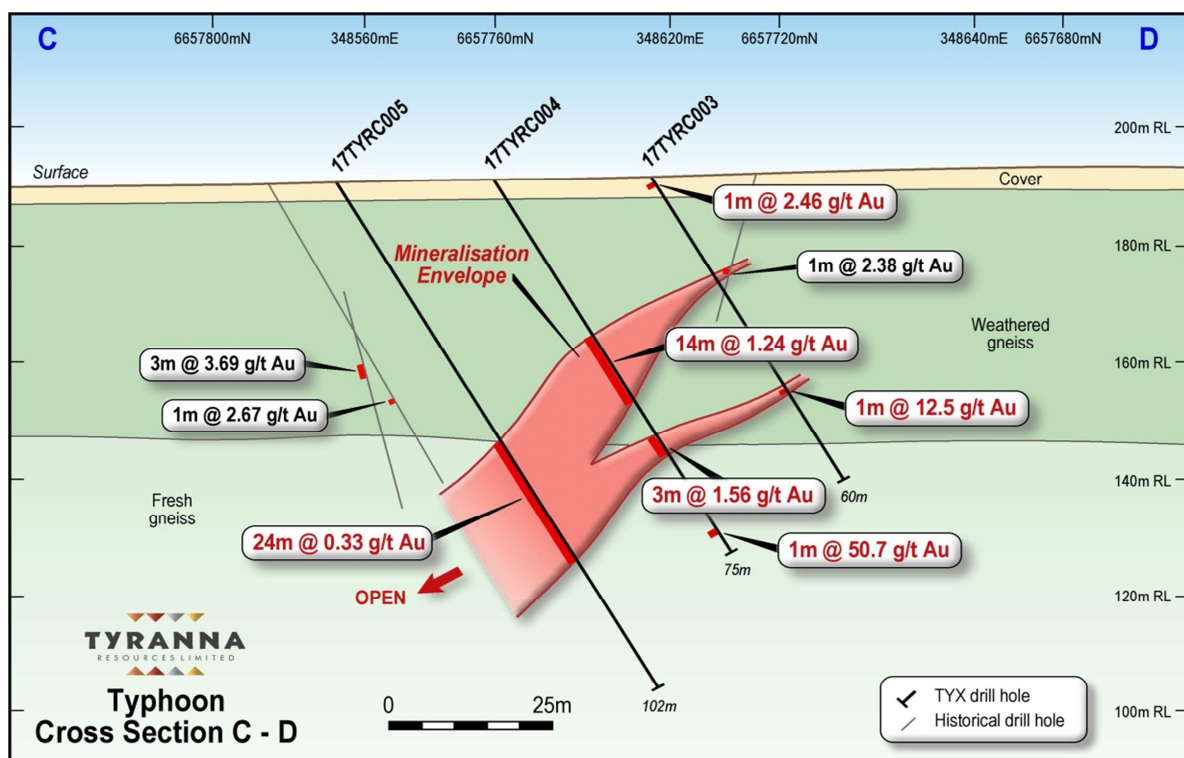


Figure 8: C-D Cross section drilling looking north east (refer to Figure 6)



## DIRECTORS' REPORT

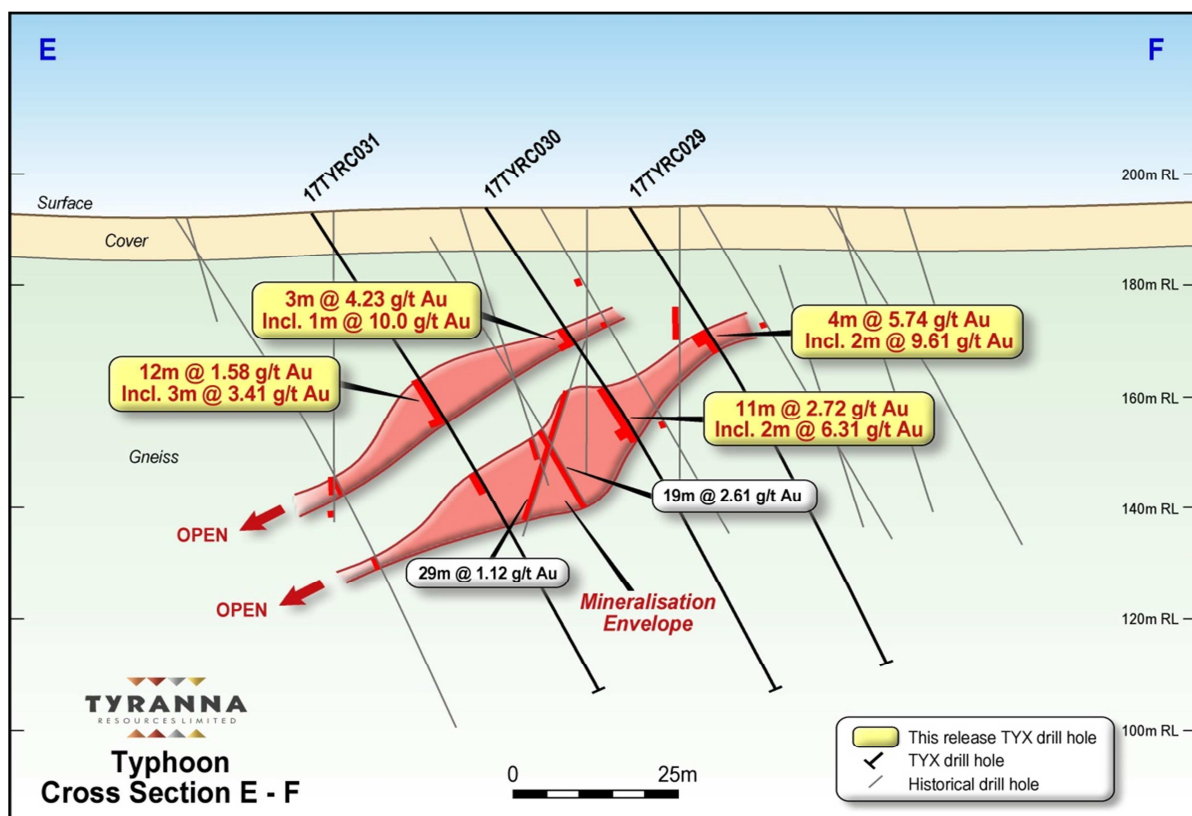


Figure 9: E-F Cross section drilling looking north east (refer to Figure 6)

## WEEBO GOLD PROJECT

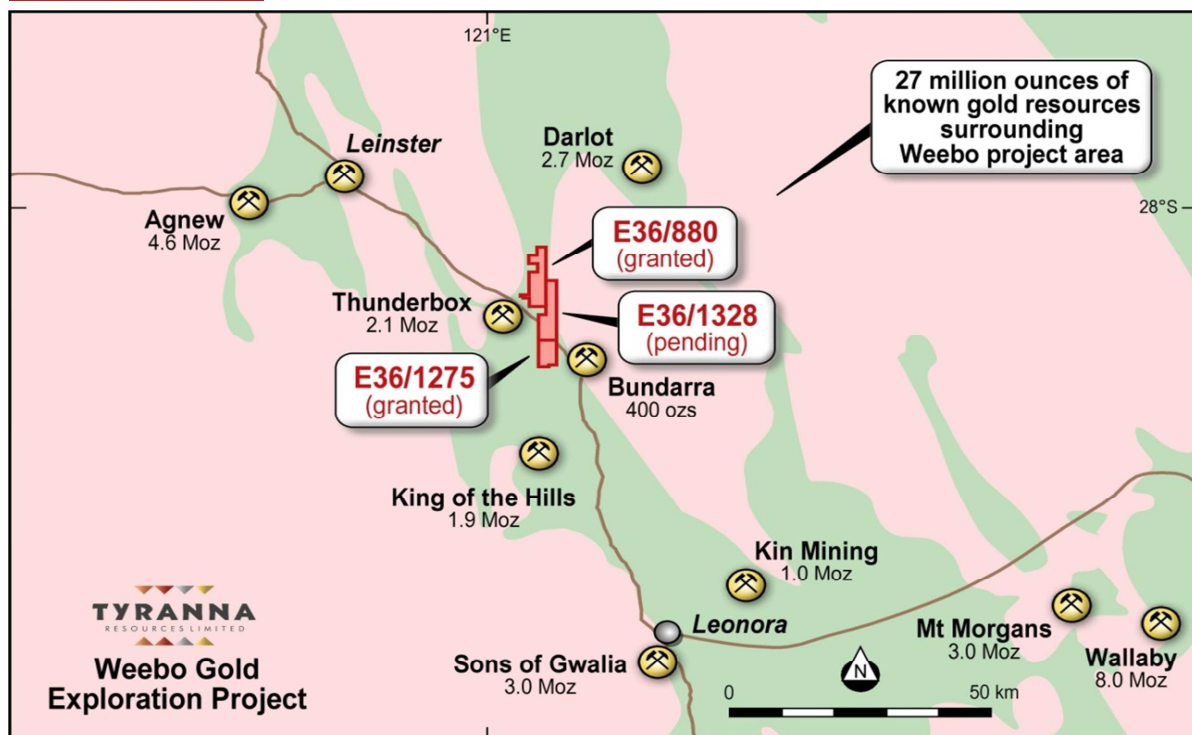


Figure 10: Weebo Gold Project Tenement Location Map

## DIRECTORS' REPORT

On 13 September 2017, the Company announced it had successfully acquired two exploration tenements located in the well-endowed gold fields of Leonora, Western Australia, which is host to 27 million ounces of known gold resources. An application for a third exploration licence is currently pending.

### Project Attributes:

- Close proximity to 2.3Moz Thunderbox gold deposit being mined by Saracen Mineral Holdings
- Interpreted geological structure responsible for the Thunderbox deposit trends SE through EL 37/1275
- Management's industry knowledge enables acquisition cost to be very low (pegging costs)
- Historical soil data demonstrates gold prospectivity.

## WILCHERRY JOINT VENTURE

### Weednanna Prospect

During the period, Alliance Resources as manager of the Wilcherry Hill Joint Venture, announced provisional results from the third round of Reverse Circulation (RC) drilling at Weednanna gold prospect.

The RC drilling program, completed in early November, was designed to define the geometry of Targets 1, 2 and 3 with step-out drilling and to test the new Target 4 with initial drilling by Alliance.

A total of 21 RC holes were drilled for 3,246 metres (17WDRC050-70). Nine holes reported intercepts >1 g/t Au, with four holes returning >50 g/t-m Au. Intercepts >1 g/t gold (Au), results included:

- 16m @ 22.11 g/t Au from 104m in 17WDRC067 (Target 4)
- 8m @ 14.52 g/t Au from 60m in 17WDRC057 (Target 2)
- 48m @ 2.37 g/t Au from 44m in 17WDRC051 (Target 1), including 24m @ 3.91 g/t from 44m
- 4m @ 16.7 g/t Au from 80m in 17WDRC070 (Target 4).

Five holes (17WDRC066-070) were drilled at Target 4 to test some wide spaced historic gold intercepts, including **10m @ 4.3 g/t Au** in 10WDRC005. All new holes intersected strong pyrite associated with magnetite skarn. Best results were in holes 17WDRC067 which intersected **16m @ 22.11 g/t Au** and 17WDRC070 which intersected **4m @ 16.65 g/t Au**. The mineralisation is open down dip to the east on most sections and down plunge to the south. There is scope also to extend this gold to the north.

Mineralisation at all four targets remains open. At Target 1, potential remains for further gold mineralisation in the granite to the west of the magnetite skarn, particularly in areas of discrete historic high-grade intercept.

Further results announced later in the quarter included:

- 35m @ 3.65 g/t Au from 43m in 17WDRC051 (Target 1), incl. 9m @ 8.91 g/t Au from 44m
- 6m @ 13.63 g/t Au from 59m in 17WDRC057 (Target 2), incl. 3m @ 26.60 g/t Au from 62m
- 15m @ 18.21 g/t Au from 107m in 17WDRC067 (Target 4), incl. 7m @ 35.94 g/t Au from 109m
- 3m @ 25.45 g/t Au from 81m in 17WDRC070 (Target 4), incl. 1m @ 74.2 g/t Au from 81m.

Target 4 is a new conceptual shoot confirmed by high-grade gold and is open down plunge. Further RC drilling is planned in February 2018.

### *Regional HEM / MLEM Targets*

Alliance completed an RC drilling program to test the first four regional heli-electromagnetic (HEM) / moving loop electromagnetic (MLEM) targets in November. A total of six RC holes were drilled for 1,140 metres (17EMRC001-006) at four HEM/MLEM targets to test for base metals. None of these targets had been previously drill tested.

## DIRECTORS' REPORT

17EMRC006 at HEM Target 2 (North) was abandoned at 162m due to broken ground and clay. This hole intersected 3m @ 0.4% zinc from 159m (to EOH). This is the first hole into this target and the presence of highly anomalous zinc at the end of hole warrants further work in 2018.

The majority of holes intersected moderately to strongly graphitic meta-sediments or semi-massive pyrite or pyrrhotite, which are considered to be the likely sources of the modelled EM conductors. The moderate grades and depths of the graphite are a low priority for further exploration at this stage.

17EMRC001 at HEM Target 5 completed at 192m depth and intersected very strongly graphitic pelite from 116- 155m. This hole was the only hole analysed for Total Graphitic Carbon (TGC) and intersected 39m @ 8.0 % TGC from 116m.

### *Results of Metallurgical Test Work*

Preliminary metallurgical testing of ore samples collected from Weednanna to assess its amenability to processing using conventional carbon-in-leach (CIL) technology is ongoing.

In January, results from two composite RC samples from the Weednanna Gold Prospect were received and confirmed positive gold recoveries.

Testwork was conducted by ALS Metallurgy Services Australia on two composite RC samples collected from Target 1 (WDMET001) and Target 3 (WDMET003) at Weednanna, with results summarised as follows:

- At a grind size of P<sub>80</sub> 75µm, cyanide bottle roll gold extraction (24 hr) was 89.4% for WDMET001 and 92.8% for WDMET003.
- Finer grind size of P<sub>80</sub> 38µm incrementally increased gold extraction for WDMET001 to 90.8% and WDMET002 to 95.5%.
- Leaching kinetics were relatively fast at both grind sizes.
- Cyanide and lime consumptions were considered low in all cases.
- There was no visible free gold in the gravity concentrates. Gravity recoveries for WDMET001 were 9.2% for gold and 4.1% for silver and for WDMET003 were 13.8% for gold and 12.2% for silver.
- Cyanide leaching of the gravity concentrate for each sample increased total gold extraction by only 0.9% for WDMET001 and 0.6% for WDMET002.

### Zealous and Telephone Dam Prospects

During July and August, three diamond holes for 1,029 metres were drilled at the Zealous and Telephone Dam prospects to test Moving Loop Electromagnetic (MLEM) conductors potentially associated with tin or silver-lead-zinc mineralisation.

A total of 357 approximately 1m samples were submitted for gold and base-metal analyses.

Two diamond drill holes (17ZLDH001 and 002) were drilled for 731.3m at the Zealous Prospect. Hole 17ZLDH001 intersected a narrow iron-rich horizon that may be related to the ironstone that hosts tin in drilling to the south of the area tested. However, no obvious sulphide source for the MLEM conductors was observed in either drill hole.

One diamond drill hole (17TDDH001) was drilled for 297.7m at the Telephone Dam Prospect. This hole intersected chloritic meta-sediments containing disseminated graphite and lesser pyrite that is interpreted to be the source of this targeted conductor.

The best result was 12.7m @ 3.9% Pb, 0.2% Zn and 114 g/t Ag from 65.8m at a cut-off grade of 0.6% Pb (including 5.6m @ 6.8% Pb, 0.2% Zn and 209 g/t Ag from 66.9m) in Telephone Dam drill hole 17TDDH001. This mineralisation occurs in the supergene zone. Refer to Table B in Alliance Resources' Quarterly Activities Report for September 2017 for significant intersections (announced on 30 October 2017).



**DIRECTORS' REPORT***Down-Hole Electromagnetic Surveys*

DHEM surveys were completed by GAP Geophysics during August and a preliminary interpretation was completed by Alliance's consultant geophysicist.

DHEM surveys were completed in PVC casing that is run into the drill hole after the completion of drilling.

The objective of the DHEM survey were to:

1. Confirm if the MLEM conductor targeted by drilling has been effectively tested (in-hole conductor);
2. Identify conductors adjacent to, but missed by the drill hole (off-hole conductor); and
3. Define the intensity, size, and geometry of in-hole and off-hole conductors for further drill testing.

The two diamond holes drilled at Zealous encountered difficult ground conditions, resulting in only one hole being partly DHEM surveyed.

Despite a lack of tin mineralisation and obvious conductors observed in the drill holes, the identification of an off-hole conductor towards the bottom of hole 17ZLDH002 and presence of known tin mineralisation in historic drilling to the south continues to support the Zealous prospect as an encouraging target for tin.

The diamond hole drilled at Telephone Dam has effectively tested the MLEM conductor targeted and while identifying graphitic meta-sediments as the conductive source, the presence of significant supergene lead-zinc silver mineralization continues to support the prospectivity of this target area.

**INVESTMENTS****Orinoco Gold Ltd**

Orinoco is a Brazilian focused gold company targeting the mining of the Cascavel Gold Mine and exploration of the Faina Goldfields Project.

As at 31 December 2017, Tyranna is the 4th largest shareholder in Orinoco, holding 21.6 million shares valued at \$1.4 million. The Company holds a further 14.8 million options exercisable at \$0.11 on or before 31 January 2020 valued at \$296K.

Orinoco has experienced significant gains in share price recently following the spectacular grades continuing to be released for the Pilot Hammer Mill at Cascavel. Orinoco has commenced a "Back to Basics" approach, by returning to more traditional routes of milling ore, which has already resulted in resounding success.

**Kairos Minerals Ltd**

Tyranna is the 2nd largest shareholder in the Eric Sprott backed Kairos Minerals Ltd, holding 31.3 million, shares valued at \$1.3 million. Tyranna will earn another 7.2 million shares should 500,000 oz of gold be identified on the Mt York tenements in the Pilbara region of Western Australia within three years of the acquisition date.

Kairos announced (refer Kairos' December 2017 Quarterly Activities Report announced on 31 January 2018) results of a 2,600m RC drill program at Mt York which confirm that the Mt York Project contains a significantly larger BIF-hosted gold system than previously thought with strong potential to rapidly expand the current Mineral Resource (Total Indicated & Inferred Resource: 5.692Mt at 1.42g/t for 258,000oz Au).

Kairos has been actively exploring its Pilbara tenements targeting the potential for conglomerate-hosted gold and has been releasing encouraging results (refer Kairos' December 2017 Quarterly Activities Report).

## DIRECTORS' REPORT

Kairos has also been actively exploring at the Roe Hills Gold Project in the eastern goldfields of Western Australia with a 3,101m Aircore/RC drilling program completed targeting extensions of previously defined mineralisation at Lingering Kiss, Lady of the Lake, Terra plus initial drilling at a new geochemical prospect.

### CORPORATE

#### Board and Management Changes

Subsequent to the end of the period, the Company appointed Mr Geoffrey Clifford as Non-Executive Chairman replacing existing Chairman, Mr Joseph Pinto who will remain with the Company as a Non-Executive Director.

Mr Clifford is a professional company director, currently serving as the Non-Executive Chairman of Saracen Mineral Holdings Limited and as a Non-Executive Director on the Board of Independence Group NL. From 2007 to 2011, he was a non-executive director (including as Chairman for the period 2008 to 2011) of Atlas Iron Limited. Between July 2005 and November 2011 he held several non-executive directorships in mining and exploration companies. Prior to this, he spent eight years as the General Manager Administration and Company Secretary of Portman Limited. Mr Clifford is an accountant with more than 40 years' experience in senior accounting, finance and company secretarial roles. He holds a Bachelor of Business degree from Curtin University and is a FCPA, FGIA and FAICD.

The Group also retained highly experienced geological consultant Mr Richard Maddocks, who previously held senior management positions with companies such as Saracen Mineral Holdings Ltd, Troy Resources Ltd and Placer Dome.

Mr Maddocks was Chief Geologist at Paddington Gold Mine and has extensive local knowledge and experience on the Bardoc Tectonic Zone (BTZ) which hosts the Eureka Gold deposit. Richard is managing a mining study to transform Tyranna to a gold producer by mining a cutback at the Eureka open pit.

In other changes, Mr Frank Lesko resigned from the Board in December.

#### Shares issued and cancelled during the period

During the period, the Company issued 164,475,122 (2016: 115,133,570) ordinary shares from a share placement, share purchase plan and exercise of options.

### **Operating Results and Financial Review**

#### *Profit and loss*

The Group's loss for the half-year after providing for income tax amounted to \$2,088,359 (2016: \$4,723,486).

#### *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 31 December 2017 are \$13,801,632 (30 June 2017: \$12,537,107).

#### *Liquidity and capital resources*

The Company's principal source of liquidity as at 31 December 2017 is cash of \$1,366,182 (30 June 2017: \$1,406,729); \$1,361,111 of which (30 June 2017: \$1,381,451) has been placed as short term deposits.

The Company's main source of cash during the period was from the proceeds of capital raisings.

## **DIRECTORS' REPORT**

### **Significant Changes in State of Affairs**

In the opinion of the Directors there are no significant changes in the state of affairs of the Group that occurred during the half-year not already disclosed in this report, the financial statements or notes attached thereto.

### **Significant Events After Balance Date**

There have been no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at Note 12: Events Subsequent to Reporting Date.

### **Competent Persons Statement**

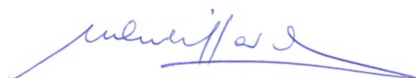
The information in the Directors Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based, and fairly represents, information and supporting documentation compiled by Nicholas Revell, who is a Member of The Australian Institute of GeoScience and who has more than five years' experience in the field of activity being reported on. 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.

### **Auditor's Declaration**

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 16 of the Financial Report for the half-year ended 31 December 2017.

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

A handwritten signature in blue ink, appearing to read 'Geoffrey Clifford', with a horizontal line underneath.

Geoffrey Clifford  
Chairman  
Perth, 15 March 2018



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To the Board of Directors

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

As lead audit director for the review of the financial statements of Tyranna Resources Limited for the period ended 31 December 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

**BENTLEYS**  
Chartered Accountants

**DOUG BELL CA**  
Director

Dated at Perth this 15<sup>th</sup> day of March 2018



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- Accountants
- Auditors
- Advisors

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	31 December 2017	31 December 2016
		\$	\$
Revenue and other income		5,318	7,400
Administration expense		(41,888)	(52,269)
Consultancy expenses		(118,183)	(156,511)
Compliance & regulatory expenses		(38,115)	(48,002)
Director fees		(46,975)	(47,396)
Depreciation and amortisation expense		(180,864)	(183,885)
Finance costs		(1,185)	(6,267)
Legal fees		(76,392)	(67,843)
Occupancy costs		(89,135)	(89,976)
Share-based payments		(7,104)	10,877
Public relations cost		(13,846)	(45,520)
Staff costs expenses		(252,045)	(684,787)
Foreign exchange gain/(loss)		(9,451)	1,758
Impairment		-	(2,242,743)
Net fair value gain/(loss) on financial assets recognised at fair value through profit or loss		(29,647)	(126,690)
Exploration costs written off		(1,058,771)	(1,699,024)
Other expenses from ordinary activities		(130,076)	(69,341)
<b>Loss before income tax expense</b>		(2,088,359)	(5,500,219)
Income tax benefit		-	776,733
<b>Net loss for the period</b>		<b>(2,088,359)</b>	<b>(4,723,486)</b>
Other comprehensive income		744,407	(2,330,837)
<b>Total comprehensive loss for the period</b>		<b>(1,343,952)</b>	<b>(7,054,323)</b>
Basic and diluted loss per share (cents per share)		(0.44)	(1.32)

*The accompanying notes form part of these financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	31 December 2017 \$	30 June 2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	1,366,182	1,406,729
Trade and other receivables	3	84,006	79,447
<b>TOTAL CURRENT ASSETS</b>		<u>1,450,188</u>	<u>1,486,176</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	3	85,000	85,000
Property, plant and equipment	4	4,116,914	4,297,778
Exploration and evaluation costs	5	5,716,568	5,716,568
Other assets	6	500,000	-
Financial assets	7	2,470,964	1,724,546
<b>TOTAL NON-CURRENT ASSETS</b>		<u>12,889,446</u>	<u>11,823,892</u>
<b>TOTAL ASSETS</b>		<u><b>14,339,634</b></u>	<u><b>13,310,068</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	386,375	605,647
Provisions		151,627	167,314
<b>TOTAL CURRENT LIABILITIES</b>		<u>538,002</u>	<u>772,961</u>
<b>TOTAL LIABILITIES</b>		<u><b>538,002</b></u>	<u><b>772,961</b></u>
<b>NET ASSETS</b>		<u><b>13,801,632</b></u>	<u><b>12,537,107</b></u>
<b>EQUITY</b>			
Issued capital	10	79,323,403	76,763,991
Reserves		(1,053,409)	(1,846,881)
Accumulated Losses		(64,468,362)	(62,380,003)
<b>TOTAL ENTITY INTEREST</b>		<u><b>13,801,632</b></u>	<u><b>12,537,107</b></u>

*The accompanying notes form part of these financial statements.*



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Issued Capital	Accumulated Losses	Financial Asset Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>76,763,991</b>	<b>(62,380,003)</b>	<b>(1,994,497)</b>	<b>147,616</b>	<b>12,537,107</b>
Loss for the period	-	(2,088,359)	-	-	(2,088,359)
Other comprehensive income	-	-	744,407	-	744,407
Total comprehensive income for the period	-	(2,088,359)	744,407	-	(1,343,952)
<i>Transaction with owners, in the capacity as owners, and other transfers</i>					
Options issued during the period	-	-	-	41,961	41,961
Performance rights issued	-	-	-	7,104	7,104
Shares issued during the period	2,797,625	-	-	-	2,797,625
Transaction costs	(238,213)	-	-	-	(238,213)
<b>Balance at 31 December 2017</b>	<b>79,323,403</b>	<b>(64,468,362)</b>	<b>(1,250,090)</b>	<b>196,681</b>	<b>13,801,632</b>
<b>Balance at 1 July 2016</b>	<b>72,834,176</b>	<b>(56,269,800)</b>	<b>2,330,837</b>	<b>140,727</b>	<b>19,035,940</b>
Loss for the period	-	(4,723,486)	-	-	(4,723,486)
Other comprehensive income	-	-	(2,330,837)	-	(2,330,837)
Total comprehensive income for the period	-	(4,723,486)	(2,330,837)	-	(7,054,323)
<i>Transaction with owners, in the capacity as owners, and other transfers</i>					
Options issued during the period	-	-	-	27,931	27,931
Performance rights issued	-	-	-	39,623	39,623
Performance rights cancelled	-	-	-	(50,500)	(50,500)
Shares issued during the period	4,217,205	-	-	-	4,217,205
Transaction costs	(294,837)	-	-	-	(294,837)
<b>Balance at 31 December 2016</b>	<b>76,756,544</b>	<b>(60,993,286)</b>	<b>-</b>	<b>157,781</b>	<b>15,921,039</b>

*The accompanying notes form part of these financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	31 December 2017 \$	31 December 2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(921,138)	(1,281,913)
Payments for exploration and evaluation activity	(1,193,447)	(2,096,985)
Interest received	5,344	7,400
Interest and other charges paid	(1,184)	(9,817)
<b>Net cash used in operating activities</b>	<u>(2,110,425)</u>	<u>(3,381,315)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds received from asset held for sale	-	1,372,465
Proceeds from disposal of financial assets	22,914	-
Proceeds from disposal of fixed assets	31,758	-
Proceeds from disposal of tenements	-	2,000,000
Acquisition of property, plant and equipment	-	(56,322)
Tenement Acquisition Costs	(250,000)	-
Loan to Other Entity	-	(500,000)
Acquisition of financial assets	(80,000)	(162,580)
<b>Net cash used in investing activities</b>	<u>(275,328)</u>	<u>2,653,563</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from / (repayment of) borrowings	-	(100,000)
Fundraising costs	(150,822)	(253,529)
Proceeds from Share Issue	2,504,736	4,011,544
<b>Net cash provided by (used in) financing activities</b>	<u>2,353,914</u>	<u>3,658,015</u>
<b>Net increase (decrease) in cash held</b>	(31,839)	2,930,263
<b>Cash and cash equivalents at 1 July</b>	1,406,729	302,047
Effects of exchange rates on cash holdings in foreign currencies	(8,708)	32,569
<b>Closing Cash and Cash Equivalents</b>	<u>1,366,182</u>	<u>3,264,879</u>

*The accompanying notes form part of these financial statements.*

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES****Statement of compliance**

The interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The interim report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

**Basis of preparation**

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

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the company's 2017 annual financial report for the financial year ended 30 June 2017, except for the impact of the Standards and Interpretations described below, and the change in accounting policy as described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**New accounting standards and interpretation that are first effective in the current reporting period**

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 with the exception of AASB 9: Financial Instruments and associated Amending Standards.

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**

AASB 15 : Revenue from Contracts with Customers (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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

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.

AASB 16: Leases (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****FOR THE HALF-YEAR ENDED 31 DECEMBER 2017****Going Concern**

The half-year 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 incurred a loss for the period of \$2,088,359 (2016: \$4,723,486) and net cash outflows from operating activities of \$2,110,425 (2016: \$3,381,315).

As at 31 December 2017, the Group had a working capital position of \$912,186 (30 June 2017: \$713,215). 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 half-year financial report.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- The Group has raised \$2.5 million via private placement subsequent to 31 December 2017;
- The Group has plans to lodge a claim for the Research and Development Rebate for the 2017 financial year;
- The Directors have an appropriate plan to raise additional funds as and when they are required. 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 Directors have an appropriate plan to contain certain expenditure if appropriate funding is unavailable; and
- In the event the above cannot be achieved the Group has investments in listed entities of \$2,470,964 which, if required, could be disposed of to raise funds for working capital purposes.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	<b>31 December</b>	<b>30 June</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: CASH AND CASH EQUIVALENTS</b>		
Cash at bank and in hand	5,071	25,278
Short-term bank deposits	1,361,111	1,381,451
	<b>1,366,182</b>	<b>1,406,729</b>

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

**NOTE 3: TRADE AND OTHER RECEIVABLES**

*CURRENT*

GST receivables	35,933	31,041
Receivable from sale of barge (i)	-	32,661
Other receivables	48,073	15,745
	<b>84,006</b>	<b>79,447</b>

*NON-CURRENT*

Environmental bond	70,000	70,000
Other bonds	15,000	15,000
	<b>85,000</b>	<b>85,000</b>

- (i) After 30 June 2017, the Group received the remaining receivable from the sale of the barge.

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.



## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	31 December 2017 \$	30 June 2017 \$
NOTE 4: PROPERTY, PLANT AND EQUIPMENT		
RESIDENTIAL CAMP		
At cost	4,500,000	4,500,000
Accumulated depreciation	(675,000)	(562,500)
	<b>3,825,000</b>	<b>3,937,500</b>
(a) Reconciliation		
Carrying amount at beginning of period	3,937,500	4,162,500
Depreciation expense	(112,500)	(225,000)
Carrying amount at end of period	<b>3,825,000</b>	<b>3,937,500</b>
PLANT AND EQUIPMENT		
At cost	796,032	796,032
Accumulated depreciation	(504,118)	(435,754)
	<b>291,914</b>	<b>360,278</b>
(b) Reconciliation		
Carrying amount at beginning of period	360,278	462,208
Equipment additions	-	40,670
Depreciation expense	(68,364)	(142,600)
Carrying amount at end of period	<b>291,914</b>	<b>360,278</b>
Total Property, Plant and Equipment	<b>4,116,914</b>	<b>4,297,778</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	31 December 2017 \$	30 June 2017 \$
NOTE 5: EXPLORATION AND EVALUATION COSTS		
Carrying amount at beginning	5,716,568	8,930,000
Addition/(Reduction):		
Disposal of 51% interest in Wilcherry Hill Project Area <sup>1</sup>	-	(2,000,000)
Less impairment on capitalised acquisition cost <sup>2</sup>	-	(1,213,432)
	<b>5,716,568</b>	<b>5,716,568</b>

<sup>1</sup> Alliance Resources Ltd purchased 51% interest in the Wilcherry Hill Project Area for \$2 Million.

<sup>2</sup> 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 6: OTHER ASSETS

Eureka Gold Project - acquisition payment <sup>1</sup>	500,000	-
	<b>500,000</b>	-

<sup>1</sup> The Group has made part payment for the acquisition of Eureka Gold Project consisting of \$250,000 in cash and \$250,000 in shares by issuing 14,705,882 shares with deemed price of \$0.017. As at 31 December 2017, the completion of the acquisition is still in progress.

NOTE 7: FINANCIAL ASSETS

Shares in Orinoco Gold Limited (i)	945,551	1,077,173
Options in Orinoco Gold Limited (ii)	148,234	177,880
Shares in Kairos Minerals Limited (iii)	1,377,179	469,493
	<b>2,470,964</b>	<b>1,724,546</b>

(i) At 31 December 2017, the Group has 26,265,316 shares in Orinoco Gold Limited. Investment in Orinoco Gold Limited is measured at the prevailing market price as at 31 December 2017.

(ii) The Group has 14,823,328 options in Orinoco Gold Limited exercisable at \$0.11 on or before 31 January 2020. The options are measured at the prevailing market price as at 31 December 2017.

(iii) At 31 December 2017, the Group has 31,299,531 shares in Kairos Minerals Limited. Investment in Kairos Minerals Limited is measured at the prevailing share price as at 31 December 2017.

NOTE 8: TRADE AND OTHER PAYABLES

Accounts payable	267,732	589,647
Accruals	118,643	16,000
	<b>386,375</b>	<b>605,647</b>

Accounts payable are generally non-interest bearing and on 30 day terms.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

**NOTE 9: 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.

*Unallocated items*

Items of revenue, expense, assets and liabilities that are not considered part of the core operations of any segment are classified as unallocated items.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

## NOTE 9: OPERATING SEGMENTS (CONTINUED)

	Exploration WA \$	Exploration SA \$	Total \$
<b>(i) Segment performance</b>			
<b>Period ended 31.12.2017</b>			
<b>Segment revenue</b>	-	-	-
<i>Reconciliation of segment revenue to Group's revenue</i>			
Net interest income			5,318
Other income			-
<b>Total revenue</b>			<b>5,318</b>
 <b>Segment result</b>	 <b>(50,435)</b>	 <b>(1,008,336)</b>	 <b>(1,058,771)</b>
<i>Reconciliation of segment result to Group's net loss before tax</i>			
Unallocated items:			
Net corporate Charges			(841,620)
Depreciation			(180,864)
Share-based payments			(7,104)
<b>Net loss before income tax</b>			<b>(2,088,359)</b>
 <b>Period ended 31.12.2016</b>			
<b>Segment revenue</b>	-	-	-
<i>Reconciliation of segment revenue to Group's revenue</i>			
Net interest income			7,400
Other income			-
<b>Total revenue</b>			<b>7,400</b>
 <b>Segment result</b>	 <b>(38,806)</b>	 <b>(2,873,650)</b>	 <b>(2,912,456)</b>
<i>Reconciliation of segment result to Group's net loss before tax</i>			
Unallocated items:			
Net corporate Charges			(2,414,755)
Depreciation			(183,885)
Share-based payments			10,877
<b>Net loss before income tax</b>			<b>(5,500,219)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

## NOTE 9: OPERATING SEGMENTS (CONTINUED)

(ii) Segment assets	Exploration WA \$	Exploration SA \$	Total \$
<b>Period ended 31.12.2017</b>			
<b>Segment assets</b>	500,000	9,856,568	10,356,568
<i>Reconciliation of segment assets to Group's assets</i>			
<i>Unallocated items:</i>			
Cash and cash equivalents			1,366,182
Trade and other receivables			84,006
Financial assets			2,470,964
Property, plant and equipment			61,914
<b>Total assets</b>			<b>14,339,634</b>
<b>Additions/(reductions) in segment assets for the period:</b>			
Capital expenditure	500,000	-	500,000
Depreciation	-	(170,000)	(170,000)
Asset impairment	-	-	-
Disposal	-	-	-
<b>Total additions/(reductions)</b>	<b>500,000</b>	<b>(170,000)</b>	<b>330,000</b>
<b>Period ended 30.06.2017</b>			
<b>Segment assets</b>	-	10,026,568	10,026,568
<i>Reconciliation of segment assets to Group's assets</i>			
<i>Unallocated items:</i>			
Cash and cash equivalents			1,406,729
Trade and other receivables			79,447
Financial assets			1,724,546
Property, plant and equipment			72,778
<b>Total assets</b>			<b>13,310,068</b>
<b>Additions/(reductions) in segment assets for the period:</b>			
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)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

## NOTE 9: OPERATING SEGMENTS (CONTINUED)

(ii) Segment assets	Exploration	Exploration	Total
	WA	SA	
	\$	\$	\$
<b>Total additions/(reductions)</b>	<b>-</b>	<b>(3,513,432)</b>	<b>(3,513,432)</b>

## NOTE 10: ISSUED CAPITAL

	No of shares	Total \$
<b>a. Ordinary shares</b>		
Balance at beginning of reporting period	399,050,442	76,763,991
Shares issued in lieu of director fees	137,587	2,889
Exercise of 4 cent options	43,392	1,736
Placement at \$0.017	90,764,706	1,543,000
Share purchase plan at \$0.017	58,823,555	1,000,000
Eureka project acquisition	14,705,882	250,000
Transaction costs relation to share issues	-	(238,213)
Balance at end of reporting period	<b>563,525,564</b>	<b>79,323,403</b>
	<b>No of options and performance rights</b>	<b>Total \$</b>
<b>b. Options and Performance rights</b>		
Balance at beginning of reporting period	108,803,101	147,616
Exercise of 4 cent options	(43,392)	-
Lapse of 4 cents options	(81,457,209)	-
Placement at \$0.017 - free attaching options	90,764,706	-
Share purchase plan at \$0.017 - free attaching options	58,823,555	-
Placement fees	7,500,000	41,961
Performance rights amortisation	-	7,104
Balance at end of reporting period	<b>184,390,761</b>	<b>196,681</b>

## NOTE 11: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since last annual reporting date.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

**NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to the reporting date, the Group sold 7,131,611 shares in Orinoco Gold Limited at an average price of \$0.077.

On 26 February 2018, the Group completed a capital raising of \$2,550,000 by way of a placement of 150 million ordinary shares at \$0.017 as approved by shareholders at the 2017 AGM. The placement will also include the issue of one free attaching options (TYXOC) for every two shares taken up, subject to shareholder approval.

On 15 March 2018, the price of Orinoco Gold Ltd was \$0.12 per share, resulting in a fair value of \$2,296,045, based on the Group shareholding as at the date of this report.

On 15 March 2018, the price of Kairos Minerals Ltd was \$0.036 per share, which reduced the total fair value of the investment held by \$250,000.

There has been no other significant event after reporting date.

**NOTE 13: DIVIDEND**

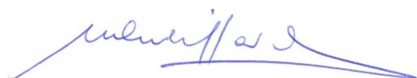
No Dividend has been paid during or recommended for the half year ended 31 December 2017.

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 17 to 31:
  - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001; and
  - b. give a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read 'Geoffrey Clifford', with a long horizontal flourish extending to the right.

Geoffrey Clifford

Chairman

Perth, 15 March 2018



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## Independent Auditor's Review Report

### To the Members of Tyranna Resources Limited

We have reviewed the accompanying financial report of Tyranna Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the period.

### Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such 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.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



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- Accountants
- Auditors
- Advisors

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



**Independence**

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

**Conclusion**

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

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance for the period ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

**BENTLEYS**  
Chartered Accountants

**DOUG BELL CA**  
Director

Dated at Perth this 15<sup>th</sup> day of March 2018