

# 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 2018

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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 2018 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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**SHARE REGISTRAR**

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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 2018.

### **Directors**

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

Geoffrey Clifford – Non-Executive Chairman  
Bruno Seneque – Managing Director  
Nick Revell – Technical Director  
Joseph Pinto – Non-Executive Director

### **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, CPA.

### **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**

Over the past six months, Tyranna Resources Limited (“Tyranna”) has been engaged primarily in exploration and project development activities on its Eureka Gold Project in the Kalgoorlie region of Western Australia, and exploration at the Goodsprings Cobalt and Base Metals Project in Nevada, USA.

Highlights of the reported progress during the period include:

- Completed the acquisition of Eureka Gold Project which hosts the Eureka open cut gold mine.
- Maiden drilling program completed at the Eureka Gold Project.
- Increased the Company’s stake in the Challenger Joint Venture to 78%.
- Completed a 35 holes RC drilling program at Campfire Bore – part of the Jumbuck Gold Project.

## DIRECTORS' REPORT

### About the Company

Tyranna is a diversified minerals exploration company focused on the advanced Eureka Gold Project located North of Kalgoorlie in Western Australia. Tyranna also has a portfolio of assets including the Goodsprings Cobalt and Base Metals Project, located in USA, 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 in the Company's other project areas.

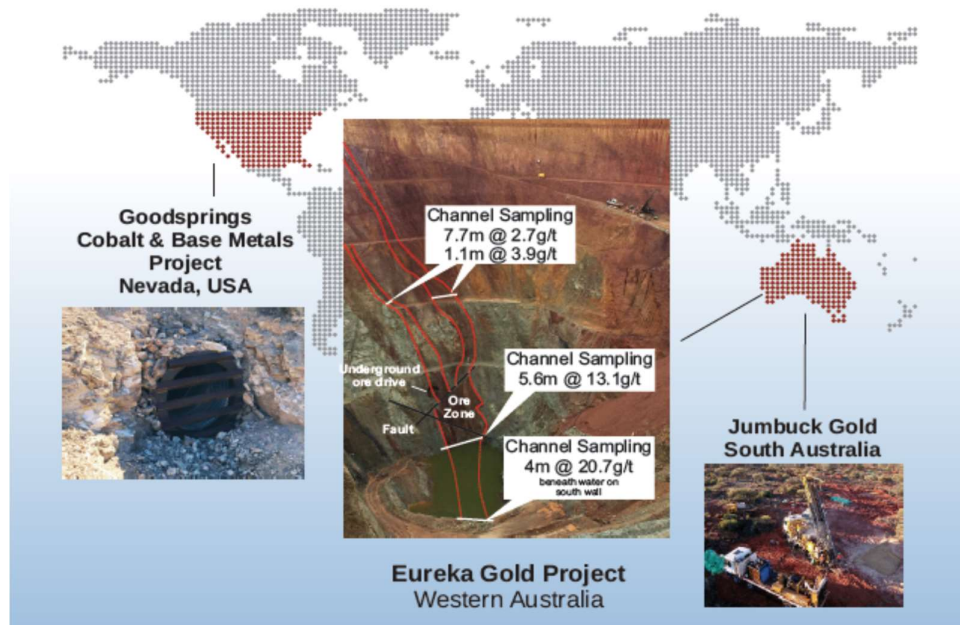
As part of Tyranna's diversification strategy to capitalise on the battery minerals revolution, the Company acquired US Cobalt Pty Ltd ('US Cobalt'), the owner of the Goodsprings Cobalt and Base Metals Project, located in the State of Nevada, USA.

The Company views this acquisition as a significant move to align itself with the battery metals revolution, given the rapid rise in the LME price of Cobalt from US\$23,000/ton in March 2016 to a high of US\$95,000/ton on 21 March 2018.

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 in Administration and Receivership). 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.

## DIRECTORS' REPORT



**Figure 1: Location of Project Areas**

### EUREKA GOLD MINE

During the period, the Company completed drilling at its 100% owned Eureka Gold Project located 50km north of the gold mining centre of Kalgoorlie, Western Australia.

The program, comprising 2,040 metres for 13 holes, was successful in intersecting the high-grade ore shoot beneath the recently completed open pit (refer Figure 2 and 3). Diamond drilling was designed to target the interpreted south plunging ore shoot that had been mined in the pit by the previous owners.

Best Intersections included: 14m @ 4.58 g/t Au from 103m including 1m @ 41.80g/t from 105m (18EKDD09)

- 4.0m @ 3.33g/t Au from 98.0m (18EKDD012)
- 0.4m @ 31.0 g/t Au from 170.9m (18EKDD02)
- 1.0m @ 7.63g/t Au from 122m (18EKDD08)
- 0.92m @ 5.9g/t Au from 130.58m (18EKDD08)

High grade channel samples across ore at the base of the pit (refer to Figure 1):

- 4.0m @ 20.7g/t Au
- 5.6m @ 13.1g/t Au

**DIRECTORS' REPORT**

For a full list of significant intersections from the program, see ASX announcement dated 5 December 2018.

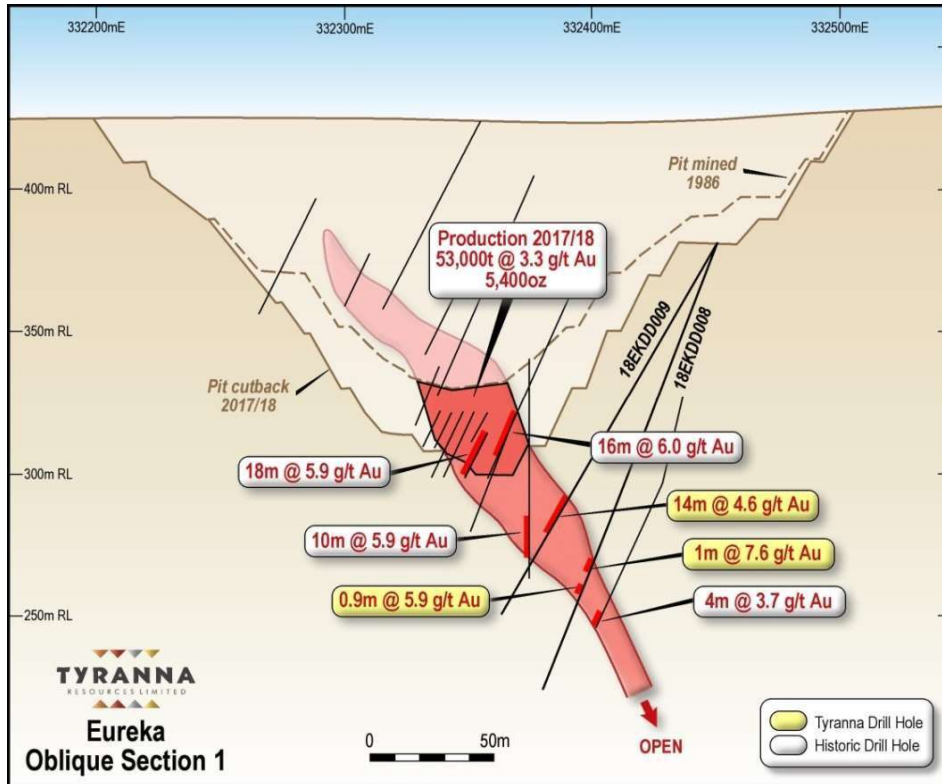


Figure 2: Section 1 showing Tyranna drilling with historic results

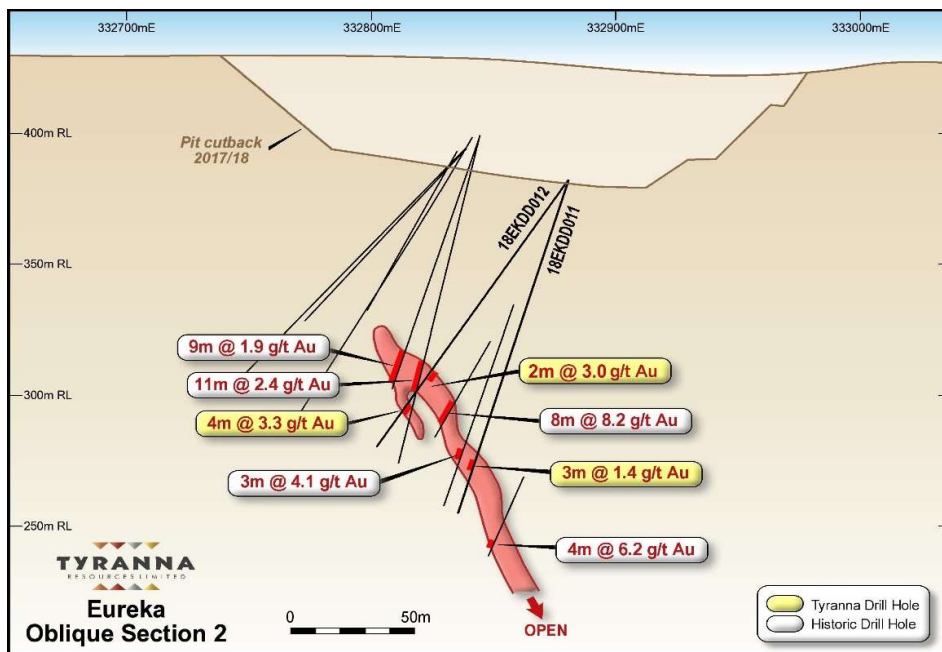


Figure 3: Section 2 Tyranna drilling with historic results

## DIRECTORS' REPORT

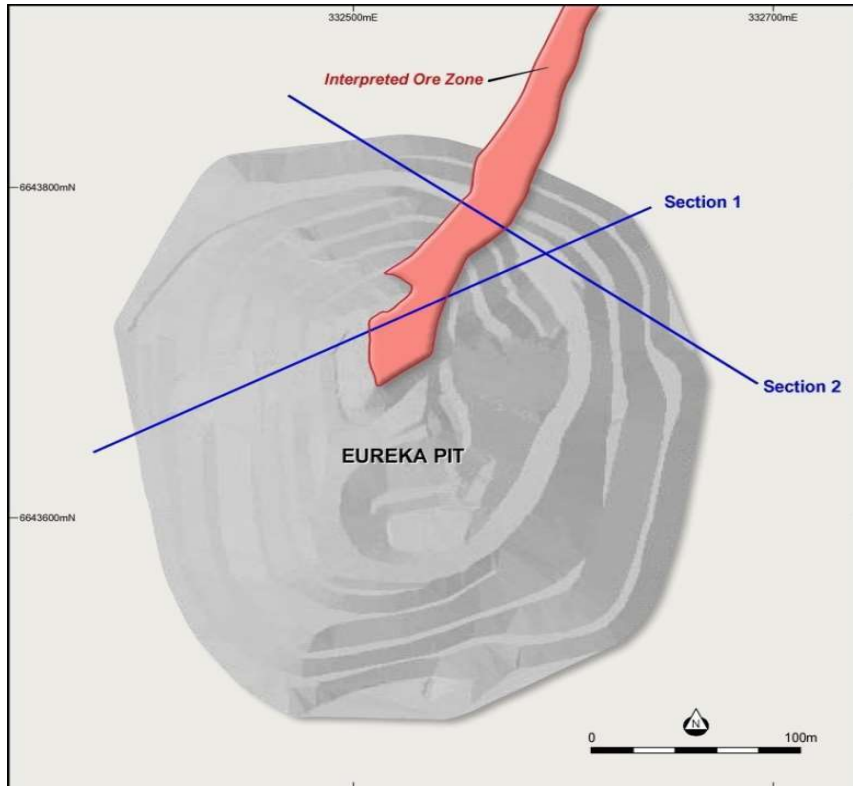


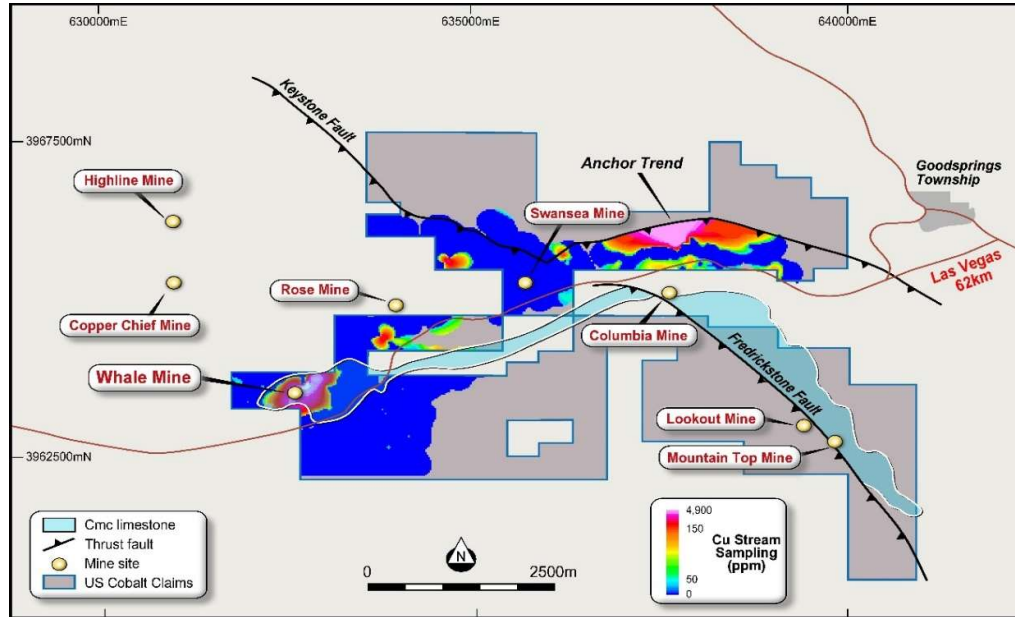
Figure 4: Plan view showing location of sections 1 and 2

#### GOODSPRINGS COBALT-BASE METALS PROJECT

During the period, the Company completed a stream sampling program over two areas, the Whale Mine & the Anchor Trend. These areas have also been mapped by a consulting structural geologist. This new interpretation of the Goodsprings claims has highlighted these as areas of interest surrounding the Whale Mine and the Anchor Trend. Recently New World Cobalt Ltd (ASX: NWC) identified 3 targets that sit on the Whale Mine trend line (see Figure.5 Cmc Limestone). The company has interpreted the Cmc unit to be carbonate-hosted (limestone, marl, or dolomite), and this Cmc formation predominately sits in the Goodsprings claims package.



## DIRECTORS' REPORT



**Figure 5: Tenement map showing stream sampling results at the Whale mine and the Anchor Trend**

To test the Whale area, the 3D Induced Polarisation and Resistivity survey had been conducted to:

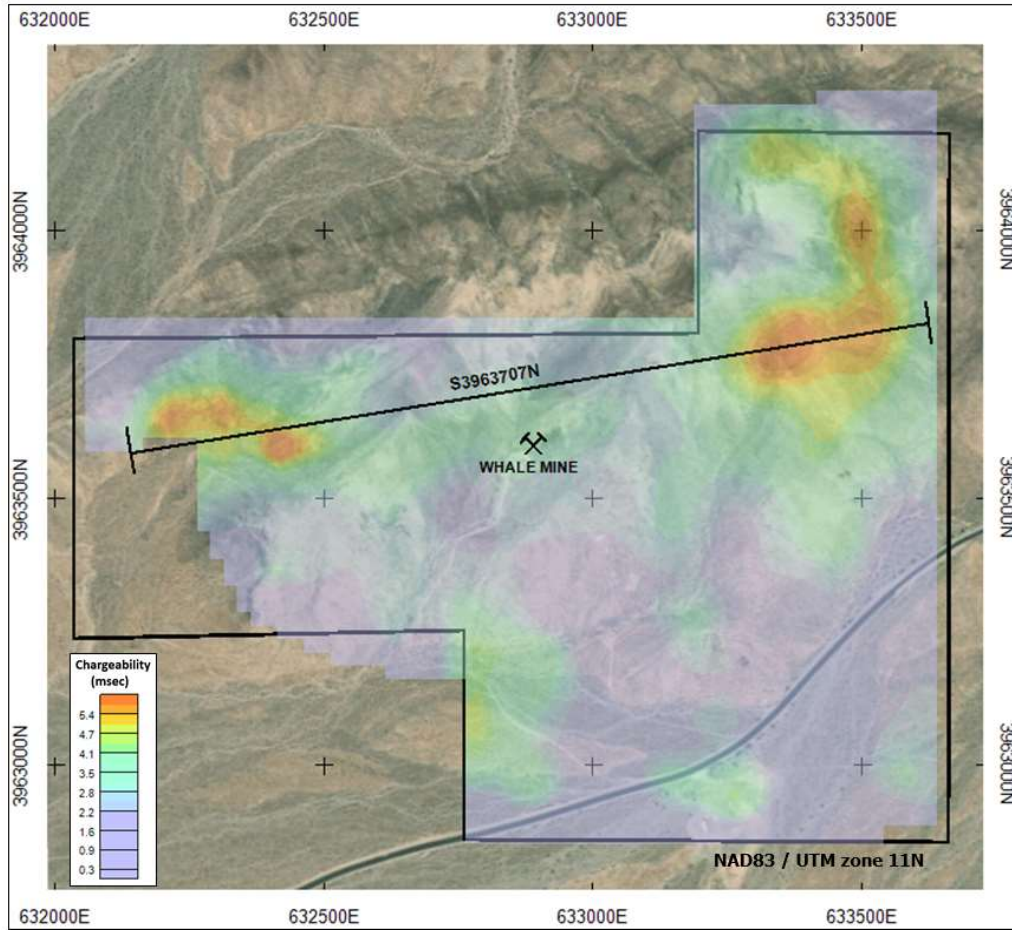
- Map chargeability and resistivity across the survey areas to a depth of 300 to 400 metres depth;
- Characterise potential targets for potential cobalt/copper mineralisation.

Tyranna commissioned leading geo-scientific exploration consultants, Terra Resources Pty Ltd, to supervise acquisition and interpretation of the 3D IP/resistivity survey around the Whale Mine. As the Whale deposit is associated with Cobalt, Zinc, Lead and Copper, IP/resistivity was used to try and identify possible extensions to mineralisation at depth and under cover.

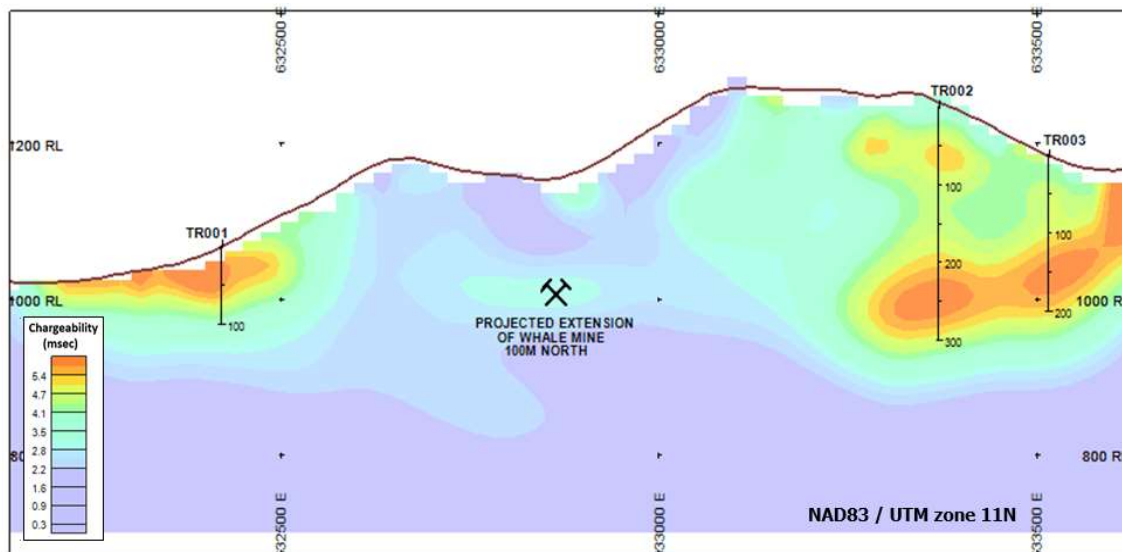
The 3D IP/resistivity survey was conducted in December 2018, in a north-south survey configuration with 200m spaced transmitter lines and 100m spaced receiver lines. The transmitter and receiver spacing along lines were 50m. Transmitter lines have end-of-line offset for increase depth penetration. Processing was completed in January 2019.

The survey successfully mapped down to 450m below surface. It has identified chargeable zones which could be attributed to mineralisation. These zones are shown in orange in Figure 6. Some of the chargeable zones have coincident geochemical responses (Cu, Co and Zn) and are considered high priority targets. Drilling has been proposed in the best parts of the target (Figure 7). Targets range in depth from 50m to 300m below surface.

**DIRECTORS' REPORT**



**Figure 6 - Map of survey area showing RL1000m depth slice of the IP, the location of the Whale Mine and the location of cross section shown in Figure 7**



**Figure 7 - Cross-section through 3D IP model with proposed drill holes**

**DIRECTORS' REPORT**

**JUMBUCK GOLD PROJECT**

The Company announced assay results from 35 reverse circulation (RC) holes drilled at the Campfire Bore Gold Prospect, which is approximately 37 km north of the Challenger Gold Mine and part of the large Jumbuck Gold Project in the Northern Gawler Block of South Australia. The results from hole 18CBRC035 intersected mineralisation only 12m (down hole) from surface at Campfire Bore which indicates potential shallower mineralisation than previously found.

Holes 18CBRC001 to 18CBRC035 were drilled to test the shallow nature of the supergene mineralisation zones, the average vertical depth to the zones was approximately 30m from the surface, with one hole in particular 18CBRC035 intercepting the zone from 12m below the surface.

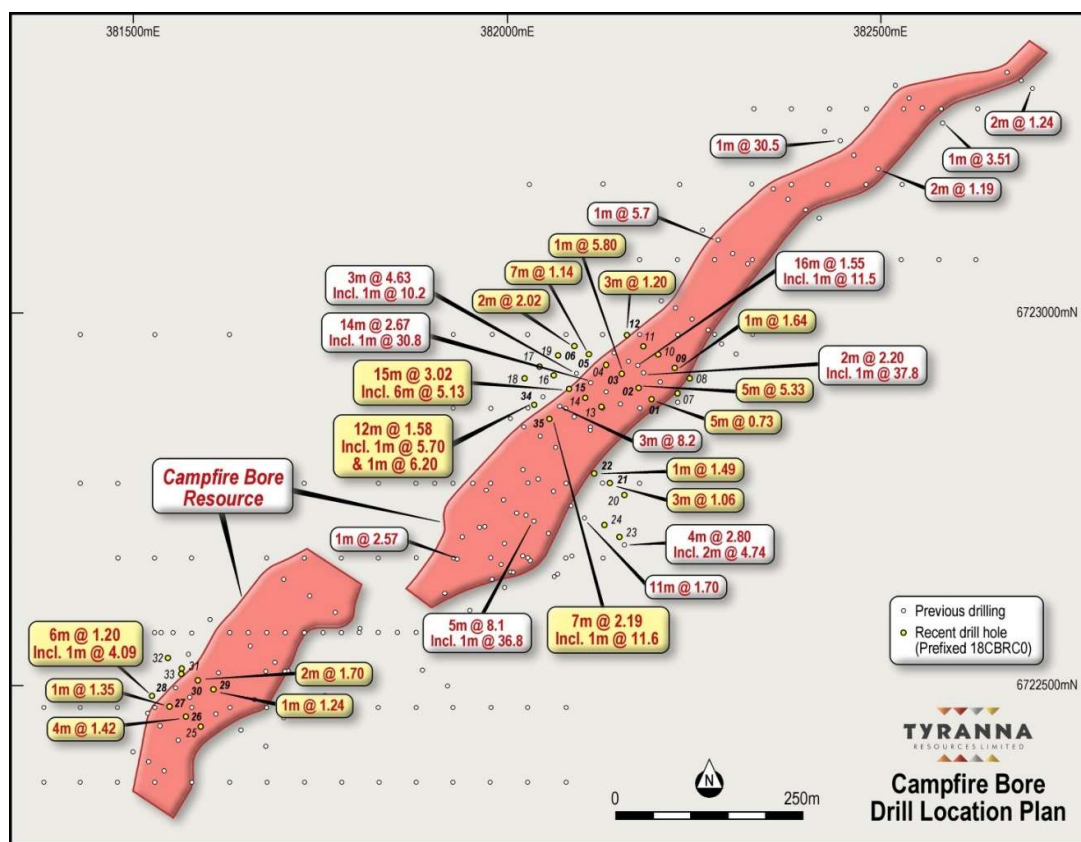


Figure 8: Drill hole location Plan at Campfire Bore

**CORPORATE**

**Shares issued and cancelled during the period**

During the period, the Company issued 228,205,304 (2017: 164,475,122) ordinary shares. The shares were issued as part of the project acquisitions for Eureka Gold Project and the Goodsprings Cobalt and Base Metals Project.

## DIRECTORS' REPORT

### Operating Results and Financial Review

#### *Profit and loss*

The Group's loss for the half-year after providing for income tax amounted to \$6,744,019 (2017: \$2,088,359).

#### *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 2018 are \$11,556,337 (30 June 2018: \$16,453,654).

#### *Liquidity and capital resources*

The Company's principal source of liquidity as at 31 December 2018 is cash of \$213,644 (30 June 2018: \$3,173,034); \$207,889 of which (30 June 2018: \$3,161,512) has been placed as short-term deposits.

### 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 13: 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 13 of the Financial Report for the half-year ended 31 December 2018.

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



Geoffrey Clifford  
Chairman  
Perth, 13 March 2019



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To the Board of Directors

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

As lead audit partner for the review of the financial statements of Tyranna Resources Limited for the period ended 31 December 2018, 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 signature

BENTLEYS
Chartered Accountants

Doug Bell signature

DOUG BELL CA
Partner

Dated at Perth this 13th day of March 2019



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- Advisors
Accountants
Auditors

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	31 December 2018 \$	31 December 2017 \$
Revenue and other income		9,217	5,318
Administration expense		(49,116)	(41,888)
Consultancy expenses		(104,340)	(118,183)
Compliance & regulatory expenses		(41,650)	(38,115)
Director fees		(54,750)	(46,975)
Depreciation and amortisation expense		(183,937)	(180,864)
Finance costs		(527)	(1,185)
Legal fees		(97,442)	(76,392)
Occupancy costs		(92,417)	(89,135)
Share-based payments		(5,894)	(7,104)
Public relations cost		(38,316)	(13,846)
Staff costs expenses		(171,588)	(252,045)
Foreign exchange gain/(loss)		(62)	(9,451)
Impairment	4, 5, 7	(4,031,568)	-
Net fair value gain/(loss) on financial assets recognised at fair value through profit or loss		(533,640)	(29,647)
Exploration costs written off		(1,259,923)	(1,058,771)
Other expenses from ordinary activities		(88,066)	(130,076)
		<b>(6,744,019)</b>	<b>(2,088,359)</b>
<b>Loss before income tax expense</b>		<b>(6,744,019)</b>	<b>(2,088,359)</b>
Income tax benefit		-	-
<b>Net loss for the period</b>		<b>(6,744,019)</b>	<b>(2,088,359)</b>
Other comprehensive income		(1,541,203)	744,407
<b>Total comprehensive loss for the period</b>		<b>(8,285,222)</b>	<b>(1,343,952)</b>
Basic and diluted loss per share (cents per share)		(0.79)	(0.44)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Note	31 December 2018 \$	30 June 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	213,644	3,173,034
Trade and other receivables	3	73,937	276,257
Assets classified as held for sale	4	1,500,000	-
<b>TOTAL CURRENT ASSETS</b>		<u>1,787,581</u>	<u>3,449,291</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	3	85,000	85,000
Property, plant and equipment	5	176,554	3,957,506
Other assets	6	-	600,000
Exploration and evaluation costs	7	9,225,163	5,716,568
Financial assets	8	967,456	2,985,963
<b>TOTAL NON-CURRENT ASSETS</b>		<u>10,454,173</u>	<u>13,345,037</u>
<b>TOTAL ASSETS</b>		<u><b>12,241,754</b></u>	<u><b>16,794,328</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	526,471	209,665
Provisions		158,946	131,009
<b>TOTAL CURRENT LIABILITIES</b>		<u>685,417</u>	<u>340,674</u>
<b>TOTAL LIABILITIES</b>		<u><b>685,417</b></u>	<u><b>340,674</b></u>
<b>NET ASSETS</b>		<u><b>11,556,337</b></u>	<u><b>16,453,654</b></u>
<b>EQUITY</b>			
Issued capital	11	84,756,395	81,494,384
Reserves		(1,364,568)	50,741
Accumulated Losses		(71,835,490)	(65,091,471)
<b>TOTAL ENTITY INTEREST</b>		<u><b>11,556,337</b></u>	<u><b>16,453,654</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 2018**

	Issued Capital	Accumulated Losses	Financial Asset Reserve	Option Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	<b>81,494,384</b>	<b>(65,091,471)</b>	<b>(622,406)</b>	<b>673,147</b>	<b>-</b>	<b>16,453,654</b>
Loss for the period	-	(6,744,019)	-	-	-	(6,744,019)
Foreign currency	-	-	-	-	1,715	1,715
Other comprehensive income	-	-	(1,542,918)	-	-	(1,542,918)
Total comprehensive income for the period	-	(6,744,019)	(1,542,918)	-	1,715	(8,285,222)
<i>Transaction with owners, in the capacity as owners, and other transfers</i>						
Options issued during the period	-	-	-	120,000	-	120,000
Performance rights issued	-	-	-	5,894	-	5,894
Shares issued during the period	3,281,903	-	-	-	-	3,281,903
Transaction costs	(19,892)	-	-	-	-	(19,892)
<b>Balance at 31 December 2018</b>	<b>84,756,395</b>	<b>(71,835,490)</b>	<b>(2,165,324)</b>	<b>799,041</b>	<b>1,715</b>	<b>11,556,337</b>
<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>-</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>-</b>	<b>13,801,632</b>

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



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(761,647)	(921,138)
Payments for exploration and evaluation activity	(1,083,365)	(1,193,447)
Interest received	3,209	5,344
Interest and other charges paid	(527)	(1,184)
Other income	3,000	-
<b>Net cash used in operating activities</b>	<u>(1,839,330)</u>	<u>(2,110,425)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets	236,749	22,914
Proceeds from disposal of fixed assets	-	31,758
Acquisition of property, plant and equipment	(2,985)	-
Tenement Acquisition Costs	(1,285,647)	(250,000)
Acquisition of financial assets	(50,000)	(80,000)
<b>Net cash used in investing activities</b>	<u>(1,101,883)</u>	<u>(275,328)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fundraising costs	(19,892)	(150,822)
Proceeds from Share Issue	-	2,504,736
<b>Net cash provided by (used in) financing activities</b>	<u>(19,892)</u>	<u>2,353,914</u>
<b>Net increase (decrease) in cash held</b>	(2,961,105)	(31,839)
<b>Cash and cash equivalents at 1 July</b>	3,173,034	1,406,729
Effects of exchange rates on cash holdings in foreign currencies	1,715	(8,708)
<b>Closing Cash and Cash Equivalents</b>	<u>213,644</u>	<u>1,366,182</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

**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 2018 annual financial report for the financial year ended 30 June 2018, 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.

**Accounting Standards that are mandatorily effective for the current reporting period**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2018. The Group early adopted AASB 9: Financial Instruments at 30 June 2018.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 15 Revenue from Contracts with Customers and related amending Standards
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions

**AASB 15 Revenue from Contracts with Customers and related amending Standards**

In the current year, the Group has applied AASB 15 Revenue from Contracts with Customers (as amended) which is effective for an annual period that begins on or after 1 January 2018. AASB 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios.

There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

**New Accounting Standards for Application in Future Periods**

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 2018**

**Going Concern Disclosure**

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 \$6,744,019 (2017: \$2,088,359) which included impairment of assets of \$4,031,568 (2017: Nil). The Group incurred net cash outflows from operating activities of \$1,839,330 (2017: \$2,110,425) during the half year.

As at 31 December 2018, the Group had a working capital position of \$1,102,164 (30 June 2018: \$3,108,617). 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 months 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 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 Group can 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 \$967,456 which, if required, could be disposed of to raise funds for working capital purposes.
- As disclosed in Note 4 and 13, subsequent to 31 December 2018 the Group entered into a Sale and Purchase Agreement with Alliance Resources Limited for the sale of the residential camp, its remaining interest in Wilcherry Hill Project and a site-based motor vehicle, for a total consideration of \$1.5 million.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. In the event the above matters are not achieved, the Group will be required to raise funds for working capital from debt or equity sources.

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 months period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	<b>31 December</b>	<b>30 June</b>
	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: CASH AND CASH EQUIVALENTS</b>		
Cash at bank and in hand	5,755	11,522
Short-term bank deposits	207,889	3,161,512
	<b>213,644</b>	<b>3,173,034</b>
Cash at bank and short term bank deposits earn interest at floating rate based on daily bank deposit rates.		
 <b>NOTE 3: TRADE AND OTHER RECEIVABLES</b>		
<i>CURRENT</i>		
GST receivables	19,085	16,032
Other receivables	54,852	260,225
	<b>73,937</b>	<b>276,257</b>
 <i>NON-CURRENT</i>		
Environmental bond	70,000	70,000
Other bonds	15,000	15,000
	<b>85,000</b>	<b>85,000</b>

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 4: ASSETS CLASSIFIED AS HELD FOR SALE**

Residential Camp (i)	760,000	-
Motor Vehicle (i)	10,000	-
Interest in Wilcherry Hill Project Area (i)	730,000	-
	<b>1,500,000</b>	-

- (i) Subsequent to 31 December 2018 the Group entered into a Sale and Purchase Agreement with Alliance Resources Limited for the sale of the assets for a total consideration of \$1.5 million. An impairment loss of \$4,031,568 was recognised in the Profit or Loss Statement due to the difference between the assets carrying amount and fair value less cost to sell.

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31 December 2018 \$	30 June 2018 \$
NOTE 5: PROPERTY, PLANT AND EQUIPMENT		
RESIDENTIAL CAMP		
At cost	-	4,500,000
Accumulated depreciation	-	(787,500)
	<u>-</u>	<u>3,712,500</u>
(a) Reconciliation		
Carrying amount at beginning of period	3,712,500	3,937,500
Depreciation expense	(112,500)	(225,000)
Impairment	(2,840,000)	-
Transfer to asset classified as held for sale	(760,000)	-
Carrying amount at end of period	<u>-</u>	<u>3,712,500</u>
PLANT AND EQUIPMENT		
At cost	776,489	819,036
Accumulated depreciation	(599,935)	(574,030)
	<u>176,554</u>	<u>245,006</u>
(b) Reconciliation		
Carrying amount at beginning of period	245,006	360,278
Equipment additions	2,985	23,004
Depreciation expense	(71,437)	(138,276)
Carrying amount at end of period	<u>176,554</u>	<u>245,006</u>
Total Property, Plant and Equipment	<u>176,554</u>	<u>3,957,506</u>

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

## NOTE 6: OTHER ASSETS

Eureka Gold Project - acquisition payment <sup>1</sup>	-	500,000
Goodsprings Project - option fee payment <sup>2</sup>	-	100,000
	<u>-</u>	<u>600,000</u>

<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. The acquisition was completed in August 2018. Refer to Note 7 for further details.

<sup>2</sup> The Group has paid option fee of \$100,000 in cash prior to executing the acquisition of the Goodsprings Project which was completed in October 2018. Refer to Note 7 for further details.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	<b>31 December</b>	<b>30 June</b>
	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 7: EXPLORATION AND EVALUATION COSTS</b>		
Carrying amount at beginning	5,716,568	5,716,568
Addition/(Reduction):		
Acquisition of Eureka Project <sup>1</sup>	3,233,692	-
Acquisition of Goodsprings Project <sup>2</sup>	2,196,471	-
Transfer interest in Wilcherry Hill Project Area to assets held for sale <sup>3</sup>	(730,000)	-
Less impairment on interest in Wilcherry Hill Project Area <sup>4</sup>	(1,191,568)	-
	<b>9,225,163</b>	<b>5,716,568</b>

<sup>1</sup> The Eureka Project acquisition was completed on 3 August 2018, the consideration paid at completion consist of \$1,369,003 in cash and the issue of 87,028,834 shares. This is in addition to the initial deposit paid – see Note 6.

<sup>2</sup> The Goodsprings Project was acquired by issuing 141,176,470 ordinary shares and 30 million TYXOC Options.

<sup>3</sup> Alliance Resources Ltd agreed to purchase the Company 18.59% interest in the Wilcherry Hill Project Area for \$0.73 Million subsequent to 31 December 2018.

<sup>4</sup> As a result of the sale of 18.59% 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 8: FINANCIAL ASSETS**

Shares in Orinoco Gold Limited (i)	144,270	1,358,493
Options in Orinoco Gold Limited (ii)	29,647	563,284
Shares in Kairos Minerals Limited (iii)	747,385	1,064,186
Shares in New Age Exploration Limited (iv)	46,154	-
	<b>967,456</b>	<b>2,985,963</b>

(i) At 31 December 2018, the Group has 18,033,705 shares in Orinoco Gold Limited. Investment in Orinoco Gold Limited is measured at fair value through Other Comprehensive Income as at 31 December 2018. During the period, the Group sold 1,100,000 shares in Orinoco Gold Limited.

(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 2018, with movement recognised at fair value through profit or loss.

(iii) At 31 December 2018, the Group has 29,895,421 shares in Kairos Minerals Limited. Investment in Kairos Minerals Limited is measured at fair value through Other Comprehensive Income. During the period, the Group sold 8,604,110 shares in Kairos Minerals Limited after increasing its holding by another 7,200,000 shares from the milestone payment on reaching 500,000 ounces of JORC gold resource.

(iv) At 31 December 2018, the Group has 7,692,308 shares in New Age Exploration Limited. The investment is measured at fair value through Other Comprehensive Income.

**NOTE 9: TRADE AND OTHER PAYABLES**

Accounts payable	466,221	163,213
Accruals	60,250	46,452
	<b>526,471</b>	<b>209,665</b>

Accounts payable are generally non-interest bearing and on 30 days term.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

**NOTE 10: 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 2018**

## NOTE 10: OPERATING SEGMENTS (CONTINUED)

	Exploration International \$	Exploration WA \$	Exploration SA \$	Total \$
<b>(i) Segment performance</b>				
<b>Period ended</b>				
<b>31.12.2018</b>				
<b>Segment revenue</b>	-	-	-	-
<i>Reconciliation of segment revenue to Group's revenue</i>				
Net interest income				3,217
Other income				6,000
<b>Total revenue</b>				<u><b>9,217</b></u>
<b>Segment result</b>	<b>(126,424)</b>	<b>(615,863)</b>	<b>(4,549,204)</b>	<b>(5,291,491)</b>
<i>Reconciliation of segment result to Group's net loss before tax</i>				
Unallocated items:				
Net corporate Charges				(1,262,697)
Depreciation				(183,937)
Share-based payments				(5,894)
<b>Net loss before income tax</b>				<u><b>(6,744,019)</b></u>
<b>Period ended</b>				
<b>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>				<u><b>5,318</b></u>
<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>				<u><b>(2,088,359)</b></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

## NOTE 10: OPERATING SEGMENTS (CONTINUED)

(ii) Segment assets	Exploration International \$	Exploration WA \$	Exploration SA \$	Total \$
<b>Period ended 31.12.2018</b>				
<b>Segment assets</b>	2,196,471	3,233,692	3,995,000	9,425,163
<i>Reconciliation of segment assets to Group's assets</i>				
<i>Unallocated items:</i>				
Cash and cash equivalents				213,644
Trade and other receivables				73,937
Financial assets				967,456
Property, plant and equipment				61,554
Assets classified as held for sale				1,500,000
<b>Total assets</b>				<b>12,241,754</b>
<b>Additions/(reductions) in segment assets for the period:</b>				
Capital expenditure	2,096,471	2,733,692	-	4,830,163
Depreciation	-	-	(170,000)	(170,000)
Asset impairment	-	-	(4,031,568)	(4,031,568)
Disposal or held for sale	-	-	(1,490,000)	(1,490,000)
<b>Total additions/(reductions)</b>	<b>2,096,471</b>	<b>2,733,692</b>	<b>(5,691,568)</b>	<b>(861,405)</b>
<b>Period ended 30.06.2018</b>				
<b>Segment assets</b>	100,000	500,000	9,686,568	10,286,568
<i>Reconciliation of segment assets to Group's assets</i>				
<i>Unallocated items:</i>				
Cash and cash equivalents				3,173,034
Trade and other receivables				276,257
Financial assets				2,985,964
Property, plant and equipment				72,505
<b>Total assets</b>				<b>16,794,328</b>
<b>Additions/(reductions) in segment assets for the period:</b>				
Capital expenditure	-	-	-	-
Depreciation	-	-	(340,000)	(340,000)
Asset impairment	-	-	-	-
Disposal or held for sale	100,000	500,000	-	600,000
<b>Total additions/(reductions)</b>	<b>100,000</b>	<b>500,000</b>	<b>(340,000)</b>	<b>260,000</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

## NOTE 11: ISSUED CAPITAL

	No of shares	Total \$
<b>a. Ordinary shares</b>		
Balance at beginning of reporting period	713,525,564	81,494,384
Eureka project acquisition	87,028,834	1,305,432
Goodsprings project acquisition	141,176,470	1,976,471
Transaction costs relation to share issues	-	(19,892)
Balance at end of reporting period	<b>941,730,868</b>	<b>84,756,395</b>
<b>b. Options and Performance rights</b>		
Balance at beginning of reporting period	340,665,759	673,147
TYXOC Options issued for Goodsprings Acquisition	30,000,000	120,000
Performance rights amortisation	-	5,894
Balance at end of reporting period	<b>370,665,759</b>	<b>799,041</b>

## NOTE 12: 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 2018**

**NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to the reporting date, the Group sold 11,900,000 shares in Orinoco Gold Limited at an average price of \$0.0067 and 800,000 shares in Kairos Minerals Limited at an average price of \$0.023.

On 31 January 2019, the Group entered into an agreement with Alliance Resources Ltd (ASX: AGS) ("Alliance") and subsidiary Alliance Craton Explorer Pty Ltd for the sale of the following non-core assets for a total consideration of \$1.5 million cash;

- The Group's remaining interest (approximately 18.59%) in the Wilcherry Project (Project);
- An 80 person camp on leasehold land located in the township of Kimba, South Australia; and
- a site-based motor vehicle.

On 12 March 2019, the price of Orinoco Gold Ltd was \$0.005 per share, resulting in a fair value of \$30,669 based on the Group shareholding as at the date of this report.

On 12 March 2019, the price of Kairos Minerals Ltd was \$0.016 per share, resulting in a fair value of \$465,527 based on the Group shareholding as at the date of this report.

There has been no other significant event after reporting date.

**NOTE 14: DIVIDEND**

No Dividend has been paid during or recommended for the half year ended 31 December 2018.

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 14 to 28:
  - 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 2018 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.



Geoffrey Clifford

Chairman

Perth, 13 March 2019



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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 Group") which comprises the condensed consolidated statement of financial position as at 31 December 2018, 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 Group's financial position as at 31 December 2018 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 Group, 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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**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 2018 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.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$6,744,019 during the half year ended 31 December 2018. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

**BENTLEYS**  
Chartered Accountants

**DOUG BELL CA**  
Partner

Dated at Perth this 13<sup>th</sup> day of March 2019