

Tyranna Resources Limited

ABN 79 124 990 405



and

Controlled Entities

Interim Financial Report

For the Half-Year Ended
31 December 2019

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 2019 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 DIRECTORS

Joseph Pinto

Giuseppe (Joe) Graziano

David Wheeler (appointed 18/10/2019)

COMPANY SECRETARY

Tim Slate (appointed 18/11/2019)

REGISTERED OFFICE

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STOCK EXCHANGE LISTING

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: TYX

TYXOC

DIRECTORS' REPORT

DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2019.

Directors

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

- Joseph Pinto – Non-Executive Director
- Giuseppe Graziano – Non-Executive Director
- David C Wheeler – Non-Executive Director (appointed 18/10/2019)
- Bruno Seneque – Managing Director (resigned 18/10/2019)

Company Secretary

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

- Tim Slate - (appointed 29/11/2019)
- Yugi Gouw - (resigned 29/11/2019)

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 new Western Australian and New South Wales Nickel Projects, 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:

WA Nickel Projects & NSW Nickel Project

- The Company concluded the acquisition of Clean Power Resources Pty Ltd ("CleanPower"). Tyranna acquired 100% of the issued capital of Clean Power, a minerals explorer that owns three granted tenements, all are prospective for nickel, close to critical infrastructure and routes to key Asian markets.

Eureka Gold Project (EGP)

- Mining approvals were lodged with the Department of Mines, Industry Regulation and Safety (DMIRS). This process requires further information to be provided and the process was suspended while the board considers its options.
- The Board has been assessing its options in relation to this project as a result of the restructuring of the Board during the period. Part of the assessment process is to consider whether a small scale mining operation is viable and the risk factors surrounding the mining and toll treating process undertaken by the previous management team.

Goodsprings Cobalt and Base Metals Project

- The Company renewed its mining claims during the period with the Bureau of Land Management in Las Vegas.

Jumbuck Gold Project

- Tyranna received the \$50,000 option fee relating to its now binding agreement with Syngas (ASX:SYS) to acquire the Jumbuck Gold Project for \$950,000, pending entering into a definitive share purchase agreement. The parties continue to progress the process to completion in due course.

About the Company

Tyranna is a diversified minerals exploration company which has been 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 and has recently acquired the Dragon & Knight Nickel projects in WA's nickel belt and the Pacific Express nickel project in NSW.

WA NICKEL PROJECTS & NSW NICKEL PROJECT

- On 26 November 2019 the Company announced that its geology team, as part of the due diligence process, had extensively reviewed available material on the Dragon & Knight projects in WA's nickel belt (which were granted and in good standing), and verified the following:
 - There are two parallel ENE trending regional dykes that appear to control nickel-copper sulphide mineralisation which intersect the Dragon & Knight projects in two separate strike lengths of related to sheeted Proterozoic dykes; and
 - The separate strike lengths are circa 8km & circa 36km [the later is along strike from St George's Mining (ASX: SGQ) Mt Alexander project – refer Figure 1] respectively – that contain highly prospective targets for follow up exploratory work.
- The priority target areas identified in the due diligence process have elevated nickel-copper assay values from surface samples and from shallow drilling, situated upon and around the known "Lightning" gossan within the Knight project, the following results were first announced to the market on the 26 November 2019 (with an accompanying JORC (2012) Code Table 1):
 - Notably, the Lightning gossan which is along strike from the SGQ held Fish Hook prospect, the Lightning gossan is interpreted to have similar mineralisation based on extensive historic surface sampling with assays up to 7,600ppm Ni, 5,700ppm Cu, & 1,140ppm Zn; and
 - Four shallow drill holes by CRA Exploration intersected the Lightning gossan producing assayed intercepts that include 4m @ 1,925ppm Ni from 18m including 2m @ 2,290ppm Ni. It is anticipated that there is the potential to intersect high-grade sulphide mineralisation similar to that found at SGQ's Mt Alexander project with using modern exploration drilling methods.
- On the 30 October 2019 the Company announced that its geology team have investigated the historical air-core drilling over the laterites that are present in the NSW Nickel Project, the Pacific Express. In reviewing the historical drilling the intersected laterites could have defined, primarily by their assay results, a high-grade Transitional zone (TRAZ interval) between the Limonite zone (LIMO interval), and the Saprolite zone (SAPR interval) in the Pacific Highway prospect. This reinterpretation was a departure from the Historical interpretation of the drilling completed by Jervois.
- Based on their review, the geology team recommended to the Board the assets are highly prospective and deliver significant exploration upside. On 28 November 2019 the Company announced that it had concluded the transaction and issued the first tranche of shares to the vendors in accordance with the terms of the acquisition.

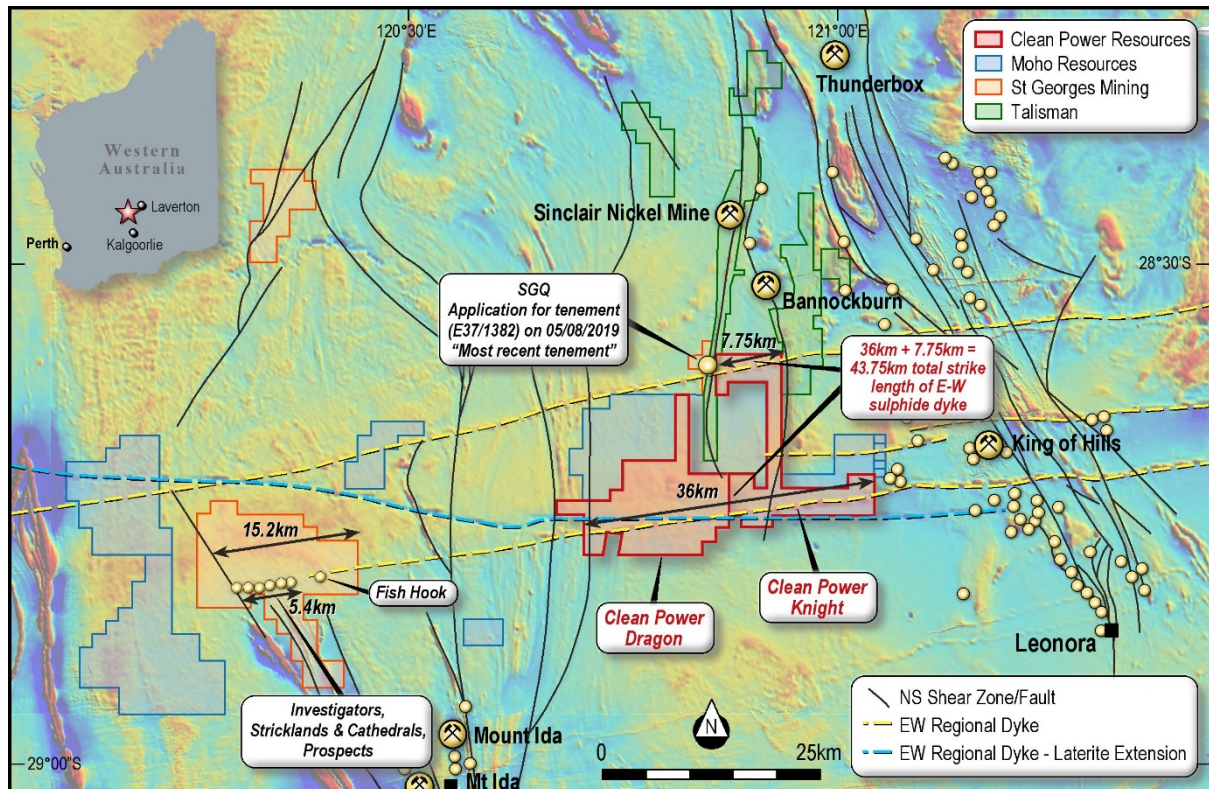


Figure 1: Dragon and Knight Projects in Western Australia

EUREKA GOLD PROJECT (EGP)

Approvals to commence mining operations at the EGP were lodged with the Department of Mines, Industry Regulation and Safety (DMIRS). These approvals included a Project Management Plan (PMP), with DMIRS requesting an amended Mining Proposal (a Mining Proposal was submitted by previous owners), and an update to the Mine Closure Plan (which was also lodged by previous owners). Work has currently been suspended due to the restructuring of the board and the company is re-assessing the project metrics prior to continuing the process and completing the requests from DMIRS.

The EGP is located on a granted mining lease and is 50km north of the gold mining centre of Kalgoorlie, Western Australia. Since taking control of the EGP on 21 September 2018, Tyranna has completed two drilling programs and a Restart Study (refer ASX announcement on 24 May 2018) to progress Eureka to production.

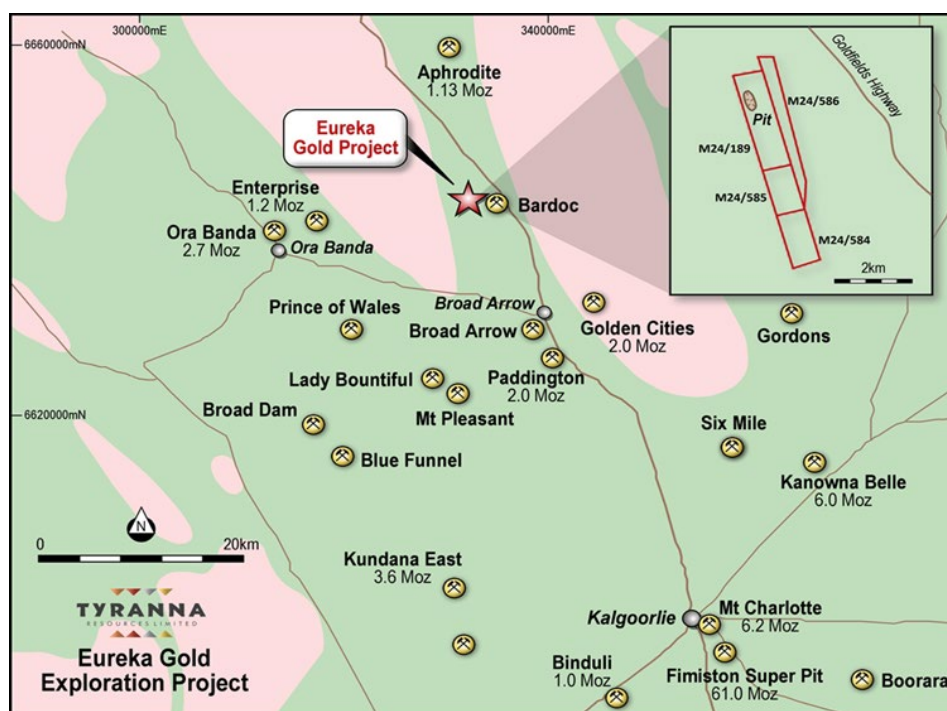


Figure 2: Eureka Project Location

GOODSPRINGS BASE METALS PROJECT

The Company renewed its mining claims during the period with the Bureau of Land Management (BLM) in Las Vegas. A drilling approval application that was lodged with the BLM to cover 4 sites has been delayed due to amendments requested by the BLM specifically to modify access routes to two sites and to relocate two drill locations due to historic sites that cannot be disturbed. The current board is re-assessing the program prior to a decision to continue with the application. The Company's Goodsprings Project area is located approximately 50km southwest of Las Vegas, Nevada, USA. The Goodsprings Base Metals Project comprises 329 mining claims covering 6,580 acres located within the Goodsprings mining district in southern Nevada, 48 kms southwest of Las Vegas.

A previous geophysical survey (3D Induced Polarisation – IP survey) (refer ASX announcement 12 February 2019) had successfully mapped down to 450m below surface. It had identified chargeable zones which could be attributed to mineralisation. This area is highlighted in Figure 2. Some of the chargeable zones have coincident geochemical responses (Cu, Co and Zn) and are considered high priority targets. The Board is re-assessing the proposed drill program prior to a decision to continue with the application to fund a drilling campaign.

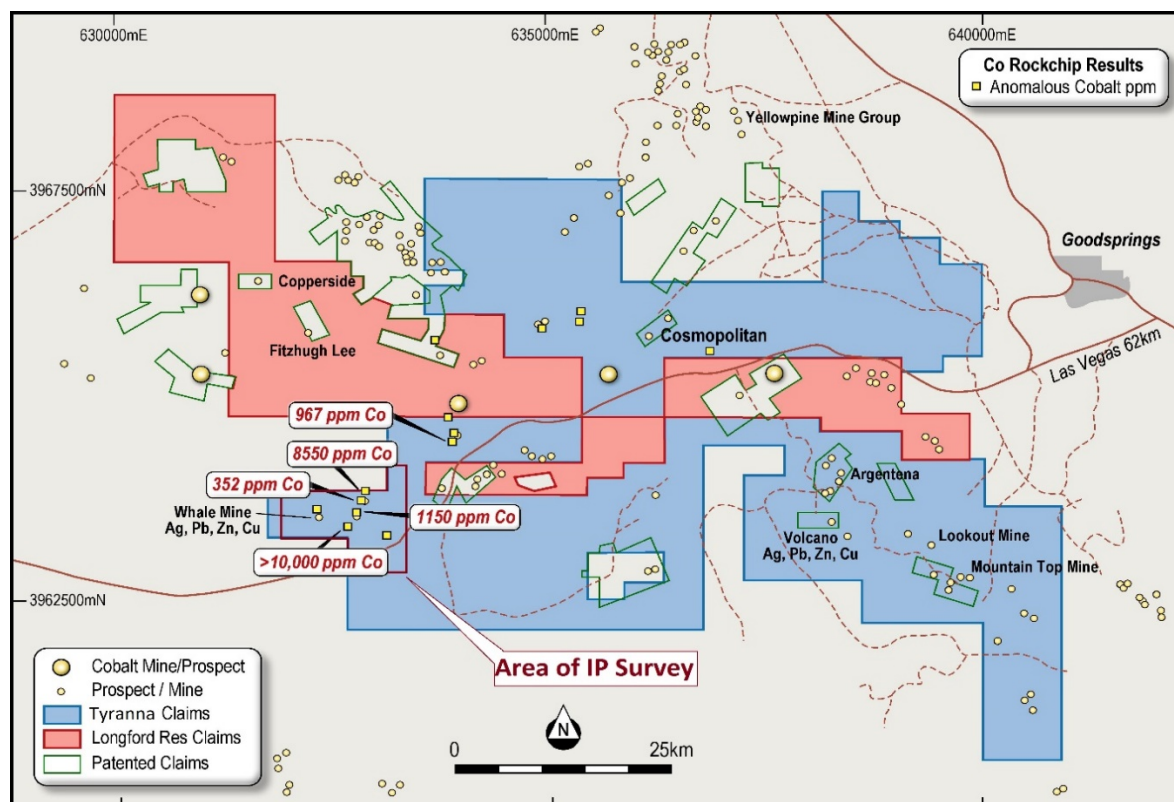


Figure 2: Tyranna's Goodsprings Project (blue) showing deposit locations and anomalous Cobalt geochemistry

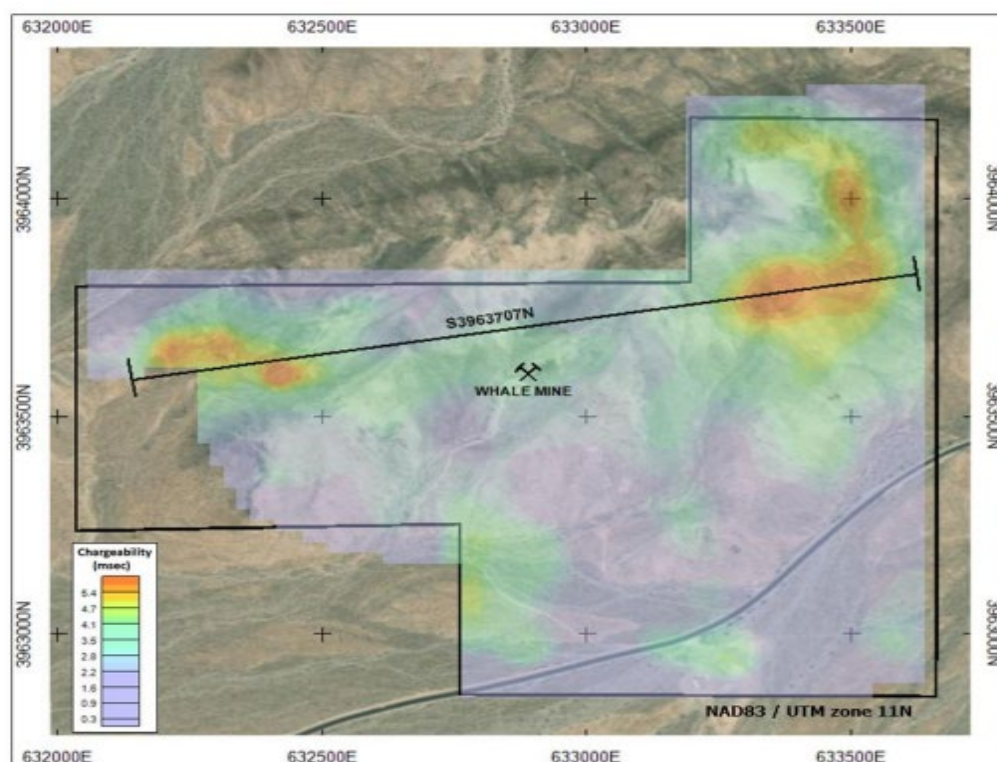


Figure 3: Map of survey area showing RL1000m depth slice of the IP, the location of the Whale Mine.

JUMBUCK GOLD PROJECT

On 17 October 2019, the Company announced that it has agreed to enter into a term sheet with Syngas Limited (ACN 062 284 084) (**Syngas**) for the proposed sale of all of Tyranna's right, title and interest in all of the issued shares of Half Moon Pty Ltd (ACN 159 579 138) (**HMP**), the owner of the majority and controlling joint venture interest in the Western Gawler Craton Joint Venture (**WGCJV** or **JV**) and all tenements located around the WGCJV owned 100% by HMP and Trafford Resources Pty Ltd (ACN 112 257 299) (**Trafford**), collectively referred to as the "Jumbuck Gold Project".

HMP and Trafford are wholly owned subsidiaries of Tyranna.

The key commercial terms set out in the Term Sheet were announced in the September 2019 quarterly report. As announced on 26 November 2019 the Company has received the \$50,000 option fee relating to its now binding agreement with Syngas (ASX: SYS) to acquire the Jumbuck Gold Project for \$950,000, pending entering into a definitive share purchase agreement.

Operating Results and Financial Review*Profit and loss*

The Group's loss for the half-year after providing for income tax amounted to \$6,074,175 (2018: \$6,744,019)

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 2019 are \$3,650,840 (30 June 2019: \$9,748,983).

Liquidity and capital resources

The Company's principal source of liquidity as at 31 December 2019 is cash of \$9,440 (30 June 2019: \$506,801).

CORPORATE

During the period the Company completed the Clean Power Resources acquisition on 28 November 2019, following the issue of 30,769,230 fully paid ordinary shares for the Dragon and Knight projects

During the half year, the Company made several changes to its management team:

1. Mr Bruno Seneque, Tyranna's Managing Director, resigned from his role on the Board 13 November 2019.
2. Mr. David Wheeler, a founding Director and Partner of Pathways Corporate, was appointed as a non-executive director effective 13 November 2019.
3. Mr Tim Slate was appointed Company Secretary effective 29 November 2019, replacing Mr Yugi Gouw.

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

On 14 February 2020, the Company issued 83,333,334 Shares at an issue price of \$0.003 (0.3 cents) per Share to sophisticated and professional investors, to raise \$250,000, before costs, pursuant to the capital raising announced to ASX on 5 February 2020. Subject to shareholder approval, Director Mr Joseph Pinto has committed to subscribe for approximately \$50,000 in the Placement. The funds will be used for working capital and preliminary due diligence on a number of corporate opportunities that have been presented.

There has been no other significant event after reporting date.

Competent Persons Statement

The information in the Directors Report that relates to Exploration Results, Mineral Resources or Ore Reserves for the gold and cobalt tenure 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.

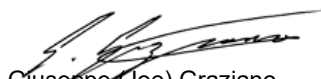
Mr. Revell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral 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.

The exploration results for the WA Nickel projects (Knight and Dragon Tenure) and the NSW Nickel project (Pacific Express Tenure) contained in this 'Interim Financial Report' are based on and fairly represents information and supporting documentation prepared by Nicholas Ryan, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Nicholas Ryan is an employee of Xplore Resources Pty Ltd. Mr Ryan has been a Member of the Australian Institute of Mining and Metallurgy for 14 years and is a Chartered Professional (Geology). Mr Ryan is employed by Xplore Resources Pty Ltd. Mr Ryan is the consulting Technical Manager for Clean Power Resources Pty Ltd, and holds no direct or indirect financial interest in Clean Power Resources Pty Ltd or Tyranna Resources Limited, other than remuneration for consulting services from his employer. Mr Ryan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ryan consents to the inclusion in the report of the matters based on his information and 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 9 of the Financial Report for the half-year ended 31 December 2019.

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



Giuseppe (Joe) Graziano
Director
Perth, 13 March 2020

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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 2019, 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
Partner

Dated at Perth this 13th day of March 2020

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Note	31 December 2019 \$	31 December 2018 \$
Revenue and other income		50,283	9,217
Administration expense			(49,116)
Consultancy expenses		(122,615)	(104,340)
Compliance & regulatory expenses		(29,172)	(41,650)
Director fees		(45,990)	(54,750)
Depreciation and amortisation expense		(63,199)	(183,937)
Finance costs		-	(527)
Legal fees		(35,909)	(97,442)
Occupancy costs		(26,595)	(92,417)
Share-based payments		187,070	(5,894)
Public relations cost		(2,864)	(38,316)
Staff costs expenses		(8,990)	(171,588)
Foreign exchange gain/(loss)		-	(62)
Impairment	6	(5,666,951)	(4,031,568)
Net fair value gain/(loss) on financial assets recognised at fair value through profit or loss			(533,640)
Exploration costs written off		(252,619)	(1,259,923)
Other expenses from ordinary activities		(56,624)	(88,066)
Loss before income tax expense		(6,074,175)	(6,744,019)
Income tax benefit		-	-
Net loss for the period		(6,074,175)	(6,744,019)
Other comprehensive income		(36,898)	(1,541,203)
Total comprehensive loss for the period		(6,111,073)	(8,285,222)
Basic and diluted loss per share (cents per share)		(0.64)	(0.79)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 December 2019 \$	30 June 2019 \$
CURRENT ASSETS			
Cash and cash equivalents	2	9,440	506,801
Trade and other receivables	3	34,169	10,031
Assets classified as held for sale	4	950,000	-
TOTAL CURRENT ASSETS		993,609	516,832
NON-CURRENT ASSETS			
Trade and other receivables	3	95,000	85,000
Property, plant and equipment	5	14,700	91,838
Exploration and evaluation costs	6	2,858,483	9,225,163
Financial assets	7	-	467,200
TOTAL NON-CURRENT ASSETS		2,968,183	9,869,201
TOTAL ASSETS		3,961,792	10,386,033
CURRENT LIABILITIES			
Trade and other payables	8	290,270	417,595
Provisions		20,682	219,455
TOTAL CURRENT LIABILITIES		310,952	637,050
TOTAL LIABILITIES		310,952	637,050
NET ASSETS		3,650,840	9,748,983
EQUITY			
Issued capital	10	84,956,395	84,756,395
Reserves		(1,932,677)	(1,708,709)
Accumulated Losses		(79,372,878)	(73,298,703)
TOTAL ENTITY INTEREST		3,650,840	9,748,983

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Issued Capital	Accumulated Losses	Financial Asset Reserve	Option Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	84,756,395	(73,298,703)	(2,537,735)	828,224	802	9,748,983
Loss for the period	-	(6,074,175)	-	-	-	(6,074,175)
Foreign currency	-	-	-	-	(5,275)	(5,275)
Other comprehensive income	-	-	(31,623)	-	-	(31,623)
Total comprehensive income for the period	-	(6,074,175)	(31,623)	-	(5,275)	(6,111,073)
<i>Transaction with owners, in the capacity as owners, and other transfers</i>						
Share options or rights cancelled	-	-	-	(187,378)	-	(187,378)
Share options or rights recognised	-	-	-	308	-	308
Shares issued during the period	200,000	-	-	-	-	200,000
Transaction costs	-	-	-	-	-	-
Balance at 31 December 2019	84,956,395	(79,372,878)	(2,569,358)	641,154	(4,473)	3,650,840
Balance at 1 July 2018	81,494,384	(65,091,471)	(622,406)	673,147	-	16,453,654
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)
Balance at 31 December 2018	84,756,395	(71,835,490)	(2,165,324)	799,041	1,715	11,556,337

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 December 2019 \$	31 December 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(631,267)	(761,647)
Payments for exploration and evaluation activity	(330,266)	(1,083,365)
Interest received	426	3,209
Interest and other charges paid	-	(527)
Other income	-	3,000
Net cash used in operating activities	<u>(961,107)</u>	<u>(1,839,330)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets	419,021	236,749
Proceeds from disposal of exploration assets	50,000	(2,985)
Acquisition of property, plant and equipment	-	(1,285,647)
Acquisition of financial assets	-	(50,000)
Net cash used in investing activities	<u>469,021</u>	<u>(1,101,883)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Fundraising costs	-	(19,892)
Proceeds from Share Issue	-	-
Net cash provided by (used in) financing activities	<u>-</u>	<u>(19,892)</u>
Net increase (decrease) in cash held	(492,086)	(2,961,105)
Cash and cash equivalents at 1 July	506,801	3,173,034
Effects of exchange rates on cash holdings in foreign currencies	(5,275)	1,715
Closing Cash and Cash Equivalents	<u>9,440</u>	<u>213,644</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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 2019 annual financial report for the financial year ended 30 June 2019, 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 and amended standards adopted by the entity

In the period ended 31 December 2019, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. Those which have a material impact on the Group are set out below.

AASB 16 Leases

This Standard is applicable to annual reporting periods beginning on or after 1 July 2019. This Standard replaced the accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduced a single lessee accounting model that eliminated 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 lease liability for all leases (excluding short-term leases with a lease term 12 months or less 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.

The Group has completed its impact assessment of AASB 16 and the effect did not have a material impact on the Group.

Impact of standards issued but not yet applied by the entity

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no changes are necessary to Group accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The interim financial statements were authorised for issue on 13 March 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Significant Accounting Estimates and Judgements

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

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019.

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 \$6,074,175 (2018: \$6,744,019) which included impairment of assets of \$5,666,951 (2018: \$4,031,568). The Group incurred net cash outflows from operating activities of \$961,107 (2018: \$1,839,330) during the half year.

As at 31 December 2019, the Group had a working capital position of \$682,657 (30 June 2019: \$(120,218)). 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.

On 14 February 2020, the Company issued 83,333,334 Shares at an issue price of \$0.003 (0.3 cents) per Share to sophisticated and professional investors, to raise \$250,000, before costs, pursuant to the capital raising announced to ASX on 5 February 2020. Subject to shareholder approval, Director Mr Joseph Pinto has committed to subscribe for approximately \$50,000 in the Placement.

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

- As disclosed in Note 4, the Group entered entered binding term sheet with Syngas Limited for the proposed sale of all of the issued shares of Half Moon Pty Ltd (HMP), the owner of the Western Gawler Craton Joint Venture and all the tenements located around the WGCJV owned by Trafford Resources Pty Ltd (Trafford), collectively referred to as the Jumbuck Gold Project. HMP and Trafford are wholly owned subsidiaries of Tyranna. Under the terms of the term sheet Syngas was granted the option to acquire the Jumbuck Gold Project for \$950,000 cash.
- The Directors believe the Group will be able to secure funds to meet its commitments; and
- The Group can contain certain expenditure if appropriate funding is unavailable.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by completing the sale of the Jumbuck Gold Project and 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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.

	31 December	30 June
	2019	2019
	\$	\$
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	9,440	10,465
Short-term bank deposits	-	496,336
	9,440	506,801

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	4,035	-
Other receivables	30,134	10,031
	34,169	10,031

NON-CURRENT

Other bonds	95,000	85,000
	95,000	85,000

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

Note 4: ASSETS CLASSIFIED AS HELD FOR SALE

Interest in Jumbuck Gold Project (i)	950,000	-
	950,000	-

- (i) During the year the Company entered binding term sheet with Syngas Limited for the proposed sale of all of the issued shares of Half Moon Pty Ltd (HMP), the owner of the Western Gawler Craton Joint Venture and all the tenements located around the WGCJV owned by Trafford Resources Pty Ltd (Trafford), collectively referred to as the Jumbuck Gold Project. HMP and Trafford are wholly owned subsidiaries of Tyranna. Under the terms of the term sheet Syngas was granted the option to acquire the Jumbuck Gold Project for \$950,000 cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 December 2019 \$	30 June 2019 \$
NOTE 5: PROPERTY, PLANT AND EQUIPMENT		
RESIDENTIAL CAMP		
At cost	-	-
Accumulated depreciation	-	-
	-	-
(a) Reconciliation		
Carrying amount at beginning of period	-	3,712,500
Depreciation expense	-	(112,500)
Impairment	-	(2,840,000)
Transfer to asset classified as held for sale	-	(760,000)
Carrying amount at end of period	-	-
PLANT AND EQUIPMENT		
At cost	776,489	734,029
Accumulated depreciation	(761,789)	(642,191)
	14,700	91,838
(b) Reconciliation		
Carrying amount at beginning of period	91,838	245,006
Equipment additions	-	2,985
Loss on disposal of assets ¹	-	(6,276)
Disposal of asset	(13,939)	(10,000)
Depreciation expense	(63,199)	(139,877)
Carrying amount at end of period	14,700	91,838
Total Property, Plant and Equipment	14,700	91,838

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 2019

NOTE 6: EXPLORATION AND EVALUATION COSTS	31 December 2019	30 June 2019
Carrying amount at beginning	9,225,163	5,716,568
Addition/(Reduction):		
Acquisition of Eureka Project	-	3,233,692
Acquisition of Clean Power Resources Project ¹	219,721	-
Exploration expenditure capitalised	283,169	-
Exploration expenditure written-off	(252,619)	-
Transfer interest in Jumbuck to assets held for sale ²	(950,000)	-
Transfer interest in Wilcherry Hill Project Area to assets held for sale	-	(730,000)
Less impairment ^{2, 3}	(5,666,951)	(1,191,568)
	2,858,483	9,225,163

¹ The Clean Power Resources acquisition was completed on 28 November 2019, total consideration paid consist of the issue of 30,769,230 shares for the Dragon and Knight projects.

² During the year the Company entered binding term sheet with Syngas Limited for the proposed sale of all of the issued shares of Half Moon Pty Ltd (HMP), the owner of the Western Gawler Craton Joint Venture and all the tenements located around the WGCJV owned by Trafford Resources Pty Ltd (Trafford), collectively referred to as the Jumbuck Gold Project. HMP and Trafford are wholly owned subsidiaries of Tyranna. Under the terms of the term sheet Syngas was granted the option to acquire the Jumbuck Gold Project for \$950,000 cash. An impairment loss of \$2,845,024 was recognised in the Profit or Loss due to the difference between the exploration and evaluation assets carrying amount and the consideration to be received.

³ At each reporting date, the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. Where an indication of impairment exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. During the period the Group identified indicators of impairment on certain exploration and evaluation assets under AASB 6 Exploration and Evaluation of Mineral Resources. As a result of this review, expenditure written off and an impairment loss of \$3,074,546 million (30 June 19: \$1.19 million) has been recognised in the statement of profit or loss and other comprehensive income in relation to the Goodsprings, Weebo and Eureka Projects.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploration or sale of areas of interest.

NOTE 7: FINANCIAL ASSETS

Shares in Kairos Minerals Limited (i)	-	436,431
Shares in New Age Exploration Limited (ii)	-	30,769
	-	467,200

(i) During the period, the Group sold all its 29,095,421 shares in Kairos Minerals Limited. Investment in Kairos Minerals Limited is measured at fair value through Other Comprehensive Income.

(ii) During the period, the Group sold all its 7,692,308 shares in New Age Exploration Limited. The investment is measured at fair value through Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 December	30 June
	2019	2019
	\$	\$
NOTE 8: TRADE AND OTHER PAYABLES		
Accounts payable	256,504	406,095
Accruals	30,766	11,500
	290,270	417,595

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

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 2019

NOTE 9: OPERATING SEGMENTS (CONTINUED)

	Exploration International \$	Exploration WA \$	Exploration SA \$	Unallocated Segment	Consolidated Segment \$
Period ended 31.12.2019					
Segment revenue	-	-	-	-	-
Segment result	(1,077,540)	(1,916,067)	(2,935,993)	(144,575)	(6,074,175)
Segment assets	1,208,235	1,430,527	950,000	373,030	3,961,792
Segment liabilities	-	40,705	-	270,246	310,951
Other information					
Net interest income	-	-	-	-	283
Other income	-	-	-	-	50,000
Depreciation	-	-	-	-	(63,199)
Asset impairment	(1,067,510)	(1,916,067)	(2,935,993)	-	(5,919,570)
Disposal or held for sale	-	-	(950,000)	-	(950,000)
	Exploration International \$	Exploration WA \$	Exploration SA \$	Unallocated Segment	Consolidated Segment \$
Period ended 31.12.2018					
Segment revenue	-	-	-	-	-
Segment result	(126,424)	(615,863)	(4,549,204)	(1,452,528)	(6,744,019)
Period ended 30.06.2019					
Segment assets	2,196,471	3,233,692	3,937,500	1,018,370	10,386,033
Segment liabilities	-	87,992	68,776	480,282	637,050
Other information					
Net interest income	-	-	-	-	3,217
Other income	-	-	-	-	6,000
Depreciation	-	-	(227,500)	-	(227,500)
Asset impairment	-	-	(4,031,568)	-	(4,031,568)
Purchase/(Disposal)	2,096,471	2,733,692	(1,490,000)	-	3,340,163

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 10: ISSUED CAPITAL

	No of shares	Total \$
a. Ordinary shares		
Balance at beginning of reporting period	941,730,868	84,756,395
Clean Power Resources project acquisition	30,769,230	200,000
Balance at end of reporting period	972,500,098	84,956,395
	No of options and performance rights	Total \$
b. Options and Performance rights		
Balance at beginning of reporting period	340,665,759	799,041
Cancellation of options issued to directors (i)	(30,000,000)	(183,903)
Performance rights amortisation	-	308
Cancellation of performance rights (i)	(6,702,500)	(3,475)
Balance at end of reporting period	303,963,259	641,155

- (i) The options and performance rights issued for Mr Seneque was cancelled due to his resignation on 18 October 2019.

NOTE 11: CONTINGENT LIABILITIES

On 28 November 2019, Tyranna Resources Limited completed the acquisition of 100% of the issued capital in Clean Power Resources Pty Ltd as a means of acquiring the Dragon and Knight Projects (**CPR acquisition**). The consideration paid consists of the issue of 30,769,230 shares.

Under the terms of the CPR acquisition, the below deferred consideration is payable for the Dragon and Knight Projects

Deferred consideration is payable by the Buyer to the Sellers as follows:

- (i) The issue of an aggregate amount of \$200,000 worth of Tyranna shares at a deemed issue price equal to the higher of \$0.0065 or the 30-Day VWAP upon commencement of a drilling programme of at least 1,000 meters of air-core drilling, RC drilling or diamond drilling at any of the Tenements within 24 months of Completion.
- (ii) The issue of an aggregate amount of \$600,000 worth of Buyer Shares at a deemed issue price equal to the higher of \$0.0065 or the 30-Day VWAP following drill intersection of nickel sulphides of at least 0.7% Ni at any of the Tenements within 24 months of Completion; and
- (iii) Following an ASX announcement of a JORC compliant resource estimate of at least 20,000 tons of contained nickel at minimum grade of 0.7% Ni at any of the Tenements, Tyranna can elect to either:
 - (A) issue an aggregate amount of \$1,000,000 worth of Tyranna Shares at a deemed issue price equal to the 30-Day VWAP; or
 - (B) pay an aggregate amount of \$1,000,000 in cash.

Other than outlined above, 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 2019

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

On 14 February 2020, the Company issued 83,333,334 Shares at an issue price of \$0.003 (0.3 cents) per Share to sophisticated and professional investors, to raise \$250,000, before costs, pursuant to the capital raising announced to ASX on 5 February 2020. Subject to shareholder approval, Director Mr Joseph Pinto has committed to subscribe for approximately \$50,000 in the Placement. The funds will be used for working capital and preliminary due diligence on a number of corporate opportunities that have been presented.

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 2019.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 22:
 - 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 2019 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.



Giuseppe (Joe) Graziano

Director

Perth, 13 March 2020

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 2019, 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 Group, 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 2019 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.

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 Group's financial position as at 31 December 2019 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 \$6,074,175 during the half year ended 31 December 2019. 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 13th day of March 2020