ABN 79 124 990 405

and

Controlled Entities

Annual Report

For the year ended 30 June 2016

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Corporate Directory

CHAIRMAN
Joseph S. Pinto

MANAGING DIRECTOR
Bruno Seneque

TECHNICAL DIRECTOR
Nick Revell

NON-EXECUTIVE DIRECTOR
Frank Lesko

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(Home Exchange: Perth, Western Australia)
Code: TYX
TYXOA

BANKERS
Westpac Banking Corporation
Murray Street
West Perth, WA 6005

Managing Director's Letter

Dear fellow shareholder

On behalf of the Board of Directors, we are pleased to present our shareholders the annual report for Tyranna Resources Limited (Tyranna, the Company) for the financial year 2015/16.

From the outset we would like to honour the late Peter Rowe who served as a non-executive director of IronClad Mining Limited (IronClad) from February 2009 to his passing in September 2015. Peter's contribution to the board of IronClad/Tyranna and the Company was highly valued. He was a thorough professional and his firm but friendly manner will be greatly missed.

This year marked the first year that the Company operated as Tyranna Resources Ltd following the merger of IronClad and Trafford Resources Limited (Trafford). The Board then focussed the direction of the Company on to gold exploration.

The merger of IronClad with Trafford had a twofold benefit. Firstly, Trafford had a great portfolio of exploration projects with Jumbuck featuring as the lead project throughout the year and the Lynas Find project which was the subject of a profitable deal with Kairos Minerals Ltd. Secondly, IronClad had fixed assets that have since been monetised to provide funds for exploration.

Throughout the year, Tyranna has been all about the Jumbuck Gold Project, at a time when investor interest in the gold exploration sector has been on the rise. The following are some key points on the Jumbuck Gold Project:

- Jumbuck is a highly prospective and underexplored area, similar in style to the Albany/Fraser belt adjacent to the Yilgarn Craton in Western Australia which is host to the large Tropicana gold deposit;
- The Jumbuck project has numerous gold occurrences over large areas with strong potential for significant resources of shallow oxide ore and repeat Challenger style deposits.
- Tyranna controls over 8,000 km2 of ground in this area, which also hosts the Challenger gold mine (owned by WPG Resources Ltd). Challenger has produced in excess of 1 million ounces of gold to date.
- Tyranna's strategy is to target those more advanced gold prospects which are situated within 50 km's of the Challenger gold processing operations.

Our exploration efforts were rewarded towards the end of the financial year as we announced the first major discovery in the area in 15 years – the Greenewood discovery. The Greenewood discovery was very significant as the gold intersections from drilling occur beneath a surface where no calcrete has been developed and therefore no geochemical signature exists as a guide to drilling. The technical team, headed up by fellow director Nick Revell, made further breakthroughs in their knowledge of the geology and geochemistry in this area that we believe will greatly assist us in future exploration campaigns.

We then had further success at the Campfire Bore prospect which came on the back of new geochemical techniques to explore for gold in an area which has been previously explored with little or no success. Tyranna has proven this ground to be highly prospective and has become a high priority target area for exploration work in 2016/17.

We have planned an exciting exploration program for both the Greenewood and Campfire Bore prospects. We are also planning to drill the southern prospects such as Typhoon and Monsoon which are yet to be drilled and have some very attractive targets just as prospective as Greenewood and Campfire Bore.

Finally, on behalf of the Board of Directors, I would like to thank the founders of the Company – Mr Ian Finch and Mr Neil McKay, who subsequent to year end have resigned as directors. Ian and Neil's contribution has laid a foundation for Tyranna to build upon, which is the envy of other junior explorers. The Board also is very grateful for current and past employees who have all had a part to play in the success of what is now Tyranna Resources.

Bruno Seneque
Managing Director

Project Overview

Jumbuck Gold Project

The Jumbuck Gold Project comprises over 8,000 Km2 of contiguous tenements surrounding the 1 Million ounce Challenger gold mine.

Exploration Activities – Golf Bore Prospect

The Golf Bore Prospect is one of seven advanced prospects at Jumbuck, all of which are located within 50kms from the Challenger minesite. During the first half of the period, the Company completed the 1st Phase drilling program at the Golf Bore Prospect. A total of 4,829 metres of drilling were completed in September 2015. A total of 89 holes were drilled and the results of 3,926 samples were reported from Golf Bore Prospect – part of the major Jumbuck Gold Project in the North Western Gawler Craton, South Australia (Figure 1).

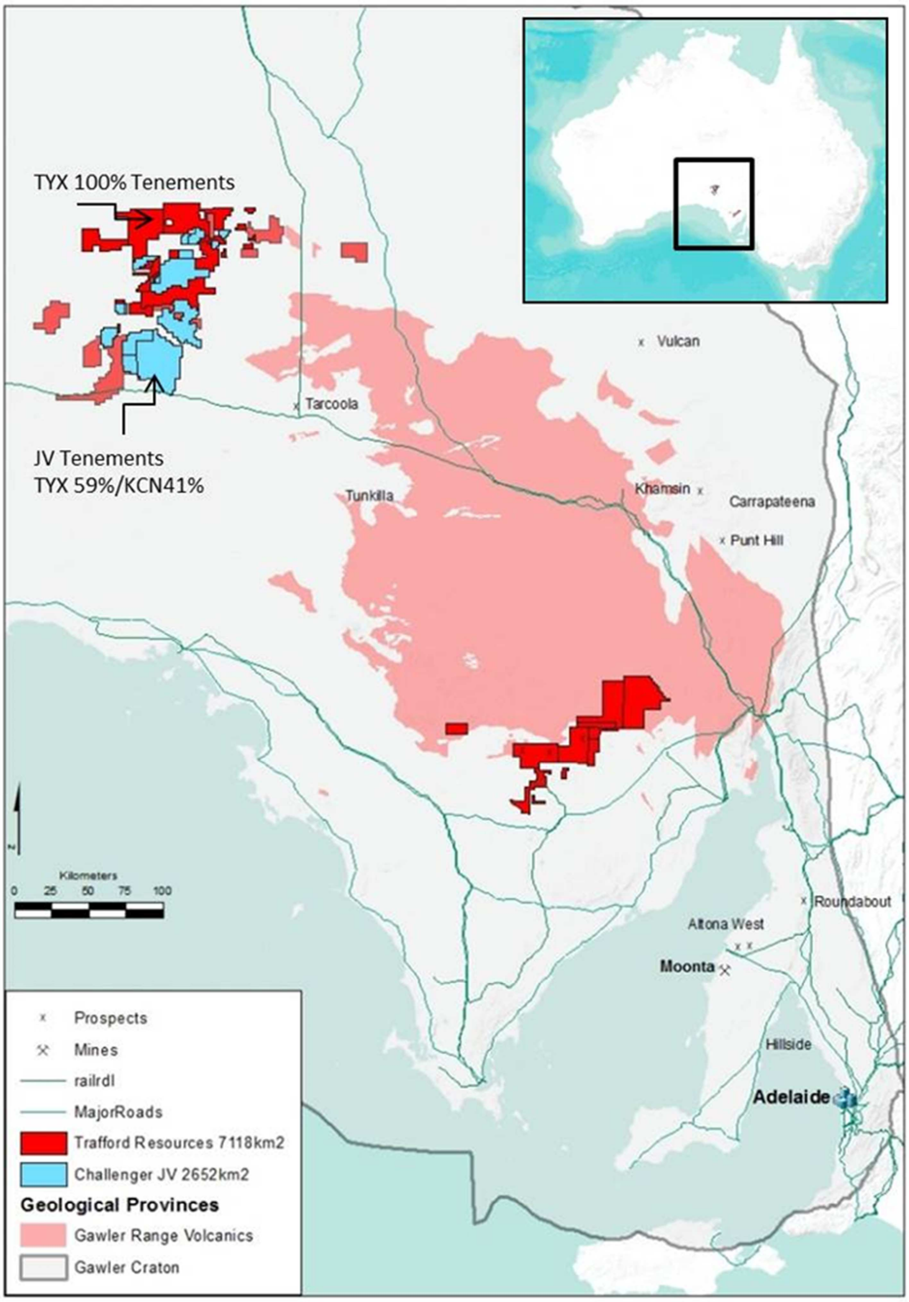

Figure 1: Location of Jumbuck Gold Project in South Australia

Project Overview

Tyranna initiated the Golf Bore drilling program with the ambition to delineate a low cost, mineable, near surface, gold orebody, and locate likely "feeder" zones (primary gold shoots) beneath the supergene blanket. The drilling was successful on both counts. Selected high grade Gold Intercepts intercepts include:

- 4m @ 6.07g/t from 22m including 2m @ 10.70g/t.
- 11m @ 2.45g/t from 27m including 4m @ 5.25g/t.
- 54m @ 1.14g/t from 0m including 6m @ 4.57g/t.
- 8m @ 6.21g/t from 47m including 1m @ 22.40g/t.
- 5m @ 9.72g/t from 24m including 1m @ 25.20g/t.
- 4m@ 4.22g/t from 57m including 1m @ 13.70g/t.
- 2m @ 9.70g/t from 40m including 1m @ 17.50g/t.
- 4m @ 5.96g/t from 56m including 1m @ 16.50g/t.
- 2m @ 31.60g/t from 79m.
- 1m @ 27.90g/t from 107m.

Analysis of the results of the 89 holes drilled has shown that Golf Bore represents an extensive, continuous, shallow supergene zone (5-15m thick over 800m strike length with an average horizontal width of approximately 100m). The gold mineralization is open to the North and at depth.

In the Phase 1 drill program four holes were designed to target the deeper zones of mineralization. These holes returned encouraging gold intersections at depth including 2m @ 31.6 g/t and 1m @ 27.9 g/t. These results enhanced the understanding of the deposit and resulted in the identification of at least three primary feeder shoots, likely to carry persistent high grade gold (Figure 2).

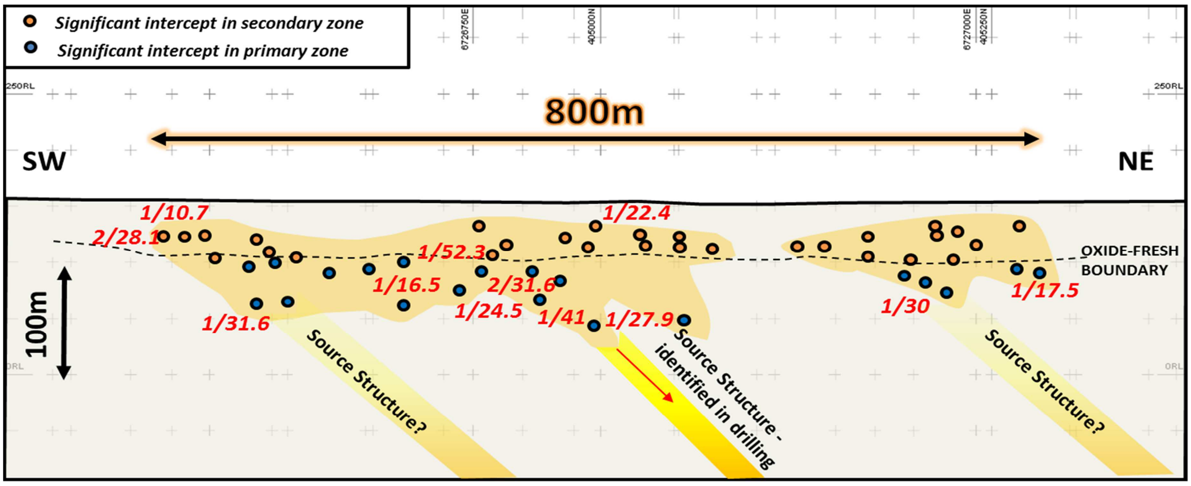

Figure 2: Long section at Golf Bore showing selected high grade mineralisation and the position of potential primary feeder zones.

A 2nd Phase of drilling at the Golf Bore Prospect in South Australia's Western Gawler Craton was completed in December 2015. Selected high grade Gold Intercepts intercepts include:

- 5m @ 4.15 g/t from 30m including 1m @ 12.06 g/t.
- 17m @ 1.59 g/t from 32m including 2m @ 5.20 g/t.
- 10m @ 2.61 g/t from 105m including 1m @ 6.80 g/t.
- 5m @ 3.69 g/t from 67m including 2m @ 7.04 g/t.
- 3m @ 4.23 g/t from 44m including 1m @ 8.90 g/t.
- 1m @ 24.28 g/t from 104m.
- 1m @ 8.55g/t from 78m.

Due to the success of these holes the Company embarked on an extensive and aggressive exploration programme at Jumbuck for the remainder of 2016. The mineralization at Golf Bore has a known strike length of 800m (Figure 3) and remains open both down dip and along strike.

Project Overview

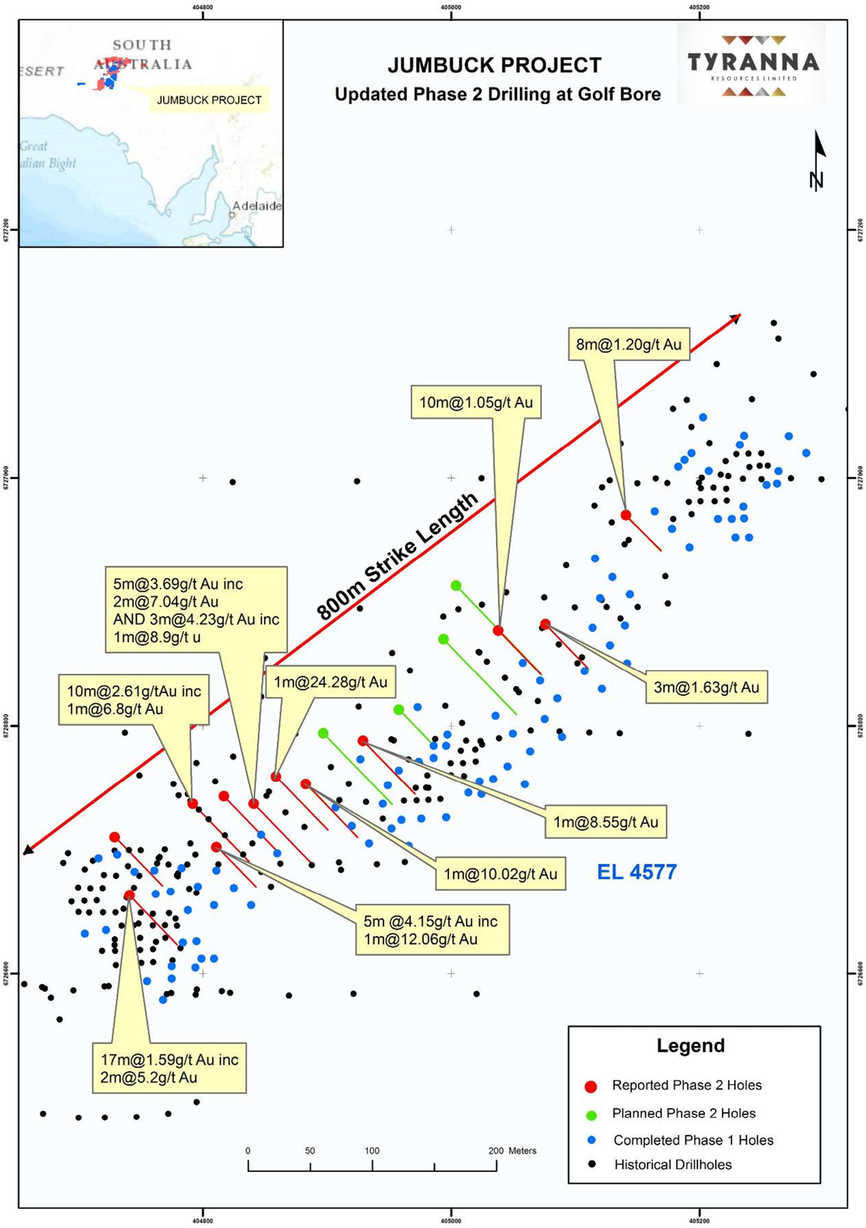

Figure 3: 2nd Phase Drilling at Golf Bore

Exploration Activities – Mainwood, Greenewood and Campfire Bore

During the period, Tyranna completed a 6,062 metres drilling program at the Jumbuck Gold Project in the northern Gawler Craton of South Australia. The drilling forms part of an overall drilling program of approximately 10,000 to 12,000 metres for the remainder of 2016. The aim of this drilling was to outline a near surface (< 60 metres) gold resource of > 500,000 Oz from several advanced gold prospects, all of which are within 50 kms of the Challenger gold processing plant.

The drilling was concentrated on the five northern advanced prospects of Golf Bore, Golf Bore North, Mainwood , Greenewood and Camp Fire Bore where previous drilling has identified significant gold potential (Figure 4 and 5).

Project Overview

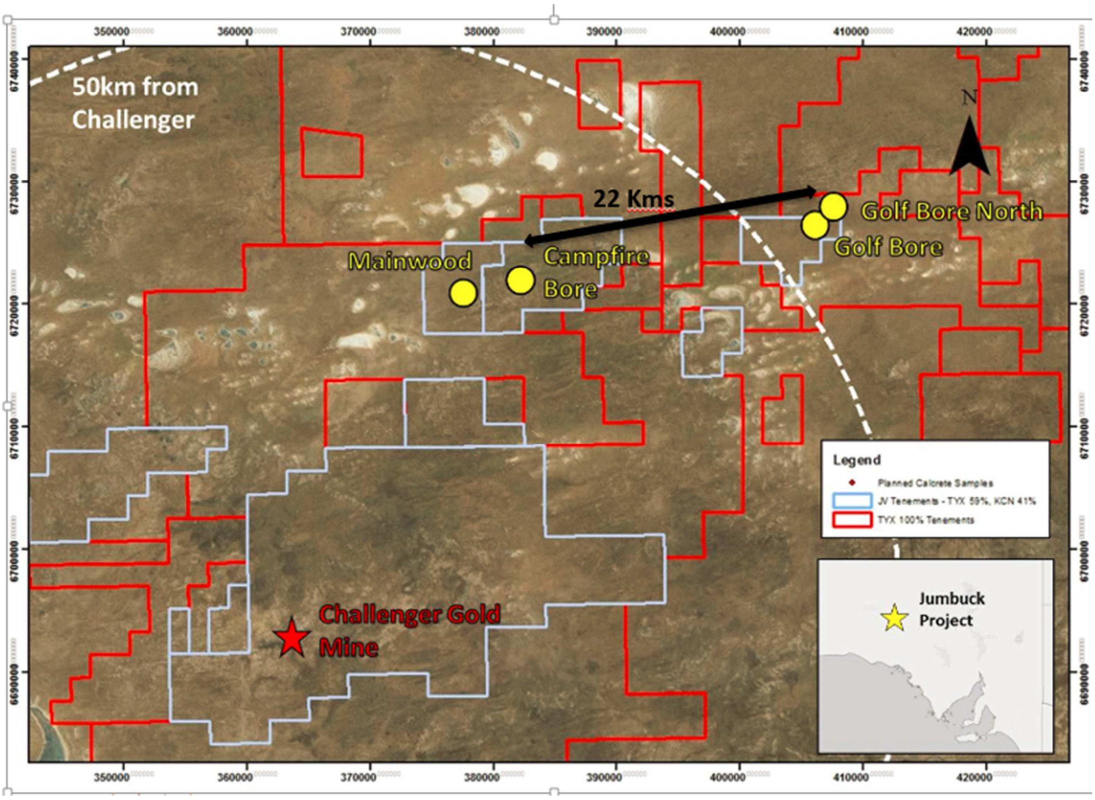

Figure 4: Location of the Four Northern Advanced Prospect

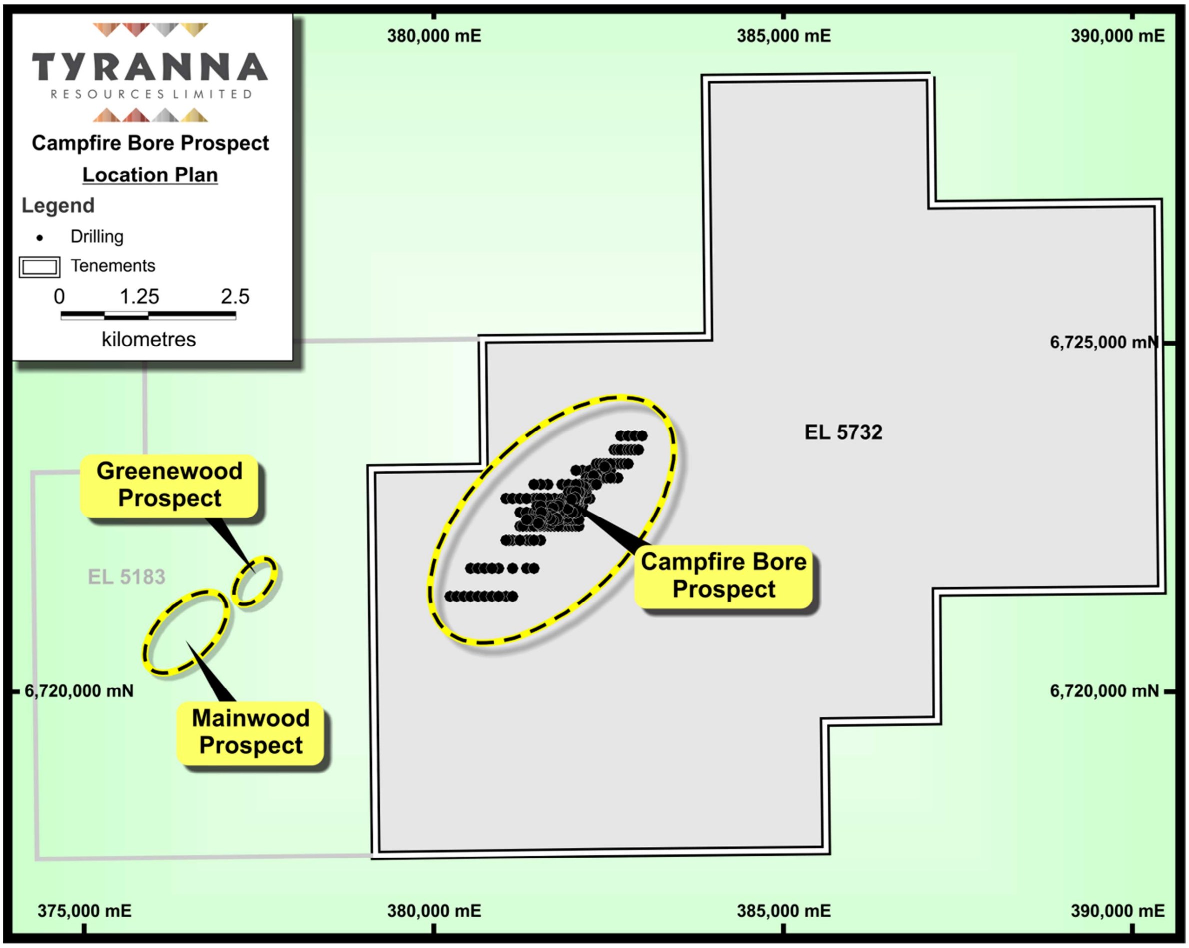

Figure 5: Campfire Bore Prospect Relative to the Mainwood-Greenewood Prospects

Project Overview

A total of 6,006 samples were analysed at an accredited Laboratory in Adelaide. Significant intersections greater than 2.0 g/t are summarised below:

Hole ID	Northing	Easting	Total Depth	Dip	Depth From (m)	Depth To (m)	Intercept With (m)	**Au g/t**
16GBRC003	6,726,831	404,991	114	-60	76	78	2	4.95
16GNRC012	6,727,272	405,601	54	-60	45	48	3	3.40
16GNRC012	6,727,272	405,601	Including		46	47	1	**8.80**
16GNRC005	6,727,194	405,462	54	-60	34	39	5	3.20
16GNRC005	6,727,194	405,462	including		34	35	1	**7.20**
16GNRC020	6,727,388	405,703	54	-60	24	25	1	4.09
16GNRC026	6,72,7492	405,662	48	-60	26	27	1	3.08
16MWRC009	6,720,902	376,165	54	-90	27	28	1	2.20
16MWRC011	6,721,547	377,400	54	-60	41	43	2	**7.94**
16MWRC011	6,721,547	377,400	including		40	41	1	**14.1**
16MWRC012	6,721,590	377,432	60	-60	20	21	1	1.85
16MWRC012	6,721,590	377,432	60	-60	31	34	3	2.45
16MWRC013	6,721,600	376,759	54	-60	30	32	2	2.36
16MWRC021	6,720,958	376,703	42	-60	25	26	1	**5.72**
16GWRC003	6,721,520	377,340	54	-60	36	42	6	2.17
16GWRC003	6,721,520	377,340	54	-60	47	48	1	**20.55**
16GWRC003	6,721,520	377,340	54	-60	48	49	1	**10.45**
16GWRC005	6,721,535	377,385	48	-60	20	21	1	2.37
16GWRC006	6,721,543	377,373	48	-60	42	45	3	3.16
16GWRC006	6,721,543	377,373	including	-60	43	44	1	**7.90**
16GWRC006	6,721,543	377,373	including	-60	22	24	2	2.14
16GWRC011	6,721,643	377,496	60	-60	26	29	3	**8.26**
16GWRC011	6,721,643	377,496	including	-60	26	27	1	**23.05**
16GWRC012	6,721,650	377,493	66	-60	53	59	6	**6.81**
16GWRC012	6,721,650	377,493	including	-60	54	55	1	**9.20**
16GWRC012	6,721,650	377,493	including	-60	55	56	1	**5.80**
16GWRC012	6,721,650	377,493	including	-60	56	57	1	**12.3**
16GWRC012	6,721,650	377,493	including	-60	57	58	1	**7.00**
16CBRC004	6,722,483	381,661	60	-60	38	39	1	2.69
16CBRC005	6,722,518	381,614	66	-60	39	45	6	2.70
16CBRC005	6,722,518	381,614	including	-60	40	42	2	**5.06**
16CBRC008	6,722,572	381,562	60	-60	37	38	1	2.50
16CBRC009	6,722,447	381,535	54	-60	36	37	1	3.20
16CBRC011	6,722,388	381,542	60	-60	39	40	1	3.25
16CBRC012	6,722,399	381,520	60	-60	30	31	1	2.39
16CBRC015	6,722,721	382,036	60	-60	39	44	5	**8.1**

Project Overview

16CBRC015	6,722,721	382,036	including	-60	42	43	1	36.8
16CBRC016	6,722,732	382013	60	-60	37	38	1	3.52
16CBRC017	6,722,750	381995	60	-60	34	35	1	2.24
16CBRC019	6,722,777	382041	60	-60	31	32	1	2.03

Table 1: Significant Intersections > 2.0 g/t

Mainwood/Greenewood

Eighteen holes have been completed at the Mainwood Prospect for an aggregate to date of 1,002 metres. Of particular interest is an historical RAB hole, drilled approximately 1km to the North East of the known calcrete geochemical anomaly, which returned 5m @2.14g/t.

Tyranna drilled 3 RC holes (Figure 6) around this "outlier" intersection; one was collared to the North West and inclined to the South East (16MWRC012) to test for depth and geometry. One hole was drilled 10 metres to the North East (16MWRC013), whilst a second was drilled 25m to the South West (16MWRC011). The latter two holes were drilled to test for strike extent of the single intercept and were inclined at -600 to the South East. All 3 RC holes intersected gold; refer Figure 6.

As a result of the success of the first 3 holes, the prospect was named Greenewood, and a further 12 RC drill holes were drilled as a response to the initial discovery. These 12 RC drill holes were drilled on 4 lines, approximately 40m apart on either side of the strike of the initial discovery holes. They were all drilled at an inclination of -600 to the South West at a spacing of approximately 25m. All holes were drilled to inclined depths of between 48m to 66m.

Highly significant in terms of ongoing exploration in the region is that all the "Greenewood" gold intersections occur beneath a surface where no calcrete has been developed and, therefore, no geochemical signature exists as a guide to drilling. It is believed that this is the first instance of sub surface gold being discovered without the assistance of calcrete anomalism in this part of the Gawler Block.

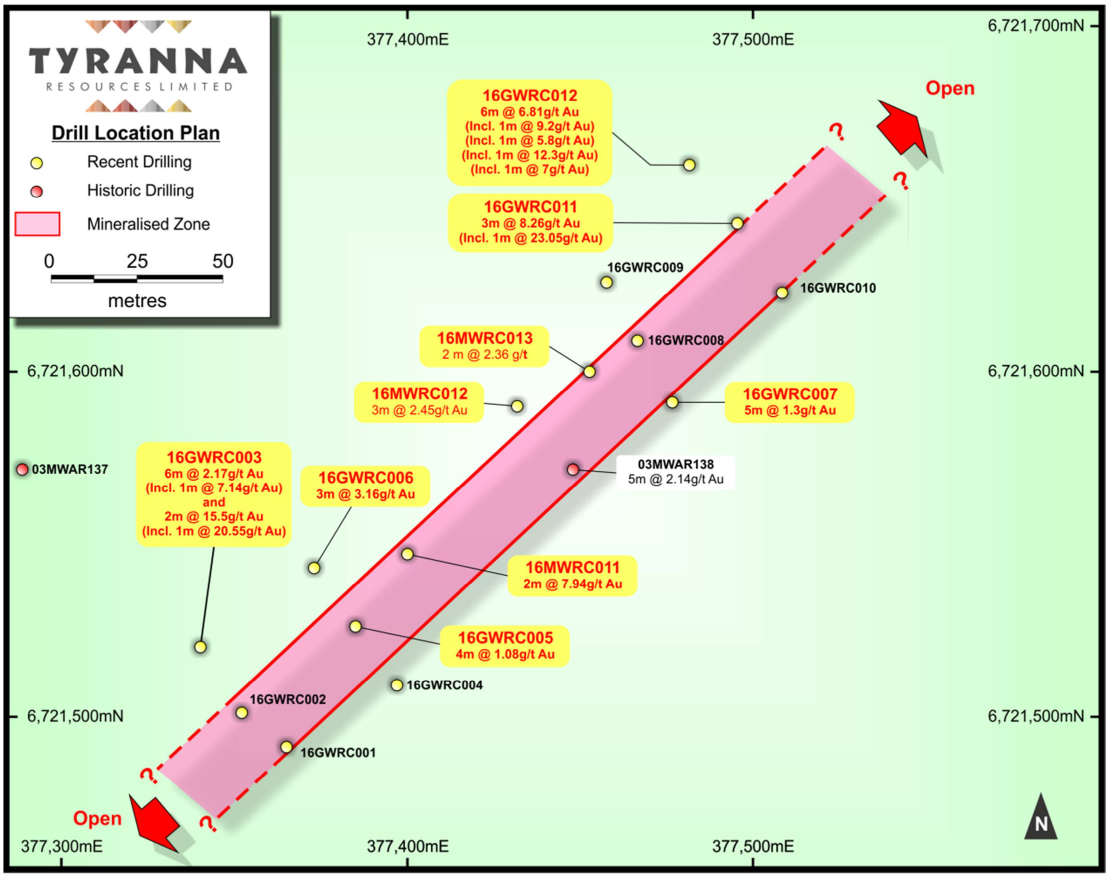

Figure 6: Greenewood Prospect Drill Hole Location Plan

Project Overview

Campfire Bore

At Campfire Bore, RC holes (16CBRC003 to 16CBRC033) were drilled to further test the geometry of the gold mineralisation whilst also seeking to extend the strike length of the known zone. All holes were drilled to the South East at an inclination of -600 (see figure 7). Hole 16CBRC022, with an intersection of 5m @ 8.1g/t from 39m downhole, intersected the highest single metre assay encountered in the two drill programs drilled at the Jumbuck Project this year – 1m @ 37.8 g/t from 47m downhole.

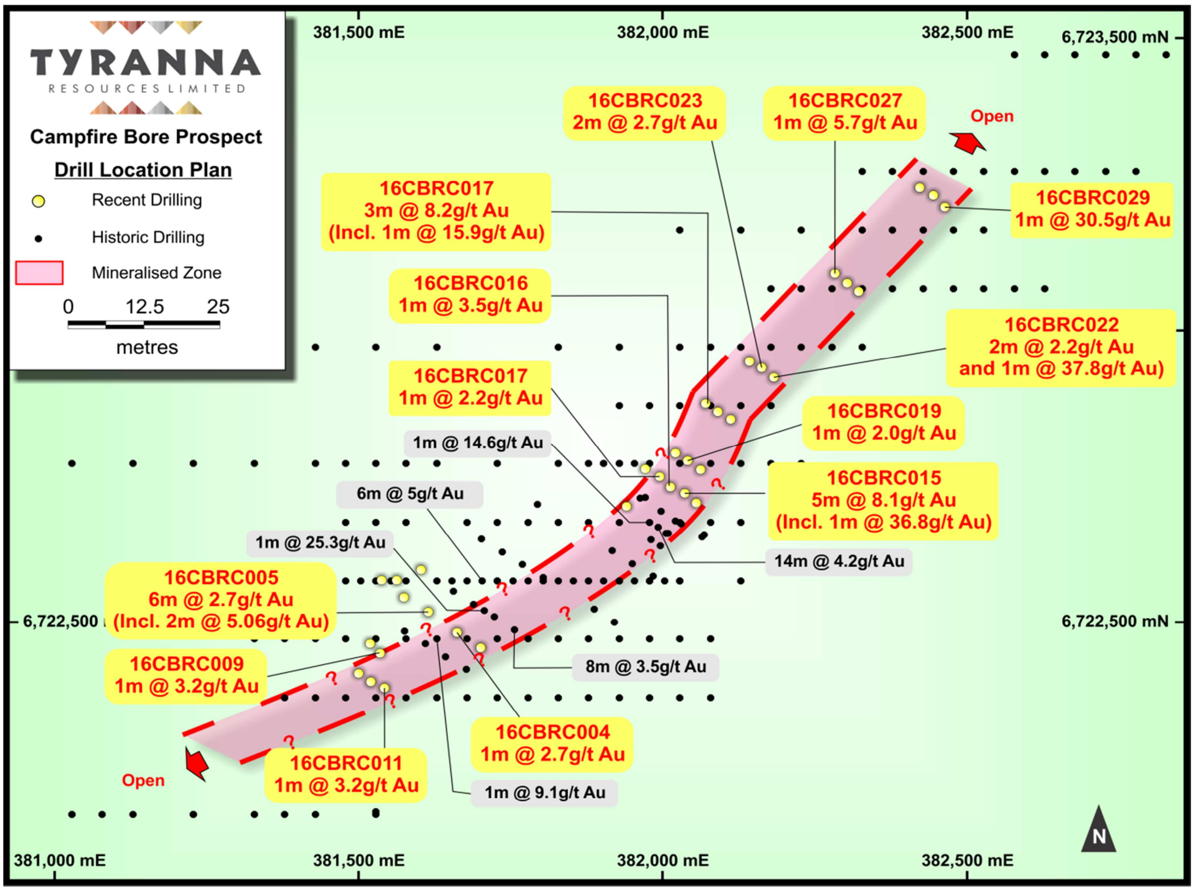

Figure 7: Campfire Bore Drill Hole Location Plan

The gold intersections on the Eastern end of the mineralized zone have extended the prospect strike length by over 50 metres, where it remains open ended. The results from the final round of RC holes drilled further to the east, to test outlying historical Rotary Air Blast (RAB) regional gold intersections, were received after the end of the period. The Company's technical team will continue detailed analysis of all the data from the current program and a more extensive drilling program is planned for the second half of 2016.

Metallurgical Testwork Jumbuck Project – Golf Bore

Representative samples of different ore types from Golf Bore, obtained by RC drilling, were submitted to Nagrom Laboratories in Perth for preliminary metallurgical studies. High grade and low grade samples of oxide and fresh ore were tested for the recovery of gold by simple gravity methods and by conventional cyanidation.

Using a circuit configuration of gravity concentration at 1mm in size followed by cyanidation of the gravity tailings after grinding to p80=75 microns, a gold recovery in excess of 90% was achieved.

Project Overview

Ore Type	Head Grade	Gravity Recovery	Cyanide Recovery	**Overall Recovery**
	g/t Au	%	%	**%**
Oxide HG	5.79	69.80	85.3	**95.6**
Oxide LG	1.22	0.33	92.7	**92.7**
Fresh HG	6.42	45.13	91.2	**95.2**
Fresh LG	1.38	41.97	75.7	**85.9**

Table 2: Metallurgical Testwork Results on Ore Types from Golf Bore

These results demonstrate that the Golf Bore ore is suitable for processing in a conventional CIL / CIP plant.

Challenger Joint Venture

The Golf Bore prospect is situated on EL4577 forms part of the joint venture with WPG Resources Ltd and is one of a number of high priority prospects currently being explored by Tyranna. Subject to certain conditions, joint venture ore can be treated at the Challenger mill.

Following a joint venture meeting in November 2015, and as a result of agreed expenditures, Tyranna increased its stake in the Joint Venture from 53% to 59%.

Lynas Find Lithium-Gold Project

During the period, the Company announced that the Lynas Find Joint Venture (Tyranna Resources Ltd 90% / Tribal Mining 10%) agreed to sell the Lynas Find Lithium-Gold Project in WA's Pilbara region to Mining Projects Group Limited. Effective 29 April 2016, Mining Projects Group Limited changed its name to Kairos Minerals Limited (ASX: KAI).

Details of the transaction are as follows:

- $198,000 in cash.
- 18 million shares and 9 million options exercisable at 10c by 30 June 2017.
- 9 million shares when the tenements are granted.

Kairos Minerals Limited has also agreed to issue to the Group "Milestone Shares" if certain JORC Resources of gold and lithium are established at Lynas Find. These will be issued as follows:

(i) 7.2 million shares (First Milestone Shares) on a mineral resource;

a) Of at least 5 million tonnes at 1.2% Li_2O (lithium oxide); or

b) Containing at least 500,000 ounces of gold, being identified within three years of the Completion Date on any or all of the tenements and;

(ii) 7.2 million shares (Second Milestone Shares) on a mineral resource;

a) Of at least 15 million tonnes at 1.2% Li_2O (lithium oxide); or

b) Containing at least 1,000,000 ounces of gold, being identified within five years of the Completion Date on any or all of the Tenements

The Lynas Find Lithium-Gold Project adjoins both Pilbara Minerals' ("PLS") Pilgangoora lithium-tantalum project (52.2Mt @ 1.3% Li2O & 32.9Mt 0.0022% Ta2O5) and Altura Mining's Pilgangoora lithium project (25.2Mt @ 1.23% Li2O). The project's northern tenements, border PLS's spodumene deposit where recent drilling is less than 500m from the tenement boundary. PLS's spodumene deposit is the second largest globally and has defined a new emerging and significant Lithium region.

Project Overview

Investments

Orinoco Gold Ltd

Orinoco Gold Ltd (ASX:OGX) continues with mine development and processing plant commissioning at the Cascavel Gold Project in Brazil with gold production planned for the second half of 2016.

As at 30 June 2016, Tyranna held 5.38% of shares on issue in Orinoco.

Corporate

New Managing Director

On 2 November 2015, the Company announced the appointment of Mr. Bruno Seneque as Managing Director effective from 1 December 2015.

Disposal of the Barge

During the period, the Company signed a binding agreement for the sale of its 57m powered barge for US$2.0 Million (approximately AUD $2.86 Million).

Change of Name

At a General Meeting of shareholders held on 29 July 2015, shareholders approved the Company's change of name to Tyranna Resources Limited (ASX:TYX). Other resolutions passed included the adoption of a new constitution.

Shares and Options on issue

During the year, from share placements, share purchase plan and option conversions, the Company issued 75,301,114 ordinary shares and 29,626.448 options exercisable at $0.04 on or before 24 August 2017. It has also finalised the cancellation of 28,775,334 ordinary shares held by its wholly owned subsidiary – Trafford Resources Pty Ltd.

At the Company's General Meeting held on 29 July 2015, shareholders approved the issue of 2,000,000 options, exercisable at $0.03 on or before 24 August 2017 to Mr Finch and Mr McKay as consideration for providing $100,000 loan to the Company. These options were valued at $0.0076 per option.

Directors' Report

Your directors present their report on Tyranna Resources Limited (the "Company") and of the Group being the Company and its controlled entity for the financial year ended 30 June 2016.

Directors

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

Joseph S. Pinto (appointed 18 July 2016)
Bruno Seneque
Nick Revell (appointed 1 Aug 2016)
Frank Lesko (appointed 1 Aug 2016)
Ian D. Finch (resigned 1 Aug 2016)
Neil W. McKay (resigned 1 Aug 2016)
Peter W. Rowe (deceased 27 September 2015)

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

Company Secretary

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

Neil McKay — Bachelor of Business (resigned 31 Aug 2016)

Principal Activities

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

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

Operating Results and Financial Review

Profit and loss

The Group's loss after providing for income tax amounted to $1,604,005 (2015: profit of $3,856,154, which includes gain on acquisition of business combinations of $5,335,085 from the merger between the Group and Trafford Resources Ltd). The Group continues to work towards advancing its project toward gold production.

Financial Position

The directors believe the Group is in a stable financial position to expand and grow its current operations. The Group's net assets as at 30 June 2016 are $19,035,940 (2015: $16,681,327).

Liquidity and capital resources

The Company's principal source of liquidity as at 30 June 2016 is cash of $302,047 (2015: $390,644). None of which (2015: $nil) has been placed on short term deposit. The Company's main source of cash during the year are the receipt of research and development rebate in relation to the year ended 30 June 2015, proceeds from capital raisings and sale of assets.

Dividends Paid or Recommended

No amounts have been paid or declared by way of dividends by the Company since the end of the previous financial period and up until the date of this report. The directors do not recommend the payment of any dividend for the financial year ended 30 June 2016.

Review of Operations

- Change of Company's name to Tyranna Resources Limited.
- Increase the Company's stake in the Challenger Joint Venture from 53% to 59%.
- Sale of Barge for US$2 Million.
- Sale of Lynas Find Lithium-Gold Project.
- New gold discovery at Jumbuck – Greenewood prospect.
- Extend mineralisation at Campfire Bore prospect from 500m to 1.25km.

Significant Changes in State of Affairs

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

After Balance Date Events

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

Future Developments, Prospects and Business Strategies

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

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

ii. Make new high grade discovery.

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

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

Environmental Issues

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

National Greenhouse and Energy Reporting Guidelines

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

Energy Efficiency Opportunities Guidelines

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

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

Clean Energy Act 2011

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

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

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

Information on Directors

Joseph S. Pinto	Non-Executive Chairman
Qualifications	Bachelor of Laws and Bachelor of Commerce
Experience	Mr. Pinto is a Solicitor and Barrister of the Supreme Court of N.S.W.as well as having been admitted as a Solicitor to the High Court of Australia. He has been a major shareholder and supporter of the Company and is also the major shareholder of Orinoco Gold Limited, a company in which Tyranna Resources through its wholly owned subsidiary Trafford Resources, was a cornerstone investor and remains a substantial shareholder.
Interest in Shares	25,300,000 fully paid ordinary shares.
Interest in Options	1,902,867 options exercisable at 4 cents on or before 24 August 2017.
Directorships held in other listed entities	None.

Bruno Seneque	Managing Director
Qualifications	Bachelor of Business (Accounting), CPA
Experience	Mr Seneque is a Certified Practicing Accountant with CPA Australia, and has 19 years' experience as a qualified accountant. Over the last 17 years Mr Seneque has accumulated experience in the mining industry in various roles including executive general management, CFO, company secretarial services, corporate and mine site accounting. He was previously Managing Director of Fox Resources Ltd, which operated the Radio Hill nickel/copper mine in Karratha.
Interest in Shares	120,000 fully paid ordinary shares.
Interest in Options	3,000,000 Performance Rights expiring 30 November 2018.
Directorships held in other listed entities	None.

Nick Revell	Technical Director (Appointed on 1 August 2016)
Qualifications	Bachelor of Applied Science (Geology)
Experience	Mr Revell was previously employed as the Company's Business Development Manager and played an integral role in leading the exploration team credited with the recent success at the Greenewood/Campfire Bore Gold Prospects, as part of the Jumbuck Gold Project, with over 25 years' experience as an exploration/mine geologist specializing in gold and iron ore. He has also held directorships in a number of junior listed exploration companies including IPO's.

Director's Report

Interest in Shares & Options	900,000 Performance Rights expiring 30 November 2018.
Directorships held in other listed entities	None.
Frank Lesko	Non-Executive Director (Appointed on 1 August 2016)
Qualifications	Associate Diploma in Applied Science (Building)
Experience	Mr Lesko is a successful investor in junior listed exploration companies and has been active over the last 15 years in this sector. He was the founding director of numerous construction related businesses in Sydney prior to their acquisition by larger global organisations. Currently Mr Lesko consults to a growing medium sized construction company based in the Sydney CBD along with managing a substantial share and property portfolio.
Interest in Shares & Options	Nil
Directorships held in other listed entities	None.
Ian D Finch	Technical Director (Resigned on 1 August 2016)
Qualifications	BSc (Hons) in Geology from the University of Birmingham (England), a Member of the Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Company Directors.
Experience	Mr Finch's career spans 46 years of mining and exploration. He worked extensively throughout Southern Africa between 1970 and 1981 – from the Zambian Copper Belt and Zimbabwean Nickel and Chrome fields to the Witwatersrand Gold Mines in South Africa. In 1981 he joined CRA Exploration as a Principal Geologist, before joining Bond Gold as its Chief Geologist in 1987. In these roles he was instrumental in the discovery and development of several new gold and copper/gold resources in Australia. In 1993 Mr Finch established Taipan Resources Ltd, a company which successfully pioneered the exploration for large gold deposits in the Ashburton District of Western Australia – when it was discovered a resource of approximately 1.0 million ounces at the Paulsen's Project. In 1999 Mr Finch founded Templar Resources Limited, now a 100% owned subsidiary of Canadian Listed company Goldminco Corporation. As President/CEO for Goldminco until May 2005, Mr Finch established an extensive exploration portfolio in New South Wales where the Company is actively exploring for large porphyry copper / gold deposits. During his presidency Mr Finch forged strong strategic ties with major mining houses and financial institutions in Vancouver, Toronto and London.
Interest in Shares	7,642,771 fully paid ordinary shares.
Interest in Options	1,000,000 options exercisable at 3 cents on or before 24 August 2017.
Directorships held in other listed entities	Director of Orinoco Gold Limited. Director of Kairos Minerals Ltd.

Director's Report

Neil W. McKay	Non-Executive Director (Resigned on 1 August 2016) Company Secretary (Resigned on 31 August 2016)
Qualifications	Bachelor of Business
Experience	Mr. McKay is a former Chartered Accountant and has been involved in the resources industry for more than 29 years. He has been Company Secretary for several listed resource public companies and held senior administrative and accounting positions for a number of other resource companies. Since 1995, he has operated as an independent consultant, specialising in the incorporation and administration of resource companies with special focus in South East Asia. For the last two years, he has divided his time between Australia where he provides consultation to various public companies, and South East Asia where he continues his involvement.
Interest in Shares	4,126,369 fully paid ordinary shares.
Interest in Options	1,000,000 options exercisable at 3 cents on or before 24 August 2017.
Directorships held in other listed entities	None.

Peter W. Rowe	Non-Executive Director
Qualifications	B.Sc. (Chem Eng), FAusIMM, FAICD
Experience	Mr Rowe has extensive mining experience over a 35 year career in Australia and South Africa. Following 20 years with Anglo American and De Beers, he moved to Australia where he held a number of senior managerial positions. These included project director of the Fimiston expansion (Kalgoorlie Superpit), general manager of the Boddington Gold Mine and of the Boddington Expansion Project and managing director and CEO of Bulong Nickel. He joined AngloGold Ashanti Australia and transferred to Johannesburg in 2006, until retiring from his position as executive vice president – business effectiveness, and returned to Australia.
Interest in Shares & Options	Nil
Directorships held in other listed entities	None.

Meetings of Directors

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Held	**Attended**	**Eligible to attend**
Bruno Seneque	10	10	10
Ian Finch	10	10	10
Neil McKay	10	10	10
Peter Rowe	10	-	1
Joseph Pinto	10	-	-
Nick Revell	10	-	-
Frank Lesko	10	-	-

Indemnifying Officer

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer or agent of the Group shall be indemnified out of the property of the Group against any liability incurred by him in his capacity as Officer or agent of the Group or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The amount paid for this indemnity was $12,950.

Options

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

Grant Date	*Expiry Date*	*Exercise Price*	*Number of Options*
4 June 2015	4 June 2018	$0.03	10,000,000
10 June 2015	10 June 2017	$0.03	2,000,000
25 August 2015	24 August 2017	$0.03	2,000,000
25 August 2015	24 August 2017	$0.04	8,830,867
4 September 2015	24 August 2017	$0.04	973,000
2 December 2015	24 August 2017	$0.04	158,375
4 January 2016	24 August 2017	$0.04	6,155,867
19 April 2016	24 August 2017	$0.04	13,508,339
27 July 2016	24 August 2017	$0.04	1,750,000
12 August 2016	24 August 2017	$0.04	24,000,000

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any other proceedings during the year.

Non-audit Services

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

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

No other fees were paid or payable to the auditors for non-audit services performed during the year except for a fee of $20,950 (2015: $15,200) paid for taxation services.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C for the year ended 30 June 2016 has been received and can be found on page 19 of the directors' report.

Remuneration Report (Audited)

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

Remuneration policy

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

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

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

The Group is an exploration and development entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry.

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

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

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

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board in consultation with independent advisors determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee incentive scheme. Options granted under the scheme do not carry dividend or voting rights.

Group Performance, Shareholder Wealth and Directors' and Executives Remuneration

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

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

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

Ian Finch	Executive Chairman (Resigned 1 August 2016)
Bruno Seneque	Managing Director (Appointed 1 December 2015)
Neil McKay	Non-Executive Director (Resigned 1 August 2016)
Peter Rowe	Non-Executive Director (Deceased 27 September 2015)

Employment Contracts of Executive Directors

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

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

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

Director's Report

Details of Remuneration for Year Ended 30 June 2016

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

2016

	Salary, Fees and Commissions	Director's Fee	Cash Bonus	Super-annuation Contribution	Termination	Options /Share Rights (v)	Total	Represented by Options/Share Rights
	$	$	$	$	$	$	$	%
Directors								
Ian Finch	324,216	-	-	32,697	-	7,292	364,205	2
Bruno Seneque (i)	131,250	50,000	-	12,469	-	14,583	208,302	7
Neil McKay	176,933	40,183	-	21,515	-	7,292	245,923	3
Peter Rowe (ii)	-	12,557	-	1,193	-	-	13,750	-
	632,399	**102,740**	**-**	**67,874**	**-**	**29,167**	**832,180**	

2015

	Salary, Fees and Commissions	Director's Fee	Cash Bonus	Super-annuation Contribution	Termination	Options /Share Rights (v)	Total	Represented by Options/Share Rights
Directors								
Ian Finch[1]	204,200	-	-	19,399	-	-	223,599	-
Robert Mencel (iii)	130,099	-	-	11,656	160,000	-	301,755	-
Neil McKay [1]	100,732	40,183	-	13,387	-	-	154,302	-
Peter Rowe		50,228	-	4,772	-	-	55,000	-
Bruno Seneque (iv)	-	40,000	-	-	-	-	40,000	-
	435,031	**130,411**	**-**	**49,214**	**160,000**	**-**	**774,656**	

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

(ii) Deceased 27 September 2015.

(iii) Resigned on 19 November 2014.

(iv) Appointed on 23 December 2014.

(v) The share rights were granted with the approval of shareholders on 30 November 2015.

[1] The 2015 remuneration does not include total remuneration received from Trafford Resources Limited for the period 1 July 2014 up until the date of acquisition. During that period, Mr Finch earned $121,259, and Mr McKay earned $72,905 from Trafford Resources Limited.

Share-based payments as part of remuneration

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

Shares Issued on Exercise of Compensation Options or Share Rights

6,000,000 performance share rights have been issued to Directors during the current financial year, and represent the only share based payments in existence during the current and prior periods. No share rights have vested during the financial year ending 30 June 2016.

During the financial year ending 30 June 2015, Mr Finch and Mr McKay compensation share rights in Trafford Resources Ltd issued as part of their directors' remuneration, vested and converted to shares as a result of the merger with Trafford Resources Limited.

Director's Report

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

2015	Granted Number	Grant Date	Fair Value per Right $	Expiry Date	Vested Number
Directors					
Ian Finch	1,000,000	14 Oct 13	0.03	31 Oct 15	1,000,000
Neil McKay	500,000	14 Oct 13	0.03	31 Oct 15	500,000
	1,500,000				1,500,000

The 2015 share rights were issued on 14 October 2013 in Trafford Resources Ltd as part of directors' remuneration, and vested in the financial year ending 30 June 2015.

Number of Shares Held by Key Management Personnel

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

2015	Balance 1.7.2014	Granted As Compensation	Purchased	Options/ Right Exercised	Net Change Other*	Balance 30.6.2015
Ian Finch	192,141	-	23,880	1,000,000	5,676,750	6,892,771
Bruno Seneque	-	-	-	-	-	-
Neil McKay	19,800	-	-	500,000	3,231,569	3,751,369
Peter Rowe	-	-	-	-	-	-
Robert Mencel	-	-	-	-	-	-
Total	**211,941**	**-**	**23,880**	**1,500,000**	**10,408,319**	**10,644,140**

Number of Options Held by Key Management Personnel

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

1 During the financial period ending 30 June 2015, the Company received two $50,000 unsecured loans, from Mr. Finch and Mr McKay, at an interest rate of 15% p.a. At the Company's General Meeting held on 29 July 2015, shareholders approved the issue of 1,000,000 options, each to Mr Finch and Mr McKay, exercisable at $0.03 on or before 24 August 2017 as consideration for providing the loan. Refer to transactions with related parties (Note 27).

2015	Balance 1.7.2014	Granted As Compensation	Exercised	Net Change Other*	Balance 30.6.2015	Unvested and not exercisable
Ian Finch	-	-	-	634,750	634,750	-
Bruno Seneque	-	-	-	-	-	-
Neil McKay	-	-	-	176,000	176,000	-
Peter Rowe	-	-	-	-	-	-
Robert Mencel	-	-	-	-	-	-
Total	**-**	**-**	**-**	**810,750**	**810,750**	**-**

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

The fair value of the options is determined using Black-Scholes option pricing method, detailed in Note 19.

Other transactions with key management personnel of the Group

During the financial period ending 30 June 2015, the Company received two $50,000 unsecured loans, from Mr. Finch and Mr McKay, at an interest rate of 15% p.a. At the Company's General Meeting held on 29 July 2015, shareholders approved the issue of 1,000,000 options, each to Mr Finch and Mr McKay, exercisable at $0.03 on or before 24 August 2017 as consideration for providing the loan. These options were valued at $0.0076 per option.

End of Remuneration Report

Corporate Governance Statement

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

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

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

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

Consent of Competent Persons

The information in this announcement that relates to Exploration Results is based on information 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.

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

Bruno Seneque
Managing Director
Dated this 20th day of September 2016

Bentleys
THINKING AHEAD

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To The Board of Directors

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

As lead audit director for the audit of the financial statements of Tyranna Resources Limited for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

Dated at Perth this 20th day of September 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 30 June 2016

	Notes	2016 $	2015 $
Revenue and other income	2	2,219,534	5,367,855
Administrative expense		(125,021)	(65,475)
Consultancy expenses		(474,322)	(190,529)
Compliance and regulatory expenses		(88,048)	(60,940)
Depreciation and amortisation		(472,829)	(323,019)
Director fees		(101,065)	(139,865)
Share-based payment	19	(29,167)	(81,706)
Legal fees		(26,422)	(137,579)
Finance costs		(79,184)	(137,227)
Occupancy costs		(254,014)	(53,727)
Public relation costs		(56,202)	(17,218)
Staffing costs		(424,614)	(985,421)
Asset impairment	9, 10	(548,750)	(527,435)
Net foreign exchange gain		130,710	-
Discount on receivables		(33,590)	-
Development costs written off		-	(1,514,732)
Exploration costs		(2,302,186)	(1,343,008)
Other expenses from ordinary activities		(152,498)	(62,566)
Profit/ (loss) before income tax		(2,817,668)	(272,592)
Income tax benefit	3	1,213,663	4,128,746
Profit /(loss) for the year		(1,604,005)	3,856,154
Other comprehensive income			
Net gain/(loss) on revaluation of financial assets		2,229,633	101,204
Total comprehensive income		625,628	3,957,358
Basic gain / (loss) per share (cents per share)	6	(0.61)	3.01

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position
As At 30 June 2016

	Note	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	302,047	390,644
Trade and other receivables	8	1,964,064	56,717
Assets classified as held for sale	10	-	2,597,000
TOTAL CURRENT ASSETS		2,266,111	3,044,361
NON-CURRENT ASSETS			
Trade and other receivables	8	45,000	45,200
Property, plant and equipment	9	4,624,708	5,874,015
Exploration and evaluation expenditure	11	8,930,000	8,930,000
Financial assets	12	4,771,477	1,104,957
TOTAL NON-CURRENT ASSETS		18,371,185	15,954,172
TOTAL ASSETS		**20,637,296**	18,998,533
CURRENT LIABILITIES			
Trade and other payables	13	1,244,916	1,450,468
Provisions	15	156,440	100,820
Borrowings	14	200,000	701,171
TOTAL CURRENT LIABILITIES		1,601,356	2,252,459
NON CURRENT LIABILITIES			
Provisions	15	-	64,747
TOTAL CURRENT LIABILITIES		-	64,747
TOTAL LIABILITIES		**1,601,356**	2,317,206
NET ASSETS		**19,035,940**	16,681,327
EQUITY			
Issued capital	16	72,834,176	71,164,212
Reserve	17	2,471,564	182,910
Accumulated losses		(56,269,800)	(54,665,795)
TOTAL EQUITY		**19,035,940**	16,681,327

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For Year Ended 30 June 2016

	Note	Issued Capital	Accumulated Losses	Financial Asset Reserve	Share-Based Payment Reserve	Total
		$	$	$	$	$
Balance at 1 July 2015		**71,164,212**	**(54,665,795)**	**101,204**	**81,706**	**16,681,327**
Loss for the year		-	(1,604,005)	-	-	(1,604,005)
Other comprehensive income		-	-	2,229,633	-	2,229,633
Total comprehensive income for the year		-	(1,604,005)	2,229,633	-	625,628
Transaction with owners, in the capacity as owners, and other transfers						
Share options or rights issued		-	-	-	59,021	59,021
Shares issued during the year		1,798,260	-	-	-	1,798,260
Transaction costs in relation to prior year		(128,296)	-	-	-	(128,296)
Balance at 30 June 2016	16	**72,834,176**	**(56,269,800)**	**2,330,837**	**140,727**	**19,035,940**
Balance at 1 July 2014		**69,365,041**	**(61,320,473)**	**-**	**2,834,224**	**10,878,792**
Profit for the year		-	3,856,154	-	-	3,856,154
Other comprehensive income		-	-	101,204	-	101,204
Total comprehensive income for the year		-	3,856,154	101,204	-	3,957,358
Transaction with owners, in the capacity as owners, and other transfers						
Share options or rights issued		-	-	-	81,706	81,706
Expired share-based payment		-	2,798,524	-	(2,798,524)	-
Shares issued during the year		35,723	-	-	(35,700)	23
Shares issued to Trafford shareholder for merger		2,315,755	-	-	-	2,315,755
Shares held by wholly owned subsidiary		(517,958)	-	-	-	(517,958)
Transaction costs in relation to prior year		(34,349)	-	-	-	(34,349)
Balance at 30 June 2015	16	**71,164,212**	**(54,665,795)**	**101,204**	**81,706**	**16,681,327**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For Year Ended 30 June 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments for exploration and evaluation activity		(2,088,944)	(429,859)
Payments to suppliers and employees		(1,714,831)	(1,712,187)
Interest received		1,827	30,195
Interest and other charges paid		(76,636)	(140,442)
Research and development rebate and other income		1,288,663	1,812,969
Net cash inflows / (outflows) from operating activities	18	(2,589,921)	(439,324)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets		112,821	14,300
Purchase of financial assets		(100,000)	(100,000)
Proceeds from disposal of property, plant and equipment		1,545,300	-
Payments for property, plant and equipment		(402,093)	(30,770)
Development of mineral tenements		-	(1,524,306)
Proceeds from disposal of mineral tenements		198,000	-
Receipts from security deposits		200	397,743
Net cash inflow on acquisition of subsidiary	28	-	12,370
Loan to other entities		-	(541,542)
Net cash used in investing activities		1,354,228	(1,772,205)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,798,260	23
Fundraising Costs		(129,287)	(20,358)
Proceeds from borrowings		-	700,000
Repayment of borrowings		(500,000)	-
Net cash provided by (used in) financing activities		1,168,973	679,665
Net decrease in cash held		(66,720)	(1,531,864)
Cash at beginning of financial year		390,644	1,926,306
Effect of exchange rates on cash holdings in foreign currencies		(21,877)	(3,798)
Closing Cash and Cash Equivalents	7	**302,047**	**390,644**

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report was authorised for issue in accordance with a resolution of the directors on 20th September 2016.

Basis of Preparation

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

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

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

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

The Group made a net loss after tax for the year of $1,604,005 (2015: profit of $3,856,154, after recording a gain of $5,335,085 on acquisition of Trafford Resources Limited and receipt of R&D refunds totaling $1,812,965). Net cash outflows for the year was $66,720 (2015: $1,531,864) which has resulted in the Group’s cash and cash equivalents balance falling from $390,644 to $302,047 as at 30 June 2016.

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

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

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

- The Group has received the remaining sale proceeds from the sale of the barge (see Note 8 and 29);
- The Group has raised additional funds of approximately $3.56 million (before costs) through placement to sophisticated investors and Rights Issue in August and September 2016 as detailed in Note 29. In light of the Group’s current exploration and project development, the Directors believe that the additional capital required can be raised in the market;
- The Group has repaid all existing loans to external and related parties (see Note 14 and 27); and
- The Directors have an appropriate plan to contain certain expenditure if appropriate funding is unavailable.

Notes to the Financial Statements

a. Principles of Consolidation

The consolidated financial statements comprise the financial statements of Tyranna Resources Ltd and its subsidiaries as at 30 June 2016.

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

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

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

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

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

b. Income Tax

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

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

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

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

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

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

c. Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

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

Exchange differences arising on the translation of monetary items are recognised in the consolidated statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net

Notes to the Financial Statements

investment hedge.

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

d. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial year in which they are incurred.

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the date of commissioning. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Financial Statements

e. **Leases**

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

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

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

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

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

f. **Earnings Per Share**

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

g. **Revenue Recognition**

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

Interest

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

h. **Cash and Cash Equivalents**

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

i. **Employee Benefits**

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

j. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes to the Financial Statements

k. **Impairment of Assets**

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

l. **Joint Venture Entities**

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

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

Interests in joint operations

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

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

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

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

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

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

m. **Financial Instruments**

Recognition and Initial Measurement

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

Notes to the Financial Statements

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs in relation to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. *Loans and Receivables*

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are quoted in an active market are subsequently measured at amortised cost.

Loans and Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as current assets).

iii. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

iv. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

v. *Held to maturity investments*

Held to maturity investments are non-derivative financial assets with fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held to maturity investment are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the Group sold or reclassified more than an insignificant amount of the held to maturity investments before maturity, the entire held to maturity investments category would be tainted and reclassified as available-for-sale.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the consolidated statement of comprehensive income.

Notes to the Financial Statements

Derecognition

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

n. **Provisions**

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

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

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

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

o. **Share-Based Payment Transactions**

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

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

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

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

p. **Trade and Other Payables**

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

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

q. **Contingencies**

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

r. **Borrowing Costs**

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

Notes to the Financial Statements

s. **Critical Accounting Estimates and Judgements**

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

Key estimates and judgements:

Share-based payments

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

Exploration and evaluation costs

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

Environmental Issues

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

Fair value measurements and valuation process

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

Ore reserve and resource estimates

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

Taxation

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

Notes to the Financial Statements

Comparative figures

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

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

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

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

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

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

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

Valuation techniques

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

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

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

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

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

Notes to the Financial Statements

Fair value hierarchy

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

Level 1

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

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2016. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 9 - Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

AASB 15 - Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

Notes to the Financial Statements

AASB 16 - Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the group.

Notes to the Financial Statements

NOTE 2: REVENUE AND OTHER INCOME

	2016 $	2015 $
Interest earned	1,827	29,570
Gain on acquisition – Note 28	-	5,335,085
Conversion - Orinoco's performance shares	254,210	-
Sale of tenements	1,816,376	-
Sale of financial assets	72,121	-
Other	75,000	3,200
	2,219,534	**5,367,855**

NOTE 3: INCOME TAX

(a) **Income tax benefit**

Current tax	(1,213,663)	(1,812,969)
Deferred tax	-	(2,315,777)
	(1,213,663)	**(4,128,746)**
Deferred income tax expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	-	2,315,777
Increase/(decrease) in deferred tax liabilities	-	(2,315,777)
	-	-

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

Profit/(Loss) from ordinary activities before income tax	(2,817,668)	(272,592)
The prima facie tax (payable)/refundable on profit/(loss) from ordinary activities before income tax at 30%	(845,300)	81,778
Add / (Less) Tax effect of:		
Share-based payments	8,750	(24,512)
Entertainment	2,615	(1,075)
Non-deductible expenses	2,679	-
Other deductible expenses	-	-
Deferred tax assets not brought to account	831,257	(56,191)
Effect of previously unrecognised and unused tax losses and deductible temporary differences now offset against deferred tax liabilities	-	(2,315,777)
Income tax attributable to operating profit/(loss)	-	(2,315,777)
Research and development claim refund	(1,213,663)	(1,812,969)
Income tax benefit	(1,213,663)	(4,128,746)
Applicable weighted average effective tax rates	Nil%	Nil%
Balance of franking account at year end	Nil	Nil

Notes to the Financial Statements

NOTE 3: INCOME TAX (CONTINUED)

	2016 $	2015 $
(c) **Deferred tax assets**		
Tax losses	16,397,545	15,083,426
Mine development expenditure	6,590,933	6,590,933
Provisions and accruals	55,967	176,395
Capital raising costs	49,468	161,330
Other	-	-
	23,093,915	22,012,085
Set-off deferred tax liabilities	(3,293,774)	(2,634,361)
Net deferred tax assets	19,800,141	19,377,723
Less: deferred tax assets not recognised	(19,800,141)	(19,377,723)
Net tax assets	-	-
(d) **Deferred tax liabilities**		
Exploration expenditure	2,604,000	2,604,000
Other	689,774	30,361
	3,293,774	2,634,361
Set-off deferred tax assets	(3,293,774)	(2,634,361)
Net deferred tax assets	-	-
(e) **Tax losses**		
Unused tax losses for which no deferred tax asset has been recognised	43.679.237	41,496,884

(f) The potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2016 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

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

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

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

Notes to the Financial Statements

NOTE 4: KEY MANAGEMENT PERSONNEL

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

a. **Remuneration for Key Management Personnel**

	2016 $	2015 $
Short term employment benefits	735,139	565,442
Post- employment benefits	67,874	49,214
Share-based payments	29,167	-
Termination payments	-	160,000
Total remuneration	**832,180**	**774,656**

NOTE 5: AUDITORS' REMUNERATION

	2016 $	2015 $
Remuneration of the auditor of the Group for:		
— Auditing and reviewing financial reports	33,062	40,000
— Other services	20,950	15,200
	54,012	**55,200**

NOTE 6: EARNINGS PER SHARE (EPS)

Basic earnings per share

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

	2016 $	2015 $
Profit / (Loss) attributable to ordinary shareholders	(1,604,005)	3,856,154
	No.	**No.**
Weighted average number of ordinary shares	262,394,237	127,917,770

Diluted earnings per share

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

Notes to the Financial Statements

	2016 **$**	**2015** **$**
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	84,442	203,338
Short-term bank deposits	217,605	187,306
	302,047	**390,644**

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

NOTE 8: TRADE AND OTHER RECEIVABLES		
CURRENT		
GST receivable	-	28,570
Receivable from sale of barge(i)	1,437,665	-
Receivable from sale of tenement (ii)	495,000	-
Other	31,399	28,147
	1,964,064	**56,717**
NON-CURRENT		
Environmental bond	30,000	30,000
Other bonds	15,000	15,200
	45,000	**45,200**

(i) Subsequent to the end of reporting period, the Group received most of the receivable from the sale of the barge, with only US$25,000 remaining to be received within 12 months.

(ii) The Group will receive 9,000,000 shares in Kairos Minerals Limited when the Lynas Find Lithium-Gold Project tenements are granted. The receivables from Kairos Minerals Limited are measured at the prevailing share price as at 30 June 2016.

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

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

RESIDENTIAL CAMP		
At cost	4,500,000	4,500,000
Accumulated depreciation	(337,500)	(112,500)
	4,162,500	**4,387,500**
(a) Reconciliation		
Carrying amount at beginning of period	4,387,500	5,056,585
Impairment	-	(556,585)
Depreciation expense	(225,000)	(112,500)
Carrying amount at end of period	**4,162,500**	**4,387,500**

Notes to the Financial Statements

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

PLANT AND EQUIPMENT

	2016 $	2015 $
At cost	755,362	1,736,840
Accumulated depreciation	(293,154)	(250,325)
	462,208	**1,486,515**

(b) Reconciliation		
Carrying amount at beginning of period	1,486,515	1,195,979
Transfer from assets under construction	-	575,000
Equipment additions	43,522	24,197
Equipment disposal	(271,250)	-
Impairment	(548,750)	(58,336)
Depreciation expense	(247,829)	(250,325)
Carrying amount at end of period	**462,208**	**1,486,515**

UNDER CONSTRUCTION

At cost	-	-
Accumulated depreciation	-	-
	-	-
(c) Reconciliation		
Carrying amount at beginning of period	-	1,110,861
Transfer to plant and equipment:		
Magnets	-	(575,000)
Asset impairment		
Magnets	-	(535,861)
Carrying amount at end of period	**-**	-
Total Property, Plant and Equipment	**4,624,708**	**5,874,015**

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

Notes to the Financial Statements

NOTE 10: ASSETS CLASSIFIED AS HELD FOR SALE

	2016 $	2015 $
(a) At cost:		
Barge (i)	-	2,597,000
	-	**2,597,000**

	2016	2015
(b) Reconciliation		
Carrying amount at beginning of period	2,597,000	2,123,143
Disposal:		
Barge	(2,601,758)	-
Final adjustment to construction contract price of the Barge	4,758	(149,490)
(Asset impairment) / reversal of impairment:		
Barge	-	623,347
Carrying amount at end of period	**-**	**2,597,000**

(i) The Group has disposed its barge as it is no longer suitable for its operation methodology.

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE

		2016	2015
Carrying amount at beginning of the period		8,930,000	250,000
Addition			
Business combination*	Note 28	-	9,700,000
Less exploration costs written off		-	(1,020,000)
Carrying amount at end of period		**8,930,000**	**8,930,000**

* Acquired through the merger with Trafford Resources Ltd.

NOTE 12: FINANCIAL ASSETS

	2016	2015
Shares in Orinoco Gold Limited	3,648,101	1,104,957
Shares in Kairos Minerals Limited	990,000	-
Options in Kairos Minerals Limited	133,376	-
	4,771,477	**1,104,957**

At 30 June 2016, the Group has 14,890,208 shares in Orinoco Gold Limited, and 18,000,000 shares in Kairos Minerals Limited. The investments are measured at the prevailing share price as at 30 June 2016. The Group also has 9,000,000 options in Kairos Minerals Limited exercisable at $0.10 on or before 30 June 2017 which are measured at fair value using Black-Scholes method.

Notes to the Financial Statements

	2016 $	2015 $
NOTE 13: TRADE AND OTHER PAYABLES		
Accounts payable	1,155,465	1.048,968
Accruals	20,000	401,500
GST Payable	69,451	-
	1,244,916	**1,450,468**

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

NOTE 14: BORROWINGS

	Maturity Date	Effective Interest Rate		
Secured loan (i)	4 Feb 2017	13%	-	500,000
Secured loan (ii)	25 July 2016	15%	100,000	100,781
Unsecured loans from related party (iii)	15 Aug 2016	15%	100,000	100,390
			200,000	**701,171**

(i) This loan is secured against the Research and Development Rebate for the year ended 30 June 2015 and 6,000,000 shares in Orinoco Gold Limited owned by the Group as per Note 12.

(ii) This loan is secured against 2,000,000 shares in Orinoco Gold Limited owned by the Group as per Note 12.

(iii) Details of these loans have been disclosed in Note 27.

NOTE 15: PROVISIONS

	Employee entitlements (i) $	Taxes (ii) $	Rehabilitation (iii) $	Total $
CURRENT				
Opening balance at 1 July 2015	73,820	7,000	20,000	100,820
Additional provisions	162,942	20,007	40,000	222,949
Amount used	(139,454)	(7,875)	(20,000)	(167,329)
Balance at 30 June 2016	97,308	19,132	40,000	156,440
NON-CURRENT				
Opening balance at 1 July 2015	64,747	-	-	64,747
Additional provisions	1,446	-	-	1,446
Transferred to current	(66,193)	-	-	-
Balance at 30 June 2016	-	-	-	-

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

(ii) Estimate of fringe benefit tax payable

(iii) Estimate of environmental rehabilitation required after drilling

Notes to the Financial Statements

NOTE 16: ISSUED CAPITAL

a. **Ordinary shares**

	2016 $	2015 $
Balance at beginning of reporting period	71,164,212	69,365,041
Placement at $0.02	320,115	-
Share Purchase Plan at $0.02	385,800	-
Placement to drilling contractor at $0.02	39,335	-
Placement at $0.022	242,480	-
Placement at $0.03	810,500	-
Exercise of options at $0.20	30	-
Exercise of 300,000 performance share rights	-	35,700
Merger with Trafford Resources Ltd	-	2,315,755
Exercise of 114 options at $0.20	-	23
Shares held by wholly owned subsidiary	-	(517,958)
Transaction cost relating to share issues	(128,296)	(34,349)
	72,834,176	**71,164,212**

Ordinary shares	**Number**	**Number**
Balance at beginning of reporting period	236,857,050	107,903,871
Placement at $0.02	16,005,733	-
Share Purchase Plan at $0.02	19,290,000	-
Placement to drilling contractor at $0.02	1,966,750	-
Placement at $0.022	11,021,813	-
Placement at $0.03	27,016,668	-
Exercise of options at $0.20	150	-
Cancellation of shares held by subsidiary	(28,775,445)	-
Exercise of performance share rights	-	300,000
Merger with Trafford Resources Ltd	-	128,653,065
Exercise of options at $0.20	-	114
At the end of reporting period	283,382,719	236,857,050

Terms of Ordinary Shares

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

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

The Company has fully paid shares of no par value.

For information on relating to share-based payments made to key management personnel during the financial year, refer Note 4: Key Management Personnel, Note 17: Share-Based Payment Reserve, and Note 19: Share-based Payments.

Capital Management

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

Notes to the Financial Statements

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

b. **Options and share rights**	**Number**	**$**
Balance at beginning of reporting period	37,700,846	81,706
Placement at $0.02 – free attaching options	8,002,867	-
Broker fees	976,000	9,049
Part consideration for loan provision (i)	2,000,000	15,242
Placement at $0.02 – free attaching options to drilling company	983,375	-
Performance rights issued to directors (ii)	6,000,000	29,167
Placement at $0.022 – free attaching options	5,510,907	-
Broker fees	644,960	3,334
Placement at $0.03 – free attaching options	13,333,339	-
Broker fees	175,000	2,229
Options exercised	(150)	-
Options lapsed	(25,700,696)	-
	49,626,448	140,727

(i) The Company received two $50,000 unsecured loans, repayable no later than 12 months, from Mr. Finch and Mr. McKay, at an interest rate of 15% p.a. At the Company's General Meeting held on 29 July 2015, shareholders approved the issue of 1,000,000 options, each to Mr Finch and Mr McKay, exercisable at $0.03 on or before 24 August 2017 as consideration for providing the loan. These options were valued at $0.0076 per option.

(ii) The Company issued 6,000,000 Performance Rights to its Directors during the period, which was approved at the Company's Annual General Meeting held on 30 November 2015.These performance rights were independently valued in accordance to the value of the underlying shares which was at $0.025 per rights at grant date.

	2016	**2015**
	$	**$**
The Group's available working capital at 30 June is disclosed in the table below:		
Cash and cash equivalents	302,047	390,644
Trade and other receivables	1,964,064	56,717
Assets classified as held for sale	-	2,597,000
Borrowings, short term provisions, trade and other payables	(1,601,356)	(2,252,459)
	664,755	**791,902**

NOTE 17: RESERVE

Share-based payment Reserve

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

Financial Assets Reserve

The financial assets reserve records revaluations of financial assets.

Notes to the Financial Statements

NOTE 18: CASH FLOW INFORMATION

Reconciliation of net profit / (loss) after income tax to the net cash flows from operations		
- Profit / (loss) for the year	(1,604,005)	3,856,154
Non-cash items		
- Share-based payment	29,167	81,706
- Asset impairment	548,750	527,435
- Mine development expenditure written-off	-	1,514,732
- Depreciation and amortisation	472,829	323,019
- Gain on acquisition	-	(5,335,085)
- Deferred tax liabilities set off	-	(2,315,777)
- Exploration costs written off	-	1,020,000
- Conversion – Orinoco's performance shares	(254,210)	-
- Sale of financial assets	(72,121)	-
- Sale of tenements	(1,816,376)	-
- Foreign exchange loss / (gain)	(130,982)	3,798
- Interest and charges in borrowings	17,791	47,555
Changes in operating assets and liabilities		
- Decrease / (Increase) in trade and other receivables	48,942	46,988
- Increase / (decrease) in trade & other payables	179,421	(71,391)
- Increase / (decrease) in provisions	(9,127)	(138,458)
Net cash outflows from operating activities	**(2,589,921)**	**(439,324)**

Notes to the Financial Statements

NOTE 19: SHARE-BASED PAYMENTS

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

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

SHARE RIGHTS

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

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

Reconciliation of share based payment expense:

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

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

OPTIONS

The options outstanding at 30 June 2016 had a weighted average exercise price of $0.035 (2015: $0.15) and a weighted average remaining contractual life of 1.62 years (2015: 1.48 years). Exercise prices of these options range from $0.03 to $0.04 (2015: $0.03 to $0.20) and the weighted average fair value of the options granted during the year is $0.0078 (2015: $0.0086).

Notes to the Financial Statements

NOTE 19: SHARE-BASED PAYMENTS (CONTINUED)

	2016		2015	
	No of Options	Weighted Average Exercise Price $	No of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year	37,700,846	0.15	-	-
Granted	3,795,960	0.04	37,700,960	0.15
Exercised	(150)	0.20	(114)	0.20
Forfeited	-	-	-	-
Expired	(25,700,696)	0.20	-	-
Outstanding at year-end	**15,795,960**	**0.03**	**37,700,846**	**0.15**
Exercisable at year-end	**15,795,960**	**0.03**	**37,700,846**	**0.15**

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

Option series	Grant date	Grant date fair value	Exercise price	Expiry date	Vesting date
Series 1	06/05/15	$0.000	$0.20	20/05/16	Grant date
Series 2	04/06/15	$0.007	$0.03	04/06/18	Grant date
Series 3	10/06/15	$0.005	$0.03	10/06/17	Grant date

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

	Option Series				
	Series 4	Series 5	Series 6	Series 7	Series 8
Grant date	29/07/15	25/08/15	04/09/15	04/01/16	19/04/16
Grant date fair value	$0.0076	$0.009	$0.01	0.0052	$0.013
Grant date share price	$0.02	$0.018	$0.02	$0.02	$0.035
Exercise price	$0.03	$0.04	$0.04	$0.04	$0.04
Expected volatility	87.99%	76.17%	76.49%	91.11%	91.11%
Option life	2.1 years	2 years	1.97 years	1.6 years	1.3 years
Expiry date	24/08/17	24/08/17	24/08/17	24/08/17	24/08/17
Risk-free interest rate	1.92%	1.88%	1.85%	1.95%	1.93%

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

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

Included in the 2016 Consolidated Statement of Changes in Equity is share-based payments of $59,021 (2015: $81,706), of which $29,854 (2015: $81,706) relates to the value of options granted during the year.

Notes to the Financial Statements

NOTE 20: FINANCIAL RISK MANAGEMENT

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

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

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

Treasury Risk Management

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

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

(a) Market Risk

- Interest Rate Risk

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

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

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

Sensitivity Analysis

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

		Interest Rate Risk -1%		**Interest Rate Risk +1%**	
	Carrying Amount	Net Profit / (Loss) ($)	Equity ($)	Net Profit / (Loss) ($)	Equity ($)
30 June 2016					
Consolidated Cash	302,047	(3,020)	(3,020)	3,020	3,020
Environmental bond	30,000	(300)	(300)	300	300
30 June 2015					
Consolidated Cash	390,644	(3,906)	(3,906)	3,906	3,906
Environmental bond	30,000	(300)	(300)	300	300

Notes to the Financial Statements

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

- Price Risk

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

- Foreign Exchange Risk

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

(b) Credit Risk

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

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

Cash and cash equivalents

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

Trade and other receivables

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

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

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Group's reputation.

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

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

Notes to the Financial Statements

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instrument composition and maturity analysis

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

2016	Weighted Average Effective Interest Rate %	Less than one month	1 to 3 Months	3 Months to one year	1 to 5 Years ($)	Total ($)
Financial Assets						
Non-interest bearing		-	1,446,856	22,208	-	1,469,064
Variable interest rate	0.76	302,047	-	-	-	302,047
		302,047	**1,446,856**	**22,208**	**-**	**1,771,111**
Financial Liabilities						
Non-interest bearing		1,052,426	123,039	-	-	1,175,465
Variable interest rate	13.46	-	200,000	69,451	-	269,451
		1,052,426	**323,039**	**69,451**	**-**	**1,444,916**
Net financial assets		**(750,379)**	**1,123,817**	**(47,243)**	**-**	**326,195**

2015						
Financial Assets						
Non-interest bearing		-	56,717	-	-	56,717
Variable interest rate	0.70	390,644	-	-	-	390,644
		390,644	**56,717**	**-**	**-**	**447,361**
Financial Liabilities						
Non-interest bearing		838,969	563,781	-	-	1,402,750
Variable interest rate	13.29	-	-	748,890	-	748,890
		838,869	**563,781**	**748,890**	**-**	**2,151,640**
Net financial assets*		**(448,325)**	**(507,064)**	**(748,890)**	**-**	**(1,704,279)**

* The Group's assets classified as held for sale valued at $2,597,000, as at 30 June 2015 is not included in the table above.

(d) Net Fair Values

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

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

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

Notes to the Financial Statements

NOTE 21: CONTROLLED ENTITIES

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

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

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

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

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

NOTE 22: COMMITMENTS

	2016 $	2015 $
Tenement Commitments		
Not longer than one year	1,242,917	1,842,359
Longer than one year, but not longer than five years	712,500	1,609,577
Longer than five years	-	-
	1,955,417	**3,451,936**
Lease Commitments		
Not longer than one year	176,088	200,247
Longer than one year, but not longer than five years	364,037	-
Longer than five years	-	-
	540,125	**200,247**
Capital Commitments		
Not longer than one year	-	-
	-	-

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

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

NOTE 23: CONTINGENT LIABILITIES

There are no contingent liabilities outstanding at the end of the year.

NOTE 24: COMPANY DETAILS

The registered office of the company is:

Level 2, 679 Murray Street
West Perth WA 6005

Notes to the Financial Statements

NOTE 25: PARENT ENTITY DISCLOSURES

	2016 $	2015 $
a) Financial Position		
Assets		
Current assets	1,766,902	2,406,947
Non-current assets	13,412,415	9,570,372
Total assets	**15,179,317**	**11,977,319**
Liabilities		
Current liabilities	1,514,021	2,000,156
Non-current liabilities	66,193	-
Total liabilities	**1,580,214**	**2,000,156**
Equity		
Issued capital	72,834,176	71,682,170
Reserve	2,308,285	11,930
Accumulated Losses	(61,543,358)	(61,716,937)
Total Equity	**13,599,103**	**9,977,163**

b) Financial Performance

	2016 $	2015 $
Profit / (Loss) for the year	173,579	(3,194,988)
Other comprehensive income	2,237,333	(69,776)
Total comprehensive income	**2,410,912**	**(3,264,764)**

c) Guarantees Entered into by the Parent Entity in Relation to the Debts of its Subsidiaries		
Guarantee provided under the deed of cross guarantee	-	-
d) Contingent Liabilities of the Parent Entity	-	-
e) Commitments for the Acquisition of Property, Plant and Equipment by the Parent Entity		
Plant and equipment		
Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
Total	**-**	**-**

Notes to the Financial Statements

NOTE 26: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

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

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

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

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

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

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

Segment assets

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

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

Segment liabilities

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

Unallocated items

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

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

Notes to the Financial Statements

NOTE 26: OPERATING SEGMENTS (CONTINUED)

	Exploration International $	Exploration WA $	Shipping $	Exploration SA $	Total $
(i) Segment performance					
Period ended 30.06.2016					
Segment revenue	**-**	**1,816,376**	**-**	**-**	**1,816,376**
Reconciliation of segment revenue to Group's revenue					
Net interest income					1,827
Orinoco performance shares conv					254,210
Sale of financial assets					72,121
Other income					75,000
Total revenue					**2,219,534**
Segment result	**(10,764)**	**1,792,042**	**198,442**	**(2,815,838)**	**(836,118)**
Reconciliation of segment result to Group's net loss before tax					
Unallocated items:					
Net corporate Charges					(1,479,554)
Depreciation					(472,829)
Share-based payments					(29,167)
Net loss before income tax					**(2,817,668)**
Period ended 30.06.2015					
Segment revenue	**-**	**-**	**-**	**-**	**-**
Reconciliation of segment revenue to Group's revenue					
Net interest income					29,570
Gain on acquisition					5,335,085
Other income					3,200
Total revenue					**5,367,855**
Segment result	**9,258**	**(1,018,970)**	**623,347**	**(2,998,810)**	**(3,385,175)**
Reconciliation of segment result to Group's net loss before tax					
Unallocated items:					
Net corporate Charges					(1,817,777)
Gain on acquisition					5,335,085
Depreciation					(323.019)
Share-based payments					(81,706)
Net loss before income tax					**(272,592)**

Notes to the Financial Statements

NOTE 26: OPERATING SEGMENTS (CONTINUED)

(ii) Segment assets	**Exploration International $**	**Exploration WA $**	**Shipping $**	**Exploration SA $**	**Total $**
Period ended 30.06.2016					
Segment assets	-	-	-	13,540,000	13,540,000
Reconciliation of segment assets to Group's assets					
Unallocated items:					
Cash and cash equivalents					302,047
Trade and other receivables					1,964,064
Financial assets					4,771,477
Property, plant and equipment					59,708
Total assets					**20,637,296**
Additions/(reductions) in segment assets for the year:					
Capital expenditure	-	-	4,758	-	4,758
Depreciation	-	-	-	(442,500)	(442,500)
Asset impairment	-	-	-	(548,750)	(548,750)
Disposal	**-**	**-**	(2,601,758)	(271,250)	(3,071,450)
Total additions/(reductions)	**-**	**-**	(2,597,000)	(1,262,500)	(3,859,500)
Period ended 30.06.2015					
Segment assets	-	-	2,597,000	14,802,500	17,399,500
Reconciliation of segment assets to Group's assets					
Unallocated items:					
Cash and cash equivalents					390,644
Trade and other receivables					56,917
Financial assets					1,104,957
Property, plant and equipment					46,515
Total assets					**18,998,533**
Additions/(reductions) in segment assets for the year:					
Exploration expenditure written-off	-	(1,020,000)	-	-	(1,020,000)
Business combinations	-	1,020,000	-	8,680,000	9,700,000
Capital expenditure	-	-	(149,490)	301	(149,189)
Depreciation	-	-	-	(272,500)	(272,500)
Asset impairment	-	-	623,347	(1,150,782)	(527,435)
Other	-	-	-	(270,000)	(270,000)
Total additions/(reductions)	**-**	**-**	**473,857**	**6,987,019**	**7,460,876**

Notes to the Financial Statements

NOTE 26: OPERATING SEGMENTS (CONTINUED)

(iii) Segment liabilities	Exploration International $	Exploration WA $	Shipping $	Exploration SA $	Total $
Period ended 30.06.2016					
Segment liabilities	-	-	-	541,182	541,182
Reconciliation of segment liabilities to Group's liabilities					
Unallocated items:					
Trade and other payables					743,734
Borrowings					200,000
Provisions					116,440
Total liabilities					**1,601,356**
Period ended 30.06.2015					
Segment liabilities	3,758	20,353	375,000	414,100	813,211
Reconciliation of segment liabilities to Group's liabilities					
Unallocated items:					
Trade and other payables					657,257
Borrowings					701,171
Provisions					145,567
Total liabilities					**2,317,206**

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

NOTE 27: RELATED PARTY INFORMATION

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

Transactions with related entities:

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

Notes to the Financial Statements

NOTE 28: BUSINESS COMBINATIONS

Following the Federal Court and Trafford Resources Limited ("Trafford") shareholder approval, the merger of the Company and Trafford became effective on Wednesday 6 May 2015. Under the terms of the Scheme, the Company gained control and acquired 100% interest in Trafford by issuing on 1:1 basis, its ordinary shares to Trafford shareholders, and issuing on 1:1 basis, options exercisable at 20 cents on or before 20 May 2016 to Trafford optionholders.

	$
Consideration transferred at the date of acquisition	
Consideration paid in equity instruments	2,315,755
Extinguishment of inter-company loan	484,305
Assets and liabilities assumed at the date of acquisition, measured at fair value	
Current Assets	
Cash and cash equivalents	12,370
Trade and other receivables	26,060
Financial assets	914,853
Non-Current Assets	
Plant and equipment	23,896
Investments accounted for using the equity method	517,958
Exploration and evaluation expenditure	9,700,000
Current Liabilities	
Trade and other payables	(566,090)
Provisions	(114,880)
Deferred tax liabilities	(2,315,777)
Current Liabilities	
Provisions	(63,245)
Net Assets	**8,135,145**
Gain on Acquisition	**5,335,085**

Notes to the Financial Statements

NOTE 29: EVENTS SUBSEQUENT TO REPORTING DATE

As at the date of signing, the Company is in the process of completing capital raisings to raise additional funds of approximately $3.56 million (before costs) via a placement to sophisticated investors (completed in August 2016) and a Rights Issue due for completion on 22 September 2016.

Subsequent to the end of reporting period, the Company received most of the receivable from the sale of the barge, with only US$25,000 remaining to be received within 12 months.

On 19 September 2016, the price of Orinoco Gold Ltd was $0.18 per share, which reduced the total fair value of the investment held by $967,864.

On 19 September 2016, the price of Kairos Minerals Ltd was $0.039 per share, which reduced the total fair value of the investment and receivable held by $432,000.

Directors' Declaration

The Directors of the company declare that:

1. the consolidated financial statements and notes, as set out on pages 25 to 63 and the remuneration disclosure that are contained in pages 18 to 22 of the Remuneration Report in the Directors' report, are in accordance with the *Corporations Act 2001* and:
    a. comply with Accounting Standards and the Corporations Regulations 2001; and
    b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the company;
    c. the remuneration disclosures that are contained in pages 18 to 22 of the Remuneration Report in the Directors' report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and
    d. are in accordance with International Reporting Standard, issued by the International Accounting Standard Board; and
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
    a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
    b. the financial statements and notes for the financial year comply with the Accounting Standards; and
    c. the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Bruno Seneque
Managing Director
Dated this 20th day of September 2016

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of Tyranna Resources Limited

We have audited the accompanying financial report of Tyranna Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report

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

Independence

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

Opinion

In our opinion:

a. The financial report of Tyranna Resources Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Tyranna Resources Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Bentleys	Mark Delaurentis
BENTLEYS	**MARK DELAURENTIS** CA
Chartered Accountants	**Director**

Dated at Perth this 20th day of September 2016

Additional Information for Listed Public Companies

The distribution of members and their holdings of equity securities in the Company as at 16 September 2016 was as follows:

1. **Shareholding**

a. **Distribution of Shareholders**

Distribution of Shareholders	Number of Holders	Number Ordinary
1 – 1000	439	181,115
1001 - 5000	785	2,302,965
5,001 – 10,000	484	3,874,565
10,001 – 100,000	1,241	47,107,092
100,001 – and over	480	284,292,700
	3,429	**337,758,437**

b. The number of shareholdings held in less than marketable parcels is 1,908.

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

Shareholders	**Number Ordinary**
Admark Investments Pty Limited	25,300,000

d. **Voting Rights**

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

Ordinary shares

— Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

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

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Admark Investments Pty Limited	25,300,000	7.49
2.	Abbotsleigh Proprietary Limited	13,513,514	4.00
3.	Berne No 132 Nominees Pty Ltd	7,839,360	2.32
4.	New Pages Investments Limited	7,500,000	2,22
5.	Chembank Pty Ltd	7,000,000	2.07
6.	DBS Vickers Securities (Singapore) Pte Ltd <Client Account>	6,680,822	1.98
7.	HSBC Custody Nominees (Australia) Ltd	4,117,175	1.22
8.	Imperial Resources Management Pty Ltd	3,957,143	1.17
9.	Mr. Martin Francis O'Duffy	3,787,838	1.12
10.	Hanlong Metals Limited	3,780,000	1.11
11.	Mr. Malcolm Thom	3,540,541	1.05
12.	Factor Resources Pty Ltd	3,500,718	1.04
13.	MAPT Pty Ltd	3,500,000	1.04
14.	ZW 2 Pty Ltd	3,349,000	0.99
15.	Neil McKay Pty Ltd	3,318,371	0.98
16.	Tribal Mining Pty Ltd	3,309,091	0.98
17.	Mrs. Kerry Denise Peacock	3,250,000	0.96

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

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
18.	Citicorp Nominees Pty Ltd	3,174,157	0.94
19.	JP Morgan Nominees Australia Limited	2,930,644	0.87
20.	Mr. Stephen Johnson	2,920,000	0.87
		116,268,374	**34,42**

f. **20 Largest Option holders — Exercisable at $0.04 and Expiring 24 August 2017**

	Name	Number of Options Held	% of Units
1.	Abbotsleigh Proprietary Limited	6,756,757	12.20
2.	Bellaire Capital Pty Ltd	3,915,001	7.07
3.	Tasman Technology Pty Limited	2,000,000	3.61
4.	Admark Investments Pty Ltd	1,902,867	3.44
5.	HSBC Custody Nominees (Australia) Ltd	1,734,595	3.13
6.	M & K Korkidas Pty Ltd	1,700,000	3.07
7.	Mr. Richard Kenneth Maish & Mrs. Jessica Anne Maish	1,445,676	2.61
8.	Mr. Jing Gao	1,395,185	2.52
9.	Alimatt Pty Ltd	1,266,667	2.29
10.	Faulkner Capital Group Pty Ltd	1,231,840	2.22
11.	Mrs. Kerry Denise Peacock	1,125,000	2.03
12.	Mr. Martin Francis O'Duffy	1,000,000	1.81
13.	Australian Mineral & Waterwell Drilling Pty Ltd	983,375	1.78
14.	Westbourne Asset Management Pty Ltd	837,500	1.51
15.	North of the River Investments Pty Ltd	831,638	1.50
16.	Mr. Nevres Crljenkovic	800,000	1.45
17.	Mr. Junhao Tan	730,000	1.32
18.	Mr. Stephen Johnson	685,000	1.24
19.	Demasiado Pty Ltd	657,490	1.19
20.	Mrs. Anna Carina Hart & Mr. Paul Hart	649,000	1.17
		31,647,591	**57.15**

2. The name of the company secretary is Yugi Gouw

3. The address of the registered office in Australia is Level 2, 679 Murray Street, West Perth, WA 6005. Telephone + (08) 9485 1040

4. Registers of securities are held at the following addresses

   Western Australia: Advanced Share Registry Ltd. 110 Stirling Highway, Nedlands W.A. 6009

5. **Stock Exchange Listing**

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

6. **Unquoted Securities**

   Options over Unissued Shares:

   A total of 14,000,000 options are on issue.

Schedule of Mineral Tenements
As at 20 September 2016

South Australia Tenement Schedule			
Exploration License No	**Tenement Name**	**Registered Holder**	**Beneficial Interest %**
5470	Valley Dam	Trafford Resources Limited	100%
5299	Wilcherry Hill	Trafford Resources Limited	100%
5164	Eurilla Dam	Trafford Resources Limited	100%
5590	Peterlumbo	Trafford Resources Limited	100%
4748	Mt Miccollo	Trafford Resources Limited	100%
4870	Pinkawillinie	Trafford Resources Limited	100%
4942	Irra Outstation (Jumbuck)	Trafford Resources Limited	100%
4943	Garford Outstation West	Trafford Resources Limited	100%
4944	Garford Outstation East	Trafford Resources Limited	100%
5098	Wildingi Claypen	Trafford Resources Limited	100%
5168	Indooroopilly	Trafford Resources Limited	100%
5282	Hilga Crutching Shed	Trafford Resources Limited	100%
5283	Mt Christie	Trafford Resources Limited	100%
5284	Commonwealth Hill	Trafford Resources Limited	100%
5285	Ingomar	Trafford Resources Limited	100%
5460	Mt Christie Siding	Trafford Resources Limited	100%
5680	Isthmus	Trafford Resources Limited	100%
5510	Mathews Tank	Trafford Resources Limited	100%
5551	Brickies - Wynbring	Trafford Resources Limited	100%
5526	Galaxy Tank	Trafford Resources Limited	100%
5772	Warrior Outstation	Half Moon Pty. Ltd.	100%
ELA2012/291	Barton Siding	Trafford Resources Limited	100%
ELA2015/118	Sandstone	Half Moon Pty. Ltd.	100%
ELA2015/120	Lake Anthony	Half Moon Pty. Ltd.	100%
ELA2015/122	Irra	Half Moon Pty. Ltd.	100%
ELA2015/121	Barton Area	Half Moon Pty. Ltd.	100%

South Australia Tenement Schedule			
Exploration License No	**Tenement Name**	**Registered Holder**	**Beneficial Interest %**
5183	Campfire Bore	Challenger Gold Operations Pty Ltd, Coombedown Resources Pty Ltd	59% rights to the gold
5298	Mulgathing	Challenger Gold Operations Pty Ltd	65% rights to the gold
5732	Sandstone JV	Challenger Gold Operations Pty Ltd, Coombedown Resources Pty Ltd	59% rights to the gold
4468	Jumbuck	Challenger Gold Operations Pty Ltd	65% rights to the gold
4532	Mobella	Challenger Gold Operations Pty Ltd	65% rights to the gold
4644	Sandstone	Challenger Gold Operations Pty Ltd	65% rights to the gold
4951	Blowout	Challenger Gold Operations Pty Ltd	65% rights to the gold

* P Prospecting Licence
E Exploration Licence