

Tyranna Resources Limited

ABN 79 124 990 405



and

Controlled Entities

Interim Financial Report

For the Half-Year Ended

31 December 2016

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2016 and any public announcements made by Tyranna Resources Limited during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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CORPORATE DIRECTORY

CHAIRMAN

Joseph S. Pinto

MANAGING DIRECTOR

Bruno Seneque

TECHNICAL DIRECTOR

Nick Revell

NON-EXECUTIVE DIRECTORS

Frank Lesko

COMPANY SECRETARY

Yugi Gouw

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STOCK EXCHANGE LISTING

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

DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2016.

Directors

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

Joseph 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)

Company Secretary

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

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

Dividends

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

Principal Activities

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

Review of Operations

Overview

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

Highlights of the reported progress during the period include:

- Phase 2 drill program completed at Greenwood and Campfire Bore prospects.
- Increased the Company's stake in the Challenger Joint Venture from 59% to 66%.
- Reaching agreement with JV partner for WPG Resources Ltd to transfer all mineral rights in the Challenger Joint Venture area to the Company, means that Tyranna has 9,762 km² of exploration ground, and title to the JV tenements.
- Involvement of a strong JV partner in the Wilcherry Project Area through the sale of the Company's 51% interest in the project area to Alliance Resources Limited.

DIRECTORS' REPORT

About the Company

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

Jumbuck is a highly prospective and underexplored area, similar in style to the Albany/Fraser belt adjacent to the Yilgarn Craton in Western Australia which is host to the large 6.3M Au Oz Tropicana gold deposit. Tyranna controls over 9,762 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.

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

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

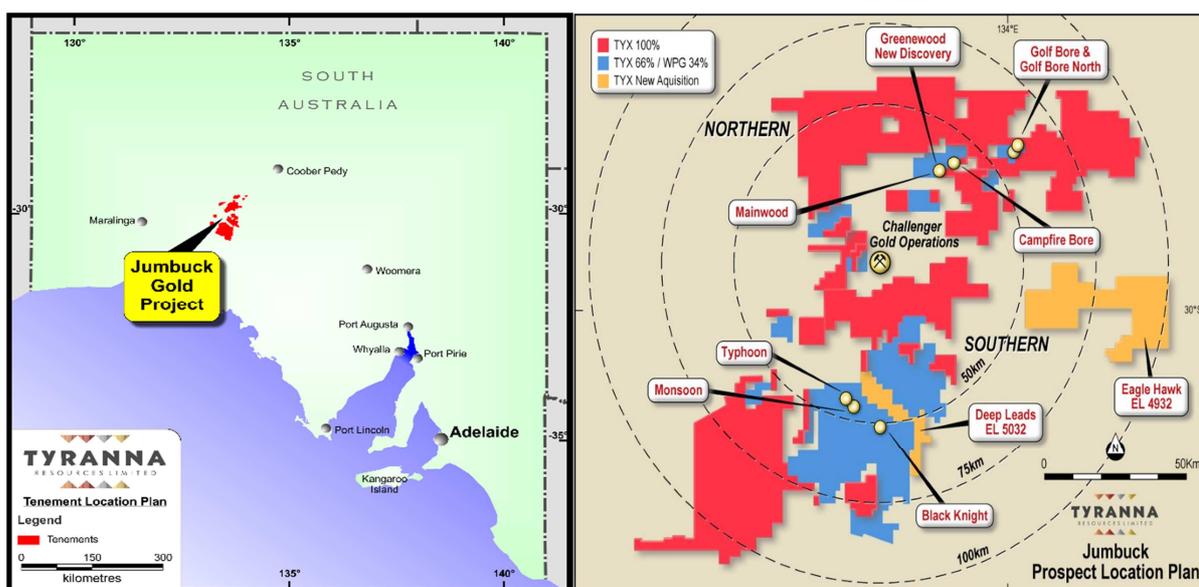


Figure 1: Location of Jumbuck Gold project and tenement maps

JUMBUCK GOLD PROJECT

During the period, Tyranna, as manager of the Western Gawler Craton Joint Venture which includes WPG Resources Ltd (ASX: WPG) and Coombedown Resources Pty Ltd, announced that the second phase of drilling at the Jumbuck Gold Project which commenced in September was completed on 19 November. The program aimed to explore high-grade open-pit gold mineralisation within trucking distance of the Challenger gold operations. Challenger gold operations is owned and operated by joint venture partner WPG Resources Ltd.

Greenwood Gold Prospect

Tyranna announced assay results from 11 reverse circulation (RC) holes drilled at the Greenwood Gold Prospect in November. Greenwood is part of the Jumbuck Gold Project and approximately 37km from the Challenger Gold Mine.

DIRECTORS' REPORT

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

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

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

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

The Tyranna technical team is assessing all results from drilling at the Greenwood prospect to better understand the structure and the gold distribution with the aim of targeting the primary source of gold mineralisation.

Tyranna is in the process of planning activities for 2017, which will include approximately 15,000 to 20,000 metres of drilling. Drilling is planned to commence early to mid-March 2017 at the Typhoon and Monsoon prospects which to date have shown that the mineralisation is closer to the surface than the northern prospects.

DIRECTORS' REPORT

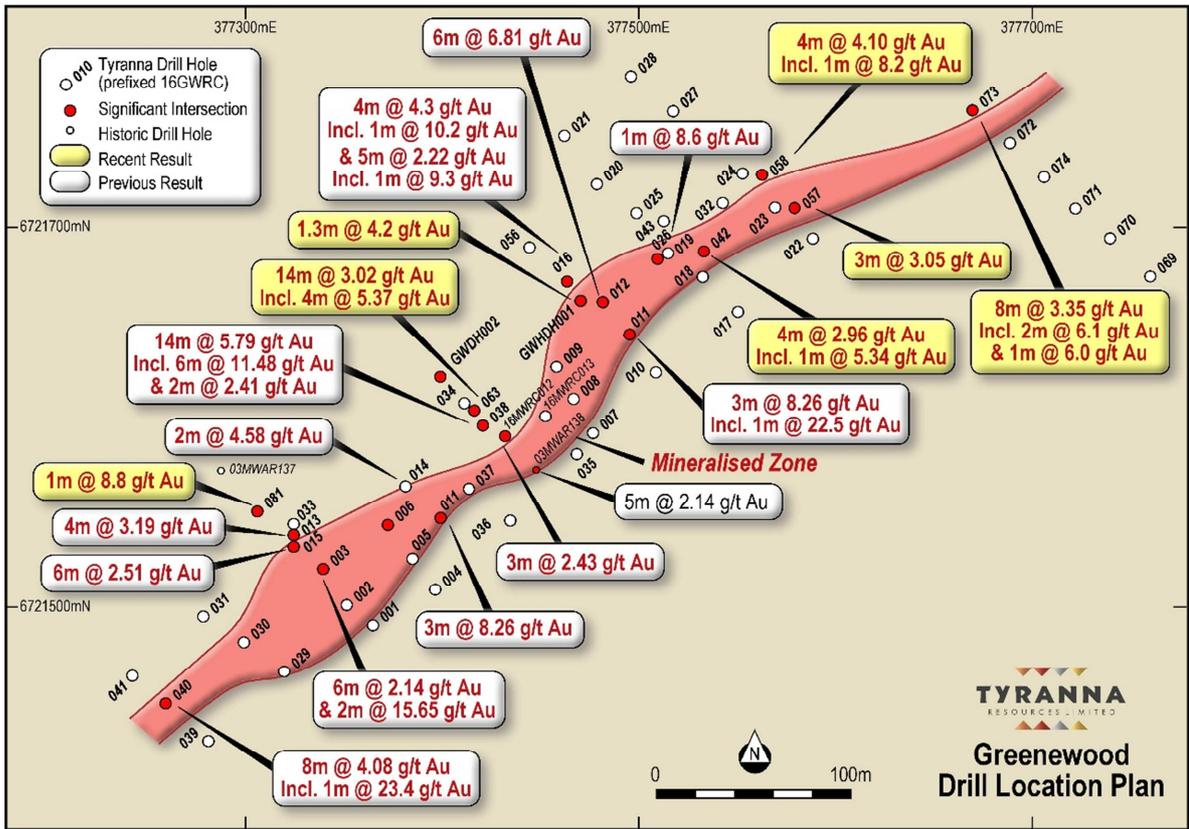


Figure 2: Drill hole location plan at Greenwood gold prospect

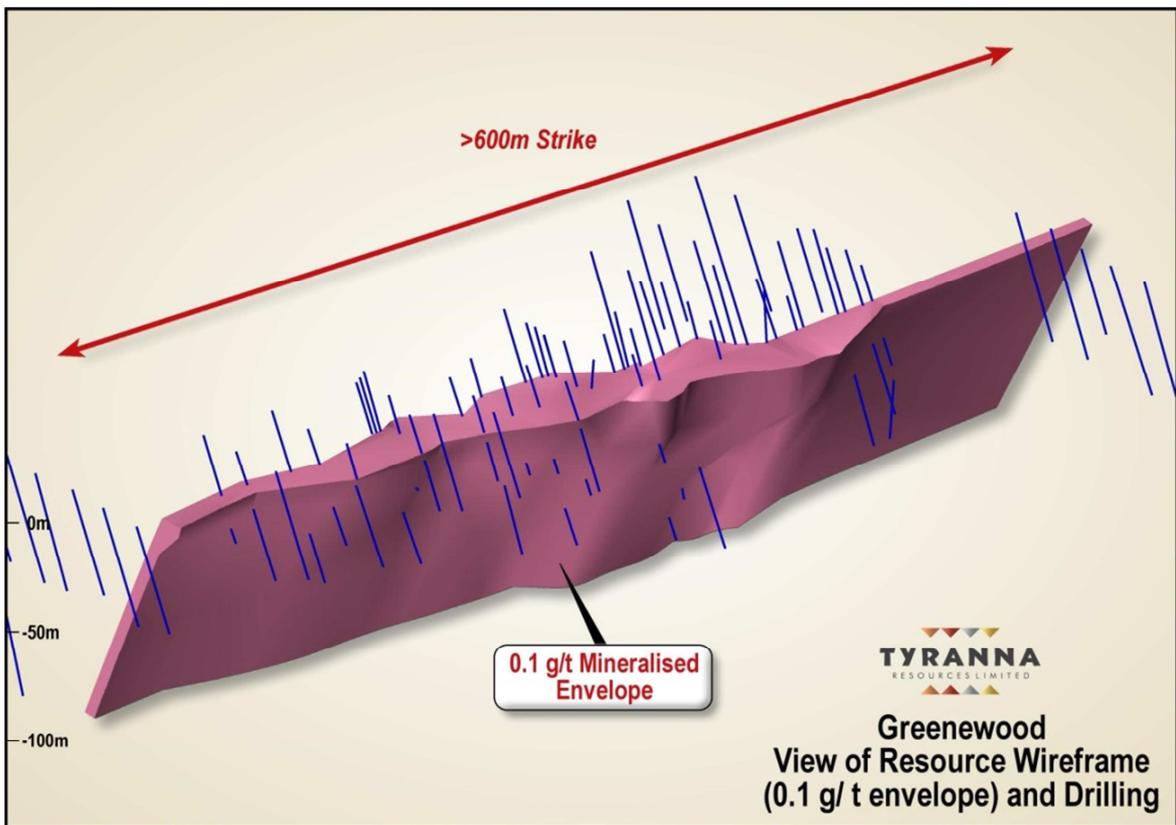


Figure 3: Greenwood 3D Model Long Section

DIRECTORS' REPORT

Campfire Bore

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

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

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

The Joint Venture partners are pleased that the drilling to date at Campfire Bore has delineated a consistent supergene gold blanket at the transition zone between the oxidised and fresh rock boundary. This is evident from multiple drill intercepts with grades greater than 30 g/t Au that have been attributed to supergene enrichment (refer figure 4):

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

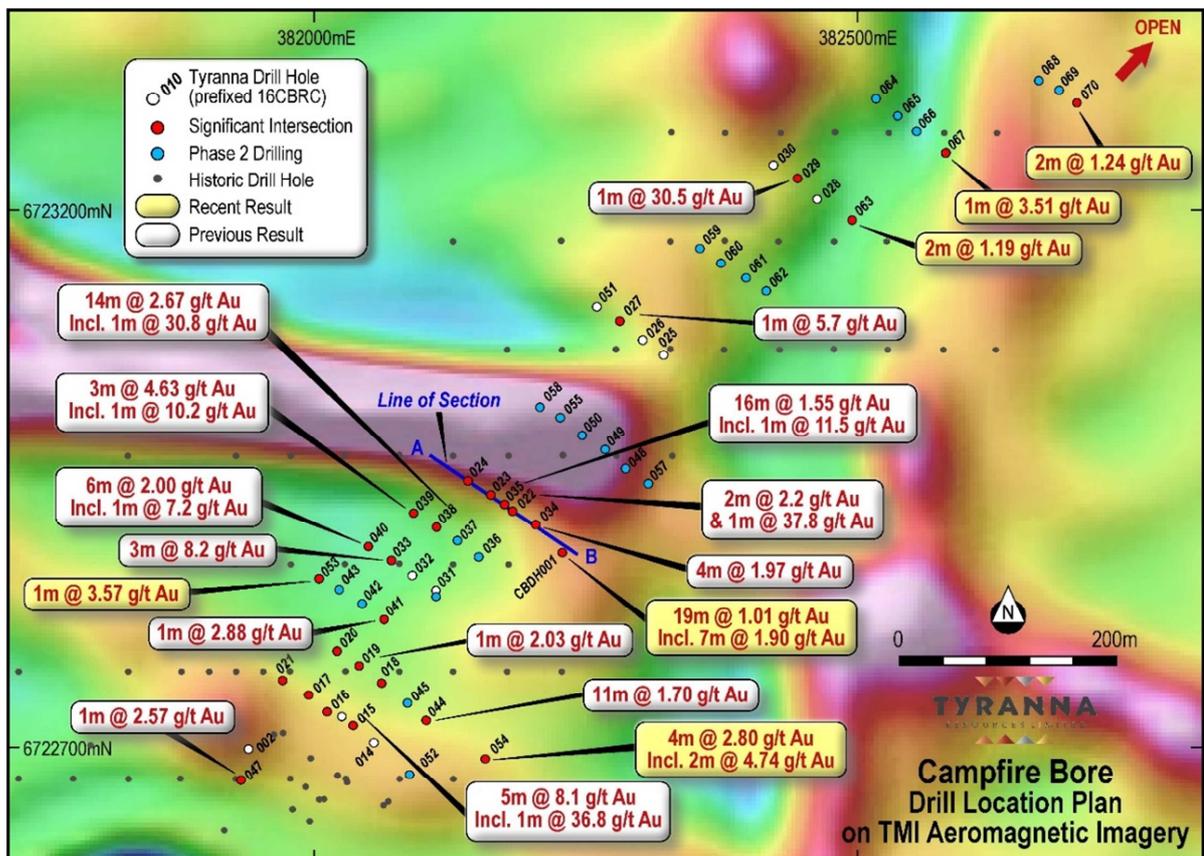


Figure 4: Drillhole location plan at Campfire Bore

DIRECTORS' REPORT

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

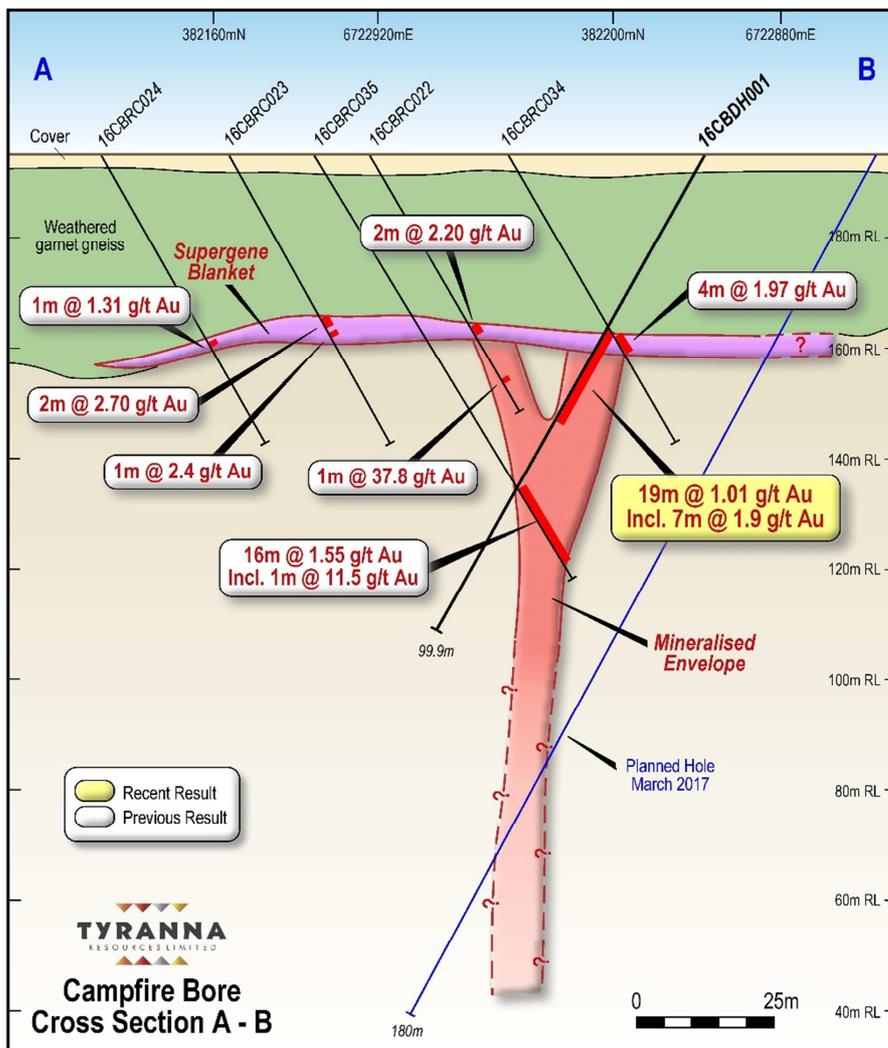


Figure 5: Cross Section at Campfire Bore

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

The JV plans to undertake further exploration at Campfire Bore in the coming months.

Other areas

Planned drilling at the Typhoon and Monsoon prospects (located 40km south of Challenger gold mine) has been deferred until March 2017 due to delays in conducting required Aboriginal heritage surveys. The heritage surveys were completed in November and all clearances received. Typhoon and Monsoon will be drilled as a priority in the new round of drilling, which is scheduled to commence in March 2017.

DIRECTORS' REPORT

New Tenements

Eagle Hawk – EL 4932

Tyranna entered a binding letter agreement to purchase EL 4932 from Mincor Resources NL for \$30,000. EL 4932 comprises an area of 624km² and adds significantly to Tyranna's land holding at Jumbuck, located approximately 50km to the east of Challenger Gold Mine. Historic work has primarily concentrated on the IOCG potential due to the presence of Hiltaba age geology within the eastern half of the tenement, and this remains exciting. Challenger-style gold exploration however has been minimal and there is plenty of scope for further work as numerous geochemical targets have not yet been drill tested. As Tyranna's understanding of an effective exploration model from regional to prospect scale for this terrain develops, the company's status as the largest land holder in the region will become increasingly important.

Deep Leads – EL 5032

Tyranna entered an agreement to purchase EL 5032 from FMG Resources Pty Ltd for \$30,000. EL5032 comprises an area of 154km² and joins up the two most exciting areas in the southern half of the Jumbuck project area – the Typhoon-Monsoon and South Hilga trends. Historically it has been ignored due to a paleochannel that occurs within the licence which obfuscates the geochemical data. Tyranna recognises this as an opportunity as it works towards an updated model of gold exploration using geochemical data. Tyranna is planning to drill in the Jumbuck South area in the first quarter of 2017 which gives added importance to the addition of this tenement to the portfolio. Furthermore, exploration at the Durkin and Aristarchus prospects which are within the same geological terrain in Jumbuck South, has proven there to be the potential for ultramafic, nickel-copper-PGE style mineralisation.

The agreement reached in October to transfer of all mineral rights to the joint venture ground to Tyranna (from WPG Resources Ltd) now means that the company has 9,762km² of ground for exploration.

WILCHERRY JOINT VENTURE

During the period, Tyranna received \$2 million from Alliance Resources Ltd (Alliance) for the sale of 51% equity interest in the Wilcherry Project (Project).

Zealous Prospect

The Zealous Prospect is located within the Wilcherry Project, a joint venture between Alliance Resources Ltd ("Alliance", ASX: AGS) which holds 51% and Tyranna which holds 49%.

A three-hole drilling program, completed prior to the commencement of the joint venture, primarily targeted a magnetic anomaly thought to represent a potential source for the tin previously intersected at the prospect, however there is insufficient magnetism in the core to explain the anomaly.

Only one hole intersected anomalous tin, 28m @ 469ppm Sn from 41m in 16ZLDH003.

However, significant lead (Pb), zinc (Zn) and uranium (U) results were intersected, e.g. 63m @ 1.06% Pb from 36m and 129m @ 0.24% Zn from 69m, including 3m @ 747ppm U in 16ZLDH003.

Alliance geologists revisited drilling results from 2012-2014 by Trafford Resources Ltd based on these results, and results of the review indicated a significant number of large, low grade lead-zinc intercepts at Zealous, which in conjunction with the tin results and known geology of the district, supports a distal mineralised environment which may be suitable for the development of a replacement sulphide-hosted tin deposit similar to Renison, Tasmania.

The 2012 discovery of high-grade tin in this region indicates that a reduced tin-bearing granite has intruded

DIRECTORS' REPORT

the Paleoproterozoic sediments, which include multiple fold-repeated horizons of dolomite (the favourable host rock for replacement tin deposits), and potentially represents a new and significant tin province in South Australia.

Alliance is continuing to review the extensive existing drilling database and commenced an helicopter based electromagnetic (HEM) geophysical survey over the Project area to test for conductors associated with massive sulphide (tin, copper-gold, lead-zinc-silver) deposits.

Wilcherry Heli EM Survey

A regional helicopter-based electromagnetic (HEM) survey at the Wilcherry Project commenced in early December. The survey, using the Xcite™ system, tested for conductors associated with massive sulphide base metal deposits including tin, copper-gold, and silver-lead-zinc deposits. The survey is being flown on 800 metre spaced east-west oriented lines and infilled to 400 metre line spacing in areas of significant conductivity.

Production from the HEM survey was slower than expected due to a smaller aircraft being available for the survey and high wind conditions. In late December, 1,085 line kilometres (86%) of the original planned survey area was completed and an additional 76 line kilometres of infill surveying had been flown.

The survey was paused over the Christmas-New Year period, due to prior commitments of the aircraft, and is planned to recommence in February 2017.

Results received to date have been highly encouraging with many late-time conductors identified, potentially indicative of massive sulphide mineralisation.

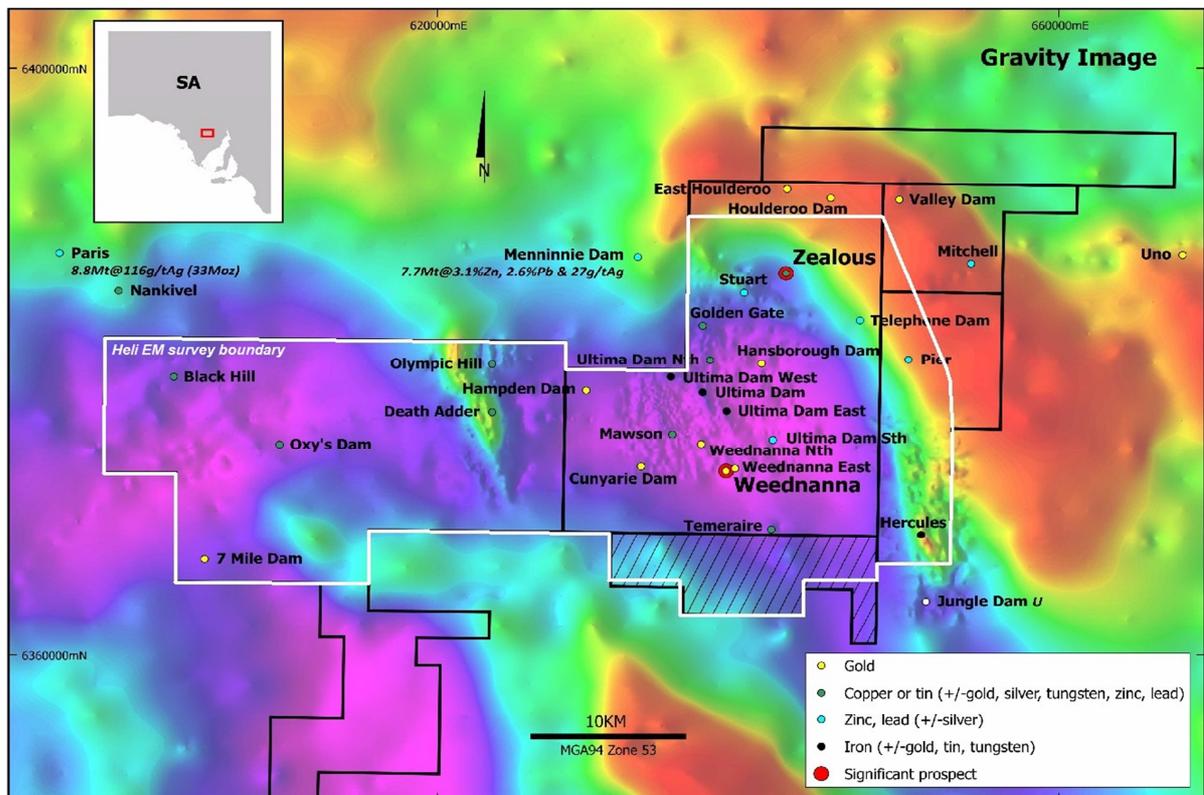


Figure 6: Wilcherry Project: Location of HEM survey area on a gravity image with prospects. Gravity lows are indicated by purple colour (indicating prospective Hiltaba Granite)

DIRECTORS' REPORT

Most of these conductors still require infill flying, however surveying is complete at the Zealous tin prospect and the Telephone Dam silver-lead-zinc prospect where strong late-time conductors have been identified.

The conductor at Zealous is arcuate and approximately 1.7 kilometres long. The anomaly is located 450 metres to the northwest of previous drilling at the prospect and presents a high priority target for future exploration.

The conductor at Telephone Dam strikes north-south and is approximately 3.0 kilometres long. While some drilling has been completed at this prospect, its effectiveness at testing the conductor is uncertain at this stage.

Investments

Orinoco Gold Ltd

Tyranna currently has a 4.7% shareholding in ASX-listed Orinoco Gold Ltd ("Orinoco") which operates the high-grade Cascavel gold project in Brazil. During the quarter, Tyranna agreed to provide a convertible loan to Orinoco amounting to \$500,000, with Orinoco agreeing to appoint Tyranna's Technical Director Nick Revell as an Orinoco director. Orinoco required the funding to recommence the Cascavel plant after technical consultants determined that operational issues at the plant could be resolved with minor modifications and refinements with additional developments to improve access and infrastructure underground during trial mining.

Kairos Minerals Ltd

During the period, the Company received 9 million shares in Kairos Minerals as part consideration of Tyranna vending its 90% interest of the Lynas Find assets (renamed The Mount York Gold-Lithium Project) pursuant to the Term Sheet announced to ASX by both Companies on 28th January 2016. This 9 million shares in Kairos was issued as a result of the conversion of the Mount York Gold Lithium exploration tenement applications to granted exploration licenses. Tyranna now has a total of 28,335,000 shares in Kairos amounting to 7.28% of the issued capital of Kairos Minerals Ltd.

Corporate

Board and Management Changes

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

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

Shares issued and cancelled during the period

During the period, the Company issued 115,133,570 (2015: 37,262,483) ordinary shares from share placements, and exercise of options.

Operating Results and Financial Review

Profit and loss

The Group's loss for the half-year after providing for income tax amounted to \$4,723,486 (2015: \$1,162,637).

Financial position

The directors believe the Group is in a stable financial position to expand and grow its current operations. The Group's net assets as at 31 December 2016 are \$15,921,039 (30 June 2016: \$19,035,940).

DIRECTORS' REPORT

Liquidity and capital resources

The Company's principal source of liquidity as at 31 December 2016 is cash of \$3,264,879 (30 June 2016: \$302,047); \$2,579,489 of which (30 June 2016: \$217,605) has been placed as short term deposits.

The Company's main source of cash during the period was from the proceeds of capital raisings, proceeds from the sale of the barge and the sale of its 51% interest in Wilcherry Project Area.

Significant Changes in State of Affairs

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

Significant Events After Balance Date

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

Competent Persons Statement

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

Mr. Revell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 12 of the Financial Report for the half-year ended 31 December 2016.

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



Joseph Pinto
Chairman
Perth, 14 March 2017



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(WA) Pty Ltd**

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To the Board of Directors

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

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

Yours faithfully

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

Dated at Perth this 14th day of March 2017



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- Accountants
- Auditors
- Advisors

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Note	31 December 2016	31 December 2015
		\$	\$
Revenue and other income		7,400	326,994
Administration expense		(52,269)	(52,184)
Consultancy expenses		(156,511)	(183,386)
Compliance & regulatory expenses		(48,002)	(49,523)
Director fees		(47,396)	(82,648)
Depreciation and amortisation expense		(183,885)	(290,986)
Finance costs		(6,267)	(65,853)
Legal fees		(67,843)	(15,662)
Occupancy costs		(89,976)	(125,943)
Share-based payments		10,877	(4,167)
Public relations cost		(45,520)	(19,156)
Staff costs expenses		(684,787)	(235,802)
Foreign exchange gain		1,758	138,042
Impairment	4, 5, 6	(2,242,743)	(548,750)
Net fair value gain/(loss) on financial assets recognised at fair value through profit or loss		(126,690)	-
Exploration costs written off		(1,699,024)	(1,062,773)
Other expenses from ordinary activities		(69,341)	(104,503)
		<hr/>	<hr/>
Loss before income tax expense		(5,500,219)	(2,376,300)
Income tax benefit		776,733	1,213,663
		<hr/>	<hr/>
Net loss for the period		(4,723,486)	(1,162,637)
Other comprehensive income		(2,330,837)	1,327,398
		<hr/>	<hr/>
Total comprehensive profit/(loss) for the period		(7,054,323)	164,761
		<hr/>	<hr/>
Basic loss per share (cents per share)		(1.32)	(0.45)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016 \$	30 June 2016 \$
CURRENT ASSETS			
Cash and cash equivalents	2	3,264,879	302,047
Trade and other receivables	3	1,408,550	1,964,064
TOTAL CURRENT ASSETS		<u>4,673,429</u>	<u>2,266,111</u>
NON-CURRENT ASSETS			
Trade and other receivables	3	45,000	45,000
Property, plant and equipment	4	4,478,039	4,624,708
Exploration and evaluation costs	5	5,716,568	8,930,000
Financial assets	6	1,942,219	4,771,477
TOTAL NON-CURRENT ASSETS		<u>12,181,826</u>	<u>18,371,185</u>
TOTAL ASSETS		<u>16,855,255</u>	<u>20,637,296</u>
CURRENT LIABILITIES			
Trade and other payables	7	775,665	1,244,916
Borrowings	8	-	200,000
Provisions		158,551	156,440
TOTAL CURRENT LIABILITIES		<u>934,216</u>	<u>1,601,356</u>
TOTAL LIABILITIES		<u>934,216</u>	<u>1,601,356</u>
NET ASSETS		<u>15,921,039</u>	<u>19,035,940</u>
EQUITY			
Issued capital	10	76,756,544	72,834,176
Reserves		157,781	2,471,564
Accumulated Losses		(60,993,286)	(56,269,800)
TOTAL ENTITY INTEREST		<u>15,921,039</u>	<u>19,035,940</u>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	Issued Capital	Accumulated Losses	Financial Asset Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016	72,834,176	(56,269,800)	2,330,837	140,727	19,035,940
Loss for the period	-	(4,723,486)	-	-	(4,723,486)
Other comprehensive income	-	-	(2,330,837)	-	(2,330,837)
Total comprehensive income for the period	-	(4,723,486)	(2,330,837)	-	(7,054,323)
<i>Transaction with owners, in the capacity as owners, and other transfers</i>					
Expiry of share-based payments	-	-	-	-	-
Options issued during the period	-	-	-	27,931	27,931
Performance rights issued	-	-	-	39,623	39,623
Performance rights cancelled	-	-	-	(50,500)	(50,500)
Shares issued during the period	4,217,205	-	-	-	4,217,205
Transaction costs	(294,837)	-	-	-	(294,837)
Balance at 31 December 2016	76,756,544	(60,993,286)	-	157,781	15,921,039
Balance at 1 July 2015	71,164,212	(54,665,795)	101,204	81,706	16,681,327
Loss for the period	-	(1,162,637)	-	-	(1,162,637)
Other comprehensive income	-	-	1,327,398	-	1,327,398
Total comprehensive income for the period	-	(1,162,637)	1,327,398	-	164,761
<i>Transaction with owners, in the capacity as owners, and other transfers</i>					
Expiry of share-based payments	-	-	-	-	-
Options issued during the period	(9,049)	-	-	23,777	14,728
Shares issued during the period	945,530	-	-	-	945,530
Transaction costs	(43,437)	-	-	-	(43,437)
Balance at 31 December 2015	72,057,256	(55,828,432)	1,428,602	105,483	17,762,909

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	31 December 2016	31 December 2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,281,913)	(952,042)
Payments for exploration and evaluation activity	(2,096,985)	(878,596)
Interest received	7,400	662
Interest and other charges paid	(9,817)	(32,805)
Research and development rebate and other income	-	309,892
Net cash used in operating activities	(3,381,315)	(1,552,889)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds received from asset held for sale	1,372,465	521,091
Proceeds from disposal of financial assets	-	112,821
Proceeds from disposal of tenements	2,000,000	-
Acquisition of property, plant and equipment	(56,322)	(8,292)
Receipt on security deposits	-	200
Loan to Other Entity	(500,000)	-
Acquisition of financial assets	(162,580)	-
Net cash used in investing activities	2,653,563	625,820
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (repayment of) borrowings	(100,000)	945,529
Fundraising costs	(253,529)	(59,040)
Proceeds from Share Issue	4,011,544	-
Net cash provided by (used in) financing activities	3,658,015	886,489
Net increase (decrease) in cash held	2,930,263	(40,580)
Cash and cash equivalents at 1 July	302,047	390,644
Effects of exchange rates on cash holdings in foreign currencies	32,569	(20,467)
Closing Cash and Cash Equivalents	3,264,879	329,597

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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

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

Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the company's 2016 annual financial report for the financial year ended 30 June 2016, except for the impact of the Standards and Interpretations described below, and the change in accounting policy as described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

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

- AASB 2014-1: Amendments to Australian Accounting Standards (Part D);
- AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations;
- AASB 2014-4: Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation;
- AASB 2014-9: Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements;
- AASB 2015-1: Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle;
- AASB 2015-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101;
- AASB 2015-5: Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception; and
- AASB 2015-9: Amendments to Australian Accounting Standards – Scope and Application Paragraphs.

The adoption of the above standards have not had a material impact on this half year financial report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Going Concern

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

The Group incurred a loss for the period of \$4,723,486 (2015: \$1,162,637) and net cash outflows from operating activities of \$3,381,315 (2015: \$1,552,889).

As at 31 December 2016, the Group had a working capital position of \$3,739,213 (30 June 2016: \$664,755). The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this half-year financial report.

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

- The Group has lodged claim for the Research and Development Rebate for the 2016 financial year subsequent to 31 December 2016 (refer to Note 3);
- The Directors have an appropriate plan to raise additional funds as and when they are required. In light of the Group's current exploration and project development, the Directors believe that the additional capital required can be raised in the market; and
- The Directors have an appropriate plan to contain certain expenditure if appropriate funding is unavailable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 December	30 June
	2016	2016
	\$	\$
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	685,390	84,442
Short-term bank deposits	2,579,489	217,605
	3,264,879	302,047

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

NOTE 3: TRADE AND OTHER RECEIVABLES*CURRENT*

GST receivables	28,741	-
Receivable from sale of barge(i)	34,549	1,437,665
Receivable from sale of tenement (ii)	-	495,000
Convertible loan (iii)	500,000	-
R&D Rebate	776,733	-
Other receivables	68,527	31,399
	1,408,550	1,964,064

NON-CURRENT

Environmental bond	30,000	30,000
Other bonds	15,000	15,000
	45,000	45,000

- (i) After 30 June 2016, the Group received most of the receivable from the sale of the barge, with only US\$25,000 remaining to be received by July 2017.
- (ii) After 30 June 2016, the Group received 9,000,000 shares in Kairos Minerals Limited when the Lynas Find Lithium-Gold Project tenements were granted. The receivables from Kairos Minerals Limited were measured at the prevailing share price as at 30 June 2016.
- (iii) During the period, the Group entered into Convertible Loan Agreement with Orinoco Gold Ltd where it provided Orinoco a \$500,000 loan with 10% p.a. interest. Both the principal and interest amount can be converted into equity in Orinoco upon Orinoco finalising a pro-rata non-renounceable rights issue, with conversion price determined as the lower of the rights issue price or 15 day VWAP. Orinoco will also issue the Company with additional options equal to the number of shares issued to the Company as part of the rights issue, for a price of \$0.001 per options.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 December 2016 \$	30 June 2016 \$
NOTE 4: PROPERTY, PLANT AND EQUIPMENT		
RESIDENTIAL CAMP		
At cost	4,500,000	4,500,000
Accumulated depreciation	(450,000)	(337,500)
	4,050,000	4,162,500
(a) Reconciliation		
Carrying amount at beginning of period	4,162,500	4,387,500
Depreciation expense	(112,500)	(225,000)
Carrying amount at end of period	4,050,000	4,162,500
PLANT AND EQUIPMENT		
At cost	792,578	755,362
Accumulated depreciation	(364,539)	(293,154)
	428,039	462,208
(b) Reconciliation		
Carrying amount at beginning of period	462,208	1,486,515
Asset impairment (i)	-	(548,750)
Equipment additions	37,216	43,522
Equipment disposal		(271,250)
Depreciation expense	(71,385)	(247,829)
Carrying amount at end of period	428,039	462,208
Total Property, Plant and Equipment	4,478,039	4,624,708

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

- (i) Impairment charges of \$548,750 was recognised based on indicators that the fair value of the asset was lower than the carrying value as at 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 December	30 June
	2016	2016
	\$	\$
NOTE 5: EXPLORATION AND EVALUATION COST		
Carrying amount at beginning	8,930,000	8,930,000
Addition/(Reduction):		
Disposal of 51% interest in Wilcherry Hill Project Area ¹	(2,000,000)	-
Less impairment on capitalised acquisition cost ²	(1,213,432)	-
	5,716,568	8,930,000

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

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

NOTE 6: FINANCIAL ASSETS

Shares in Orinoco Gold Limited (i)	1,085,483	3,648,101
Shares in Kairos Minerals Limited (ii)	850,050	990,000
Options in Kairos Minerals Limited (iii)	6,686	133,376
	1,942,219	4,771,477

- (i) At 31 December 2016, the Group has 15,506,902 shares in Orinoco Gold Limited. Investment in Orinoco Gold Limited is measured at the fair value as at 31 December 2016. During the period, the Group increased its holdings in Orinoco by 616,694 shares through on market purchase.

An impairment of \$336,936 has been recognised on the Group's investment in Orinoco Gold Limited as at 31 December 2016.

- (ii) At 31 December 2016, the Group has 28,335,000 shares in Kairos Minerals Limited. Investment in Kairos Minerals Limited is measured at the prevailing share price as at 31 December 2016. During the period, the Group received additional 9,000,000 shares in Kairos Minerals Limited when the Lynas Find Lithium-Gold Project tenements were granted. The Group also increased its holdings in Kairos by another 1,335,000 shares through on market purchase.

An impairment of \$692,375 has been recognised on the Group's investment in Kairos Minerals Limited as at 31 December 2016.

- (iii) The Group has 9 million options in Kairos Minerals Limited exercisable at \$0.10 on or before 30 June 2017. The options are measured as at 31 December 2016 using Black and Scholes method.

NOTE 7: TRADE AND OTHER PAYABLES

Accounts payable	758,015	1,155,465
Accruals	17,650	20,000
GST Payable	-	69,451
	775,665	1,244,916

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 9: OPERATING SEGMENTS (CONTINUED)

	Exploration International \$	Exploration WA \$	Shipping \$	Exploration SA \$	Total \$
(i) Segment performance					
Period ended					
31.12.2016					
Segment revenue	-	-	-	-	-
<i>Reconciliation of segment revenue to Group's revenue</i>					
Net interest income					7,400
Other income					-
Total revenue					<u>7,400</u>
Segment result	-	(38,806)	-	(2,873,650)	(2,912,456)
<i>Reconciliation of segment result to Group's net loss before tax</i>					
Unallocated items:					
Net corporate Charges					(2,414,755)
Depreciation					(183,885)
Share-based payments					10,877
Net loss before income tax					<u>(5,500,219)</u>
Period ended					
31.12.2015					
Segment revenue	-	-	-	-	-
<i>Reconciliation of segment revenue to Group's revenue</i>					
Net interest income					662
Other income					326,332
Total revenue					<u>326,994</u>
Segment result	(724)	(32,889)	138,042	(1,577,910)	(1,473,481)
<i>Reconciliation of segment result to Group's net loss before tax</i>					
Unallocated items:					
Net corporate Charges					(607,666)
Depreciation					(290,986)
Share-based payments					(4,167)
Net loss before income tax					<u>(2,376,300)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 9: OPERATING SEGMENTS (CONTINUED)

(ii) Segment assets	Exploration International \$	Exploration WA \$	Shipping \$	Exploration SA \$	Total \$
Period ended					
31.12.2016					
Segment assets	-	-	-	10,156,568	10,156,568
<i>Reconciliation of segment assets to Group's assets</i>					
<i>Unallocated items:</i>					
Cash and cash equivalents					3,264,879
Trade and other receivables					631,817
Financial assets					2,640,030
Property, plant and equipment					83,039
Total assets					16,776,333
Additions/(reductions) in segment assets for the year:					
Capital expenditure	-	-	-	-	-
Depreciation	-	-	-	(170,000)	(170,000)
Asset impairment	-	-	-	(1,213,432)	(1,213,432)
Disposal	-	-	-	(2,000,000)	(2,000,000)
Total additions/(reductions)	-	-	-	(3,383,432)	(3,383,432)
Period ended					
30.06.2016					
Segment assets	-	-	-	13,540,000	13,540,000
<i>Reconciliation of segment assets to Group's assets</i>					
<i>Unallocated items:</i>					
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 period:					
Capital expenditure	-	-	4,758	-	4,758
Depreciation	-	-	-	(442,500)	(442,500)
Asset impairment	-	-	-	(548,750)	(548,750)
Disposal	-	-	(2,601,758)	(271,250)	(2,873,008)
Total additions/(reductions)	-	-	(2,597,000)	(1,262,500)	(3,859,500)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 10: ISSUED CAPITAL

	No of shares	Total \$
a. Ordinary shares		
Balance at beginning of reporting period	283,382,719	72,834,176
Placement at \$0.0313	3,375,718	105,660
Placement at \$0.033	3,000,000	100,000
Placement at \$0.037	48,000,000	1,776,000
Entitlement offer at \$0.037	48,252,747	1,785,352
Placement at \$0.036	12,502,795	450,100
Exercise of 4 cent options	2,310	92
Transaction costs relation to share issues	-	(294,836)
Balance at end of reporting period	398,516,289	76,756,544
	No of options and performance rights	Total \$
b. Options and Performance rights		
Balance at beginning of reporting period	49,626,448	140,727
Brokers fees	1,750,000	27,931
Performance rights issued to employees	3,202,500	17,269
Placement at \$0.037 - free attaching options	24,000,000	-
Entitlement offer at \$0.037 - free attaching options	24,126,463	-
Cancellation of performance rights (i)	(6,900,000)	(29,167)
Exercise of 4 cent options	(2,310)	-
Performance rights issued to directors (ii)	15,000,000	1,021
Balance at end of reporting period	110,803,101	157,781
(i)	During the period, the Company cancelled 6,900,000 performance rights issued to existing and former directors.	
(ii)	The Company issued current directors with 15,000,000 performance rights. These performance rights were approved at the Company's Annual General Meeting held on 30 November 2016. The performance rights were independently valued in accordance to the probability of achieving the required performance milestones at grant date.	

NOTE 11: CONTINGENT LIABILITIES

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting date, the Group completed the conversion of the convertible loan with Orinoco Gold Limited to 7,411,664 shares and 7,411,664 options exercisable at \$0.11 on or before 31 January 2020.

On 14 March 2017, the price of Orinoco Gold Ltd was \$0.051 per share, which reduced the total fair value of the investment held by \$294,631.

On 14 March 2017, the price of Kairos Minerals Ltd was \$0.044 per share, which increased the total fair value of the investment held by \$396,690.

There has been no other significant event after reporting date.

NOTE 13: DIVIDEND

No Dividend has been paid during or recommended for the half year ended 31 December 2016.

NOTE 14: FINANCIAL INSTRUMENTS

The Group's financial instruments consist of cash and cash equivalents, trade and other receivable, trade and other payables and borrowings. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

NOTE 15: RELATED PARTY INFORMATION

Transactions with related entities:

Directors Performance Rights

The Company issued 15,000,000 Performance Rights to its Directors during the period, which was approved at the Company's Annual General Meeting held on 30 November 2016. These performance rights were independently valued in accordance to the probability of achieving the required performance milestones at grant date.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 13 to 26:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001; and
 - b. give a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Joseph Pinto

Chairman

Perth, 14 March 2017



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Independent Auditor's Review Report

To the Members of Tyranna Resources Limited

We have reviewed the accompanying half-year financial report of Tyranna Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



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



Independence

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

Conclusion

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

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

A handwritten signature in blue ink that reads "Bentleys".

BENTLEYS
Chartered Accountants

A handwritten signature in blue ink that reads "Mark DeLaurentis".

MARK DELAURENTIS CA
Director

Dated at Perth this 14th day of March 2017