

# Tyranna Resources Limited

ABN 79 124 990 405



and

Controlled Entities

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## Interim Financial Report

For the half-year ended

31 December 2015

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2015 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**

Ian D. Finch

**MANAGING DIRECTOR**

Bruno Seneque

**NON-EXECUTIVE DIRECTORS**

Neil W. McKay

**COMPANY SECRETARY**

Neil W. McKay

**REGISTERED OFFICE**

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Telephone: +61 (08) 9226 4500  
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**SHARE REGISTRAR**

Advanced Share Registry Ltd  
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Telephone: +61 (08) 9389 8033  
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**STOCK EXCHANGE LISTING**

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

**BANKERS**

Westpac Banking Corporation  
Murray Street  
West Perth, WA 6005

## **DIRECTORS' REPORT**

Your directors submit the financial report of the Group for the half-year ended 31 December 2015.

### **Directors**

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

Mr. Ian Finch  
Mr. Bruno Seneque  
Mr. Neil McKay  
Mr. Peter Rowe (deceased on 27 September 2015)

### **Company Secretary**

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

Neil McKay — Bachelor of Business

### **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 include:

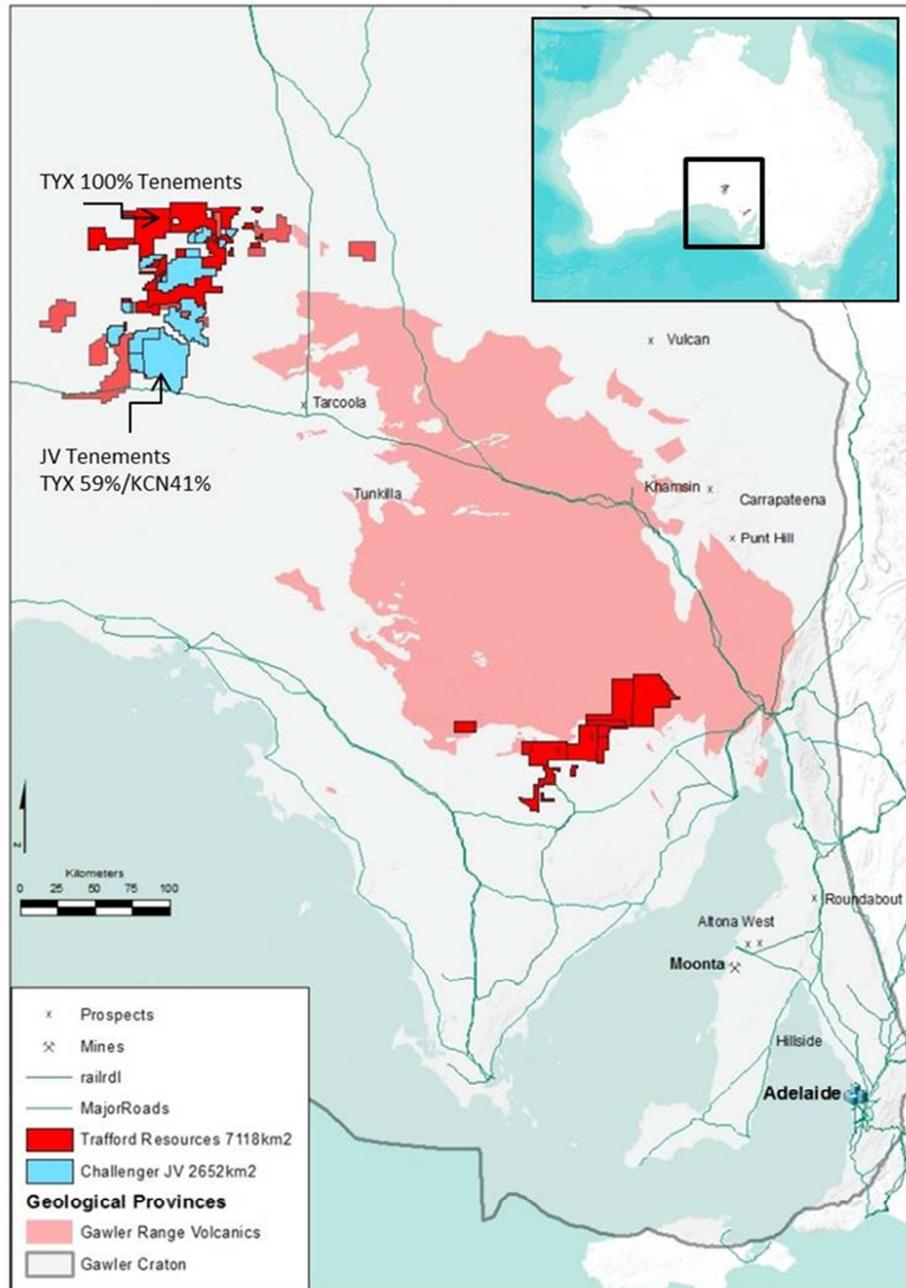
- Change of Company's name to Tyranna Resources Limited.
- Sale of Barge for US \$2 Million.
- Completion of 1<sup>st</sup> Phase drilling at the Golf Bore Prospect which forms part of the Challenger Joint Venture.
- Increase the Company's stake in the Challenger Joint Venture from 53% to 59%.

**DIRECTORS' REPORT**

**Jumbuck Gold Project**

**Exploration Activities**

During the half-year, the Company completed the 1<sup>st</sup> Phase drilling program at the Golf Bore Prospect. A total of 4,829 meters of drilling were completed in September 2015. A total of 89 holes were drilled and 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**

The Jumbuck Gold Project comprises over 8,000 Km2 of contiguous tenements surrounding the 1 Million ounce Challenger gold mine. The Golf Bore Prospect is one of seven advanced prospects at Jumbuck, all of which are located within 50kms from the Challenger minesite.

## DIRECTORS' REPORT

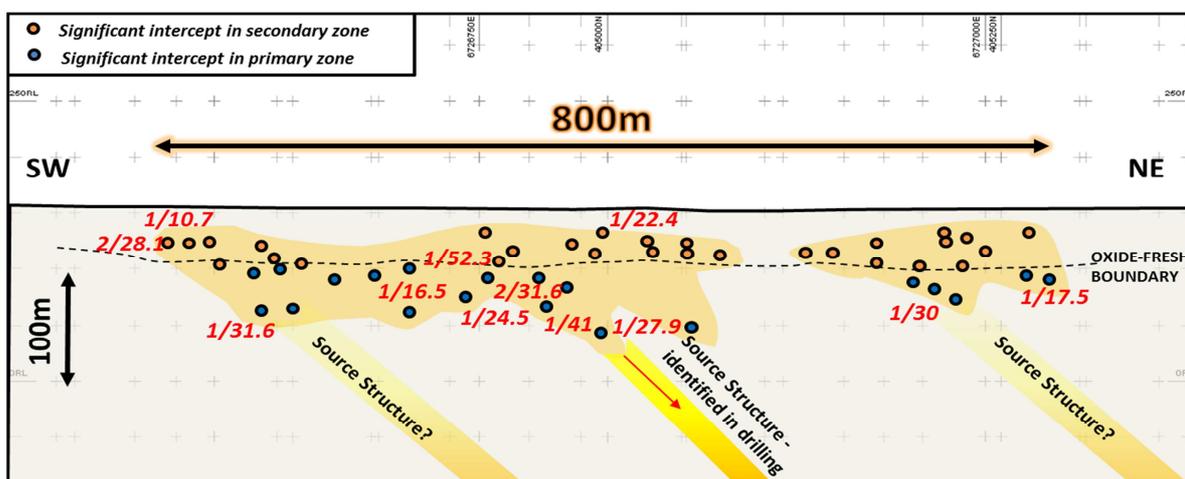
Tyranna initiated the Golf Bore drilling program with the ambition to delineate a low cost, mineable, near surface, gold orebody, and locate likely "feeder" zones (primary gold shoots) beneath the supergene blanket. The drilling was successful on both counts. Selected high grade Gold Intercepts include:

- 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.

A 2nd Phase of drilling at the Golf Bore Prospect in South Australia's Western Gawler Craton commenced on the 1st of December, 2015. When completed, the drilling will comprise 2,000m of reverse circulation (RC) drilling aimed at augmenting the Phase 1 drilling which was successful in defining and extending the known, near surface, supergene (oxide) gold resource

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.**

The latest drilling will test the continuity of the central feeder structures at Golf Bore. If successful it would indicate the existence of a gold mineralized structure which may be similar to that at the 1 million ounce Challenger Mine, approximately 50 km to the South West. Drilling will also test the depth potential of other delineated structures.

Drilling was suspended on 20 December 2015, due to adverse weather conditions. A total of 12 boreholes have

**DIRECTORS' REPORT**

been completed and a total of 1,356 samples submitted to the laboratory.

The Company intends to continue drilling within the Jumbuck Gold Project area throughout 2016. The exploration team will also be defining new targets at Jumbuck by carrying out additional calcrete geochemistry programs. The immediate target is to realise a near surface (0m to 60m) gold inventory of ~500,000 ounces that can be readily and simply processed. Thereafter, selected, deeper, primary ore will be targeted with an overall aspirational target of over 3 million ounces within the next 2 years.

**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.

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

**Table 1: 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 Kingsgate Consolidated Limited 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%.

Kingsgate has recently announced that it had concluded negotiations to sell its subsidiary company, Challenger Gold Operations Pty Ltd (CGO), which includes the Challenger mine and processing facilities as well as its minority share in the TYX / KCN Joint venture (currently 41%), to a 50:50 Joint Venture between Western Plains Group (WPG) Resources Limited and Diversified Minerals Pty Ltd. It has also indicated that it did not wish to contribute to Tyranna's proposed exploration/development budget for the coming 6 months period.

**Investments****Orinoco Gold Ltd**

Orinoco Gold Ltd (ASX:OGX) is currently in the process of mine and processing plant construction at their Cascavel prospect in Brazil, with first gold production planned for the 1st quarter 2016.

Routine sampling during the development of the main decline shaft and ore drives has been carried out. The Main decline has been developed in the "low grade" section of the ore body, whilst the ore drives (precursors to mine stopes) are aimed at the higher grade gold ore shoots.

## DIRECTORS' REPORT

The first development level ("0" level) returned panel samples of:

- 2.9 metres @ 77g/t (2.5 ounce/t).
- 2.2 metres @ 233g/t (7.5 ounce/t) Including 1.08 metres @ 469g/t (15 ounce/t).

Further announcements by Orinoco Gold in December 2015 stated that additional bonanza grade gold results up to 290g/t (9.3ozs) were returned from underground development sampling at the Cascavel project and as a result the high grade zones have been extended significantly. It also reports that the onsite installation of the gold plant has commenced and that the Australian built gravity circuit is on schedule for delivery to site towards the end of December 2015.

As at 31 December 2015, Tyranna held 6.48% 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.

Mr. Ian Finch stepped down from his role as Chief Executive on 1 December 2015, to take up the position of Chairman.

#### *Disposal of the Barge*

During the period, the Company announced that it has 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 include the ratification and issue of options and the adoption of a new constitution.

#### *Shares issued and cancelled during the year*

During the year, the Company issued 37,262,483 (2014:300,000) ordinary shares from share placements, and share purchase plan. It has also finalised the cancellation of 28,775,334 ordinary shares held by its wholly owned subsidiary – Trafford Resources Pty Ltd.

## Operating Results and Financial Review

### *Profit and loss*

The Group's loss for the half-year after providing for income tax amounted to \$1,152,076 (2014: \$288,406).

### *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 2015 are \$17,762,909 (30 June 2015: \$16,681,327).

### *Liquidity and capital resources*

The Company's principal source of liquidity as at 31 December 2015 is cash of \$329,597 (30 June 2015: \$390,644); \$311,731 of which (30 June 2015: \$187,306) has been placed as short term deposits.

The Company's main source of cash during the period was from the proceeds of capital raisings, and research and development rebate.

## 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

## **DIRECTORS' REPORT**

during the half-year not already disclosed in this report, the financial statements or notes attached thereto.

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

There have been no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at Note 13: Events Subsequent to Reporting Date.

### **Competent Persons Statement**

The information in the Directors Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based, and fairly represents, information and supporting documentation compiled by Ian D. Finch, who is the Chairman of Tyranna Resources Limited and a Member of the Australian Institute of Mining and Metallurgy and who has more than five years experience in the field of activity being reported on.

Mr. Finch 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. Finch consents to the inclusion in the Directors 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 8 of the Financial Report for the half-year ended 31 December 2015.

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



Ian D. Finch  
Chairman  
Perth, 14 March 2016



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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 2015, 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 14<sup>th</sup> day of March 2016



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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 2015**

|   | Note | 31 December<br>2015 | 31 December<br>2014 |
|---|------|---------------------|---------------------|
|   |      | \$                  | \$                  |
| Revenue and other income                                |      | 326,994             | 15,324              |
| Administration expense                                  |      | (52,184)            | (14,440)            |
| Consultancy expenses                                    |      | (183,386)           | (92,851)            |
| Compliance & regulatory expenses                        |      | (49,523)            | (26,732)            |
| Director fees   |      | (82,648)            | (45,205)            |
| Depreciation and amortisation expense                   |      | (290,986)           | (9,013)             |
| Finance costs   |      | (65,853)            | (61,785)            |
| Legal fees  |      | (15,662)            | (3,281)             |
| Occupancy costs   |      | (125,943)           | (33,616)            |
| Share-based payments                                    |      | (4,167)             | -                   |
| Public relations cost                                   |      | (19,156)            | (150)               |
| Staff costs expenses                                    |      | (235,802)           | (793,163)           |
| Foreign exchange gain                                   |      | 138,042             | -                   |
| (Impairment)/impairment reversal                        | 5    | (548,750)           | 239,246             |
| Development costs written off                           |      | -                   | (1,069,787)         |
| Exploration costs written off                           |      | (1,062,773)         | (175,926)           |
| Other expenses from ordinary activities                 |      | (104,503)           | (29,996)            |
|   |      | <hr/>               | <hr/>               |
| <b>Loss before income tax expense</b>                   |      | (2,376,300)         | (2,101,375)         |
| Income tax benefit                                      |      | 1,213,663           | 1,812,969           |
|   |      | <hr/>               | <hr/>               |
| <b>Net loss for the period</b>                          |      | <b>(1,162,637)</b>  | <b>(288,406)</b>    |
| Other comprehensive income                              |      | 1,327,398           | -                   |
|   |      | <hr/>               | <hr/>               |
| <b>Total comprehensive profit/(loss) for the period</b> |      | <b>164,761</b>      | <b>(288,406)</b>    |
|   |      | <hr/> <hr/>         | <hr/> <hr/>         |
| <br>  |      |                     |                     |
| Basic loss per share (cents per share)                  |      | (0.45)              | (0.27)              |

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

|                                    | Note | 31 December<br>2015<br>\$ | 30 June<br>2015<br>\$    |
|------------------------------------|------|---------------------------|--------------------------|
| <b>CURRENT ASSETS</b>              |      |                           |                          |
| Cash and cash equivalents          | 2    | 329,597                   | 390,644                  |
| Trade and other receivables        | 3    | 957,077                   | 56,717                   |
| Assets classified as held for sale | 4    | 2,739,800                 | 2,597,000                |
| <b>TOTAL CURRENT ASSETS</b>        |      | <u>4,026,474</u>          | <u>3,044,361</u>         |
| <b>NON-CURRENT ASSETS</b>          |      |                           |                          |
| Trade and other receivables        |      | 45,000                    | 45,200                   |
| Property, plant and equipment      | 5    | 5,035,341                 | 5,874,015                |
| Exploration and evaluation costs   | 6    | 8,930,000                 | 8,930,000                |
| Financial assets                   | 7    | 2,645,865                 | 1,104,957                |
| <b>TOTAL NON-CURRENT ASSETS</b>    |      | <u>16,656,206</u>         | <u>15,954,172</u>        |
| <b>TOTAL ASSETS</b>                |      | <u><b>20,682,680</b></u>  | <u><b>18,998,533</b></u> |
| <b>CURRENT LIABILITIES</b>         |      |                           |                          |
| Trade and other payables           | 8    | 2,009,294                 | 1,450,468                |
| Borrowings                         | 9    | 723,658                   | 701,171                  |
| Provisions                         |      | 91,958                    | 100,820                  |
| <b>TOTAL CURRENT LIABILITIES</b>   |      | <u>2,824,910</u>          | <u>2,252,459</u>         |
| <b>NON CURRENT LIABILITIES</b>     |      |                           |                          |
| Provisions                         |      | 94,861                    | 64,747                   |
| <b>TOTAL CURRENT LIABILITIES</b>   |      | <u>94,861</u>             | <u>64,747</u>            |
| <b>TOTAL LIABILITIES</b>           |      | <u><b>2,919,771</b></u>   | <u><b>2,317,206</b></u>  |
| <b>NET ASSETS</b>                  |      | <u><b>17,762,909</b></u>  | <u><b>16,681,327</b></u> |
| <b>EQUITY</b>                      |      |                           |                          |
| Issued capital                     | 11   | 72,057,256                | 71,164,212               |
| Reserves                           |      | 1,534,085                 | 182,910                  |
| Accumulated Losses                 |      | (55,828,432)              | (54,665,795)             |
| <b>TOTAL ENTITY INTEREST</b>       |      | <u><b>17,762,909</b></u>  | <u><b>16,681,327</b></u> |

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

|  | Issued Capital    | Accumulated Losses  | Financial Asset Reserve | Option Reserve   | Total             |
|--|-------------------|---------------------|-------------------------|------------------|-------------------|
|  | \$                | \$                  | \$                      | \$               | \$                |
| <b>Balance at 1 July 2015</b>  | <b>71,164,212</b> | <b>(54,665,795)</b> | <b>101,204</b>          | <b>81,706</b>    | <b>16,681,327</b> |
| 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)          |
| <b>Balance at 31 December 2015</b>   | <b>72,057,256</b> | <b>(55,828,432)</b> | <b>1,428,602</b>        | <b>105,483</b>   | <b>17,762,909</b> |
| <b>Balance at 1 July 2014</b>  | <b>69,365,041</b> | <b>(61,320,473)</b> | <b>-</b>                | <b>2,834,224</b> | <b>10,878,792</b> |
| Loss for the period  | -                 | (288,406)           | -                       | -                | (288,406)         |
| Other comprehensive income   | -                 | -                   | -                       | -                | -                 |
| Total comprehensive income for the period                                      | -                 | (288,406)           | -                       | -                | (288,406)         |
| <i>Transaction with owners, in the capacity as owners, and other transfers</i> |                   |                     |                         |                  |                   |
| Expiry of share-based payments   | -                 | 2,798,524           | -                       | (2,798,524)      | -                 |
| Options issued during the period   | -                 | -                   | -                       | -                | -                 |
| Shares issued during the period  | 35,700            | -                   | -                       | (35,700)         | -                 |
| Transaction costs  | (1,613)           | -                   | -                       | -                | (1,613)           |
| <b>Balance at 31 December 2014</b>   | <b>69,399,128</b> | <b>(58,810,355)</b> | <b>-</b>                | <b>-</b>         | <b>10,588,773</b> |

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

|  | <b>31 December<br/>2015</b> | <b>31 December<br/>2014</b> |
|--|-----------------------------|-----------------------------|
|  | <b>\$</b>                   | <b>\$</b>                   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                             |                             |
| Payments to suppliers and employees                              | (952,042)                   | (1,035,802)                 |
| Payments for exploration and evaluation activity                 | (878,596)                   | (284,026)                   |
| Interest received  | 662                         | 15,442                      |
| Interest and other charges paid                                  | (32,805)                    | (4,752)                     |
| Research and development rebate and other income                 | 309,892                     | -                           |
| <b>Net cash used in operating activities</b>                     | <u>(1,552,889)</u>          | <u>(1,309,138)</u>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                             |                             |
| Net deposit received on asset held for sale                      | 521,091                     | -                           |
| Proceeds from disposal of financial assets                       | 112,821                     | -                           |
| Acquisition of property, plant and equipment                     | (8,292)                     | (300)                       |
| Receipt on security deposits                                     | 200                         | 127,743                     |
| Tenement acquisition cost  | -                           | -                           |
| Development of mineral tenements                                 | -                           | (1,015,627)                 |
| <b>Net cash used in investing activities</b>                     | <u>625,820</u>              | <u>(888,184)</u>            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |                             |                             |
| Proceeds from / (repayment of) borrowings                        | 945,529                     | 700,473                     |
| Fundraising costs  | (59,040)                    | (1,613)                     |
| <b>Net cash provided by (used in) financing activities</b>       | <u>886,489</u>              | <u>698,860</u>              |
| <b>Net increase (decrease) in cash held</b>                      | (40,580)                    | (1,498,462)                 |
| <b>Cash and cash equivalents at 1 July</b>                       | 390,644                     | 1,926,306                   |
| Effects of exchange rates on cash holdings in foreign currencies | (20,467)                    | 35                          |
| <b>Closing Cash and Cash Equivalents</b>                         | <u><u>329,597</u></u>       | <u><u>427,879</u></u>       |

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

**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 2015 annual financial report for the financial year ended 30 June 2015, 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 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'
- AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australia Groups with a Foreign Parent'

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 2015**

**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 \$1,162,637 (2014: \$288,406) and net cash outflows from operating activities of \$1,552,889 (2014: \$1,309,138).

As at 31 December 2015, the Group had a working capital position of \$1,201,564 (30 June 2015: \$791,902). 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 half-year financial report.

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

- The Directors have finalised the sales of the Group's assets classified as held for sale subsequent to 31 December 2015. As at 31 December 2015, there was \$684,950 in deposit liabilities relating to this transaction within trade and other payables (refer note 8), which is now no longer refundable and forms part of the consideration as a result of the completion of the sale;
- The Group has received the funds relating to the outstanding claim for the Research and Development Rebate for the 2015 financial year (refer note 3) subsequent to 31 December 2015;
- 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.

Should the Group not achieve the matters set out above, there is material uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

|   | 31 December<br>2015<br>\$ | 30 June<br>2015<br>\$ |
|---|---------------------------|-----------------------|
| <b>NOTE 2: CASH AND CASH EQUIVALENTS</b>  |                           |                       |
| Cash at bank and in hand  | 17,866                    | 203,338               |
| Short-term bank deposits  | 311,731                   | 187,306               |
|   | <b>329,597</b>            | <b>390,644</b>        |
| Cash at bank and short term bank deposits earn interest at floating rate based on daily bank deposit rates. |                           |                       |
| <b>NOTE 3: TRADE AND OTHER RECEIVABLES</b>  |                           |                       |
| GST receivables   | 102                       | 28,570                |
| Research and Development Rebate   | 903,771                   | -                     |
| Other receivables   | 53,204                    | 28,147                |
|   | <b>957,077</b>            | <b>56,717</b>         |
| <b>Note 4: ASSETS CLASSIFIED AS HELD FOR SALE</b>   |                           |                       |
| Barge (i)   | -                         | 2,597,000             |
|   | -                         | <b>2,597,000</b>      |
| <b>(a) Reconciliation</b>   |                           |                       |
| Carrying amount at beginning of period  | 2,597,000                 | 2,123,143             |
| Additions:  |                           |                       |
| Barge   | -                         | -                     |
| Foreign exchange gain   | 138,042                   | -                     |
| Disposal:   |                           |                       |
| Impairment reversal   | -                         | 623,347               |
| Final Adjustment to Barge construction price  | 4,758                     | (149,490)             |
| Carrying amount at end of period  | <b>2,739,800</b>          | <b>2,597,000</b>      |

- (i) The Group has entered into a sale and purchase agreement on its barge as it is no longer suitable for its operation methodology.

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

|   | 31 December<br>2015<br>\$ | 30 June<br>2015<br>\$ |
|---|---------------------------|-----------------------|
| NOTE 5: PROPERTY, PLANT AND EQUIPMENT   |                           |                       |
| RESIDENTIAL CAMP                        |                           |                       |
| At cost                                 | 4,500,000                 | 4,500,000             |
| Accumulated depreciation                | (225,000)                 | (112,500)             |
|   | <b>4,275,000</b>          | <b>4,387,500</b>      |
| (a) Reconciliation                      |                           |                       |
| Carrying amount at beginning of period  | 4,387,500                 | 5,056,585             |
| Asset impairment                        | -                         | (556,585)             |
| Depreciation expense                    | (112,500)                 | (112,500)             |
| Carrying amount at end of period        | <b>4,275,000</b>          | <b>4,387,500</b>      |
| PLANT AND EQUIPMENT                     |                           |                       |
| At cost                                 | 1,189,152                 | 1,736,840             |
| Accumulated depreciation                | (428,811)                 | (250,325)             |
|   | <b>760,341</b>            | <b>1,486,515</b>      |
| (b) Reconciliation                      |                           |                       |
| Carrying amount at beginning of period  | 1,486,515                 | 1,195,979             |
| Asset impairment (i)                    | (548,750)                 | (58,336)              |
| Transfer from assets under construction | -                         | 575,000               |
| Equipment additions                     | 1,062                     | 24,197                |
| Depreciation expense                    | (178,486)                 | (250,325)             |
| Carrying amount at end of period        | <b>760,341</b>            | <b>1,486,515</b>      |
| Total Property, Plant and Equipment     | <b>5,035,341</b>          | <b>5,874,015</b>      |

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 2015**

|  | <b>31 December</b> | <b>30 June</b>   |
|--|--------------------|------------------|
|  | <b>2015</b>        | <b>2015</b>      |
|  | <b>\$</b>          | <b>\$</b>        |
| <b>NOTE 6: EXPLORATION AND EVALUATION COST</b> |                    |                  |
| Carrying amount at beginning                   | 8,930,000          | 250,000          |
| Addition:                                      |                    |                  |
| Business combination*                          | -                  | 9,700,000        |
| Less capitalised exploration costs written off | -                  | (1,020,000)      |
|  | <b>8,930,000</b>   | <b>8,930,000</b> |

\* Acquired through merger with Trafford Resources Ltd.

**NOTE 7: FINANCIAL ASSETS**

|   |                  |                  |
|---|------------------|------------------|
| Shares in listed corporation – fair value | 2,645,865        | 1,104,957        |
|   | <b>2,645,865</b> | <b>1,104,957</b> |

At 31 December 2015, the Group has 14,301,973 shares in Orinoco Gold Limited (representing 6.48% ownership). Investment in Orinoco Gold Limited is measured at the prevailing share price as at 31 December 2015. During the period, the Group increased its holdings in Orinoco by 1,210,526 shares from the conversion of its Orinoco's performance shares to ordinary shares.

**NOTE 8: TRADE AND OTHER PAYABLES**

|                    |                  |                  |
|--------------------|------------------|------------------|
| Accounts payable   | 1,266,844        | 1,048,968        |
| Accruals           | 57,500           | 401,500          |
| Deposit liability* | 684,950          | -                |
|                    | <b>2,009,294</b> | <b>1,450,468</b> |

\*This deposit liability relates to a deposit received on the sale of the barge (refer note 4). Subsequent to year end, as a result of the completion of the sale, this deposit became non-refundable.

**NOTE 9: BORROWINGS**

|                   | <b>Maturity</b> | <b>Effective</b>     |                |                |
|-------------------|-----------------|----------------------|----------------|----------------|
|                   | <b>Date</b>     | <b>Interest Rate</b> |                |                |
| Secured loan (i)  | 4 Feb 2017      | 13%                  | 521,192        | 500,000        |
| Secured loan (ii) | 10 Jun 2016     | 15%                  | 101,644        | 100,781        |
| Unsecured loan    | 20 May 2016     | 15%                  | 100,822        | 100,390        |
|                   |                 |                      | <b>723,658</b> | <b>701,171</b> |

(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.

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

#### NOTE 10: OPERATING SEGMENTS

##### **Segment Information**

##### **Identification of reportable segments**

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

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

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

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

##### **Basis of accounting for purposes of reporting by operating segments**

##### *Accounting policies adopted*

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

##### *Segment assets*

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

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

##### *Unallocated items*

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

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

## NOTE 10: OPERATING SEGMENTS (CONTINUED)

|  | Exploration<br>International<br>\$ | Exploration<br>WA<br>\$ | Shipping<br>\$   | Exploration &<br>Development<br>SA<br>\$ | Total<br>\$        |
|--|------------------------------------|-------------------------|------------------|--|--------------------|
| <b>(i) Segment performance</b>   |                                    |                         |                  |  |                    |
| <b>Period ended</b>  |                                    |                         |                  |  |                    |
| <b>31.12.2015</b>  |                                    |                         |                  |  |                    |
| <b>Segment revenue</b>   | -                                  | -                       | -                | -  | -                  |
| <i>Reconciliation of segment revenue to Group's revenue</i>            |                                    |                         |                  |  |                    |
| Net interest income  |                                    |                         |                  |  | 662                |
| Other income   |                                    |                         |                  |  | 326,332            |
| <b>Total revenue</b>   |                                    |                         |                  |  | <b>326,994</b>     |
| <b>Segment result</b>  | <b>(724)</b>                       | <b>(32,889)</b>         | <b>138,042</b>   | <b>(1,577,910)</b>                       | <b>(1,473,481)</b> |
| <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)            |
| <b>Net loss before income tax</b>                                      |                                    |                         |                  |  | <b>(2,376,300)</b> |
| <b>Period ended</b>  |                                    |                         |                  |  |                    |
| <b>31.12.2014</b>  |                                    |                         |                  |  |                    |
| <b>Segment revenue</b>   | -                                  | -                       | -                | -  | -                  |
| <i>Reconciliation of segment revenue to Group's revenue</i>            |                                    |                         |                  |  |                    |
| Interest income  |                                    |                         |                  |  | 15,324             |
| <b>Total revenue</b>   |                                    |                         |                  |  | <b>15,324</b>      |
| <b>Segment result</b>  | -                                  | -                       | <b>1,388,703</b> | <b>(2,396,494)</b>                       | <b>(1,007,791)</b> |
| <i>Reconciliation of segment result to Group's net loss before tax</i> |                                    |                         |                  |  |                    |
| Unallocated items:   |                                    |                         |                  |  |                    |
| Net corporate Charges  |                                    |                         |                  |  | (1,084,571)        |
| Depreciation   |                                    |                         |                  |  | (9,013)            |
| Share-based payments   |                                    |                         |                  |  | -                  |
| <b>Net loss before income tax</b>                                      |                                    |                         |                  |  | <b>(2,101,375)</b> |

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

## NOTE 10: OPERATING SEGMENTS (CONTINUED)

| (ii) Segment assets   | Exploration<br>International<br>\$ | Exploration<br>WA<br>\$ | Shipping<br>\$ | Exploration &<br>Development<br>SA<br>\$ | Total<br>\$       |
|---|------------------------------------|-------------------------|----------------|--|-------------------|
| <b>Period ended</b>   |                                    |                         |                |  |                   |
| <b>31.12.2015</b>   |                                    |                         |                |  |                   |
| <b>Segment assets</b>   | -                                  | -                       | 2,739,800      | 13,981,250                               | 16,721,050        |
| <i>Reconciliation of segment assets to Group's assets</i>       |                                    |                         |                |  |                   |
| <i>Unallocated items:</i>                                       |                                    |                         |                |  |                   |
| Cash and cash equivalents                                       |                                    |                         |                |  | 329,597           |
| Trade and other receivables                                     |                                    |                         |                |  | 957,077           |
| Financial assets  |                                    |                         |                |  | 2,645,865         |
| Property, plant and equipment                                   |                                    |                         |                |  | 29,091            |
| <b>Total assets</b>   |                                    |                         |                |  | <b>20,682,680</b> |
| <b>Additions/(reductions) in segment assets for the year:</b>   |                                    |                         |                |  |                   |
| Capital expenditure   | -                                  | -                       | 4,758          | -  | 4,758             |
| Depreciation  | -                                  | -                       | -              | (272,500)                                | (272,500)         |
| Asset impairment  | -                                  | -                       | 138,042        | (548,750)                                | (410,708)         |
| <b>Total additions/(reductions)</b>                             | <b>-</b>                           | <b>-</b>                | <b>142,800</b> | <b>(821,250)</b>                         | <b>(678,450)</b>  |
| <b>Period ended</b>   |                                    |                         |                |  |                   |
| <b>30.06.2015</b>   |                                    |                         |                |  |                   |
| <b>Segment assets</b>   | -                                  | -                       | 2,597,000      | 14,802,500                               | 17,399,500        |
| <i>Reconciliation of segment assets to Group's assets</i>       |                                    |                         |                |  |                   |
| <i>Unallocated items:</i>                                       |                                    |                         |                |  |                   |
| Cash and cash equivalents                                       |                                    |                         |                |  | 390,644           |
| Trade and other receivables                                     |                                    |                         |                |  | 56,917            |
| Financial assets  |                                    |                         |                |  | 1,104,957         |
| Property, plant and equipment                                   |                                    |                         |                |  | 46,515            |
| <b>Total assets</b>   |                                    |                         |                |  | <b>18,998,533</b> |
| <b>Additions/(reductions) in segment assets for the period:</b> |                                    |                         |                |  |                   |
| 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)         |
| <b>Total additions/(reductions)</b>                             | <b>-</b>                           | <b>-</b>                | <b>473,857</b> | <b>6,987,019</b>                         | <b>7,460,876</b>  |

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

## NOTE 11: ISSUED CAPITAL

|   | <b>No of shares</b>                             | <b>Total<br/>\$</b> |
|---|---|---------------------|
| <b>a. Ordinary shares</b>                                   |   |                     |
| Balance at beginning of reporting period                    | 236,857,050                                     | 71,164,212          |
| Placement at \$0.02   | 16,005,733                                      | 320,114             |
| Share Purchase Plan at \$0.02                               | 19,290,000                                      | 385,800             |
| Placement at \$0.02 for drilling services                   | 1,966,750                                       | 39,335              |
| Cancellation of shares held by Trafford                     | (28,775,445)                                    | -                   |
| Application monies received for placement at \$0.022        | -   | 200,280             |
| Transaction costs relation to share issues                  | -   | (52,485)            |
| Balance at end of reporting period                          | <b>245,344,088</b>                              | <b>72,057,256</b>   |
|   | <b>No of options and<br/>performance rights</b> | <b>Total<br/>\$</b> |
| <b>b. Options and Performance rights</b>                    |   |                     |
| Balance at beginning of reporting period                    | 37,700,846                                      | 81,706              |
| Placement at \$0.02 - free attaching options                | 8,002,867                                       | -                   |
| Brokers fees  | 976,000   | 9,050               |
| Part consideration for loan provision to the company (i)    | 2,000,000                                       | 10,561              |
| Placement at \$0.02 – attaching options to drilling company | 983,375   | -                   |
| Performance rights issued to directors (ii)                 | 6,000,000                                       | 4,166               |
| Balance at end of reporting period                          | <b>55,663,088</b>                               | <b>105,483</b>      |

(i) The Company received \$100,000 unsecured loan, 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.

## NOTE 12: CONTINGENT LIABILITIES

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

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

Subsequent to year end, the Group completed the sale of its asset held for sale as disclosed in note 4. Furthermore, the Group completed another sale of plant and equipment for \$271,250.

On 29 February 2016, the Group completed the sale of its 90% interest in the Lynas Find lithium-gold exploration to Mining Projects Group (MPJ) under the following terms:

- \$198,000 in cash.
- 180 million shares and 90 million options exercisable at 1c by 30 June 2017 (subject to shareholder approval).
- 90 million shares when the tenements are granted (subject to shareholder approval).

Mining Projects 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) 72 million shares (First Milestone Shares) on a mineral resource;
  - a) Of at least 5 million tonnes at 1.2% Li<sub>2</sub>O (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) 72 million shares (Second Milestone Shares) on a mineral resource;
  - a) Of at least 15 million tonnes at 1.2% Li<sub>2</sub>O (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

There has been no other significant event after reporting date.

**NOTE 14: DIVIDEND**

No Dividend has been paid during or recommended for the half year ended 31 December 2015.

|  | <b>31 December</b> | <b>30 June</b>   |
|--|--------------------|------------------|
|  | <b>2015</b>        | <b>2015</b>      |
|  | \$                 | \$               |
| <b>NOTE 15: COMMITMENTS</b>                          |                    |                  |
| <i>Tenement Commitments</i>                          |                    |                  |
| Not longer than one year                             | 1,324,583          | 1,842,359        |
| Longer than one year, but not longer than five years | 957,917            | 1,609,577        |
| Longer than five years                               | -                  | -                |
|  | <b>2,282,500</b>   | <b>3,451,936</b> |
| <i>Lease Commitments</i>                             |                    |                  |
| Not longer than one year                             | 106,621            | 200,247          |
| Longer than one year, but not longer than five years | -                  | -                |
| Longer than five years                               | -                  | -                |
|  | <b>106,621</b>     | <b>200,247</b>   |

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.

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

NOTE 16: 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 17: RELATED PARTY INFORMATION

Transactions with related entities:

*Directors Loan Options*

The Company received \$100,000 unsecured loan, 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 \$0.005 per option.

*Directors Performance Rights*

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 valued in accordance to the value of the underlying shares which was at \$0.025 per rights at grant date.

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 23:
  - 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 2015 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.



Ian D. Finch

Chairman

Perth, 14 March 2016



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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 2015, 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 2015 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 2015 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.

**Emphasis of Matter**

**Material Uncertainty Regarding Continuation as a Going Concern**

Without qualifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the company incurred a net loss of \$1,162,637 during the half-year ended 31 December 2015. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the company to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

**BENTLEYS**  
Chartered Accountants

**MARK DELAURENTIS CA**  
Director

Dated at Perth this 14<sup>th</sup> day of March 2016