TYRANNA RESOURCES LIMITED

ABN 79 124 990 405

and

Controlled Entities

(formerly IronClad Mining Limited)

Annual Report

For the year ended 30 June 2015

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Corporate Directory

EXECUTIVE CHAIRMAN
Ian D. Finch

NON-EXECUTIVE DIRECTORS
Neil W. McKay
Peter W. Rowe
Bruno Seneque

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Neil W. McKay

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(Home Exchange: Perth, Western Australia)
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Chairman's Letter

Dear Members,

As all of you will know the minerals industry, as a whole and worldwide, has suffered an "annus horribilis".

I reported to you last year that the Company had put in place a range of cost saving measures in order to combat the ever reducing prices being received for 62% iron product from all major end users. Those measures included – revised pit designs, re-optimised mine scheduling, revised resource cut off grades, innovative metallurgical changes and many more changes, too numerous to mention.

At that time prices had reduced from all-time highs of around US$180 / tonne. This time last year prices were still falling, and were sitting at, between US$95 to US$85 / tonne. Our attempts to combat falling prices – rather like those of King Canute endeavouring to turn back the tide - failed. Prices continued to plummet, reaching lows of around US48 / tonne. With the Australian dollar remaining stubbornly high against the greenback many aspiring iron ore companies (and some established ones) struggled – and many failed.

It was against this backdrop that your Board took a tough, "circuit breaking" decision.

As a single commodity, single purpose company, Ironclad faced the real possibility of succumbing to the downturn in the worst possible way! It had some hard assets that it could monetise, but what was it to do with that potential cash when almost all other commodities were suffering the same fate as Iron?

Trafford Resources, IronClad's original sister company was also not immune from the great mineral price decline and severe lack of equity raising opportunities. Trafford did, however, have a welter of sound projects on its books – including some in a commodity traditionally seen as a potential saviour in such turbulent times – gold !

The decision to merge the two companies was made. So began the long and arduous task of effecting the merger, creating a "new" entity and re-capitalising that entity prior to pursuing its new goal of becoming a gold producer.

I was delighted when the merger was supported by an overwhelming number of members at the ensuing extraordinary general meeting.

As I write, the merger has now been completed. The re-capitalisation is all but complete, and drilling at the exciting Jumbuck gold project in South Australia is well underway with positive results already evident.

Tyranna Resources Ltd has been born!

Once again, I thank you all for your support in the most difficult of times. I believe that, together we have ridden the storm, a new and exciting path has been charted and a great future lies ahead.

Ian Finch
Chairman

Project Overview

Corporate

Completion of Merger Process

Following the Federal Court and Trafford Resources Limited ("Trafford") shareholder approval, the merger of IronClad Mining Limited ("IronClad") (ASX:IFE) and Trafford became effective on Wednesday 6 May 2015.

The Board has decided to reflect the fresh beginning created by the merger with a new name: ***Tyranna Resources Limited (ASX:TYX)***. The proposed name change, together with a number of other administrative matters, was approved by shareholders at a meeting on 29 July, 2015.

Shares and Options on issue

Following the merger, as at 30 June 2015, the Company has 236,857,050 shares on issue and 25,700,846 listed options exercisable at 20 cents on or before 20 May 2016 . Subject to shareholder approval 28,775,445 shares held by Trafford Resources will be cancelled within the 2016 financial year.

In June 2015, the Company issued to financiers in part consideration for $600,000 loans a total of 10,000,000 options exercisable at 3 cents within 3 years of issue and 2,000,000 options also exercisable at 3 cents within 2 years of issue.

During the period, the Company also issued 300,000 ordinary shares upon the exercise of performance share rights

Wilcherry Hill Iron Ore Project

In response to the falling iron ore price and heavy discounting of lower grade iron ores, the Company prior to reaching an agreement for the merger with Trafford Resources Ltd, continued to investigate opportunities to commence production upon a favourable change in the current markets and a return to sustained and stable iron ore prices.

Trial pit

The Company, as manager of the Wilcherry Hill Joint Venture, on 21 August 2014 announced that it was progressing discussions regarding the potential sale of direct ship ore to Arrium in Whyalla, South Australia.

It was planned should an agreement is reached with Arrium, for the Joint Venture's to mine an initial trial pit at the Weednanna deposit. A trial pit has been designed to generate both high grade iron ore for direct sale and bulk samples for ongoing beneficiation test work.

The trial pit's commencement date is dependent on a number of factors, which have not been reached due to prevailing external condition, including :-

- a favourable iron ore price outlook.
- a commercially viable agreement being reached with Arrium; and
- the finalisation of mining and haulage contracts.

Lucky Bay Common User Export Facility

Detailed design of the land-based facilities was completed during the period. The Company has now progressed as far as possible with all approvals and infrastructure tasks for Lucky Bay.

Sea Transport Ltd as the nominated port operator for the Lucky Bay CUEF is progressing negotiations with SA Government Minister for Transport over the granting of a formal Port Operating Agreement for the CUEF through the Harbours and Navigation Act.

Marketing and Shipping

The 57m powered transhipping barge constructed in Guangzhou, China, is completed and is currently being offered for sale.

Project Overview

Health, Safety, Environment and Community

There were no health and safety incidents during the reporting period. Similarly there were no environmental nor community complaint events reported and statutory compliance monitoring was carried out on schedule.

Exploration Projects

Prior to the merger agreement being reached, the Company's focus for exploration was on re-evaluating the near surface DSO potential at the Hercules Prospect. Results for the previous year's reverse circulation drilling at the Hercules East and North Prospects were released during this period.

Iron Exploration at Hercules Prospect

A program of detailed geological mapping and sampling to re-evaluate the near surface DSO potential at the Hercules Prospect commenced during the first half of the year. The prospect lies approximately 15km to the south east of the Company's iron deposits held by the Wilcherry Hill Joint Venture (Figure 1).

Two phases of exploration have been carried out at the prospect previously. In 2008 a drilling campaign led to the delineation of an Inferred Resource of 194Mt @27.1% FE (IFE ASX Release 22 December 2008). A second round of broad spaced drilling in early 2013 sought strike extensions to the resource. Prospective banded iron formation (BIF) stratigraphy was intersected over a 7km strike length (IFE ASX Release 1 May 2013).

The information collected, along with a reinterpretation of the existing geological drilling data, will be used to update existing exploration models to generate targets for evaluation. Drilling programs will be planned pending positive reassessment of the prospectivity.

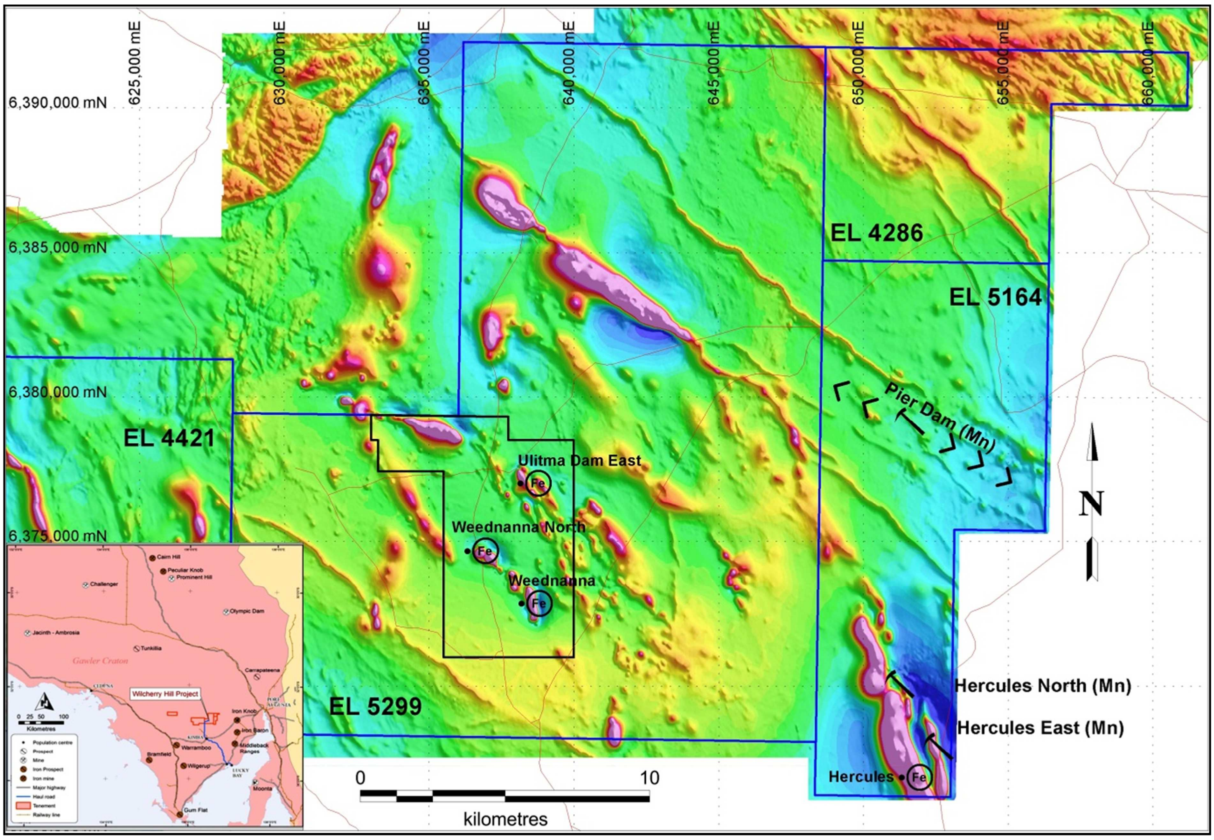

Figure 1 Pier Dam, Hercules Fe and Hercules East / North Mn Prospect Location Plan (image is total magnetic intensity)

Manganese Exploration

Limited exploration for manganese continued with a focus on the Hercules East, North and Pier Dam Prospects (Figure 1). Both these prospects lie within the Joint Venture's 100% owned Eurilla Dam EL 5164 tenement approximately 15km south east of the Company's Wilcherry Hill iron deposit.

Project Overview

Hercules East

The Company followed up drilling at the Hercules East Manganese Prospect designed to test for up dip and strike extensions to the mineralisation intersected during 7-hole drilling campaign in January 2014. Encouraging intercepts of manganese mineralisation were again recorded.

Highlights include:

8m @ 16.8% Mn (14HCRC014, 32 - 40m)

5m @ 28.22% Mn (14HCRC017, 11-16m)

5m @ 19.46% Mn (14HCRC023, 33 – 38m)

5m @ 24.72% Mn (14HCRC031, 8 – 13m)

Fifteen holes at nominal 50m x 50m spacing were completed. The results extended the mineralisation intersected in January 2014 to a total strike length of 250m. Mineralisation was extended up dip to the east by 35m.

Seven of the holes intersected anomalous manganese (Mn) mineralisation. Significant downhole intercepts greater than 10% Mn and minimum downhole width of 3m are listed in Table 1 below. A complete listing of results is contained in the supporting information section of IFE ASX Release 18 September 2014.

	Depth (m)		Length							
Hole ID	From	To	(m)	Mn%	Fe%	SiO2 %	Al2O3 %	P%	S%	LOI%
14HCRC017	11	16	5	28.22	17.59	11.14	4.29	0.09	0.01	14.97
14HCRC023	33	38	5	19.46	26.66	23.77	1.19	0.18	0.01	8.64
14HCRC033	55	58	3	21.13	22.72	25.26	1.96	0.11	0.02	9.64

Table 1: Hercules East Manganese Prospect. Composite Intercepts above a 10% Mn cut off and 3m downhole width.

Banded iron formation (BIF) stratigraphy was intersected in all holes. Nine of the holes intersected iron grades of +30% Fe over broad widths up to a maximum of 26m downhole.

Hercules North

Eleven drill holes were completed in this prospect area. Nine holes were aimed at testing a broad lag geochemical anomaly (IFE ASX Release 1st May 2014) and 2 were designed to follow up the previous manganese intersection in hole 13HCRC001 (7m @ 20.2%). Drill holes spacing were up to 200m x 50m

Significant downhole intercepts greater than 10% Mn with a minimum down hole width of 3m are listed below in Table 2. A complete listing of results is contained in the supporting information section of IFE ASX Release 18 September 2014.

	Depth (m)		Length							
Hole ID	From	To	(m)	Mn%	Fe%	SiO2%	Al2O3%	P%	S%	LOI%
14HCRC014	32	40	8	16.81	16.27	25.68	9.89	0.14	0.05	12.40
14HCRC016	14	17	3	17.53	9.32	47.23	3.70	0.09	0.09	8.91
14HCRC031	8	13	5	24.72	12.83	21.30	9.30	0.10	0.26	12.93

Table 2: Hercules North Manganese Prospect. Composite Intercepts above a 10% Mn cut off and 3m downhole width.

Four of the reconnaissance holes intersected anomalous manganese mineralisation at greater than 10% Mn, the highlight being 14HCRC031 returning 5m @ 24.7% Mn from 8 – 13m down hole. Drill hole spacing was up to 200m x 50m in this area. At this stage it is believed that the source of the Manganese geochemical anomaly has not been fully tested.

Project Overview

Follow up drilling of hole 13HCRC001 confirmed an up dip extension to the mineralisation with 14HCRC014 intersecting 8m @ 16.8% Mn from 32m – 40m. Banded iron formation sequences similar to those intersected at Hercules East were logged in all 11 holes.

<u>Pier Dam Prospectivity</u>

Geological mapping and surface rock chip sampling has now been completed over the 50km^2 area that is the Pier Dam Manganese prospect. The results verify the corridors of historically, significant manganese mineralisation noted at this prospect since the late 1970's by previous explorers. Scattered outcrops and sub-crops of surface enriched manganese oxide mineralisation occur throughout the prospect area and define the 8km NW trending Pier Dam manganiferous corridors.

A compilation of recent and historic surface rock chip samples is shown in Figure 2. Mn% values, plotted as scaled circles clearly illustrate this highly prospective manganiferous trend. High grade manganese values range from 15.5% - 44.2% Mn.

A reconnaissance Rotary Air Blast (RAB) program has been designed to test the depth continuation of the surface mineralised zones at a number of locations.

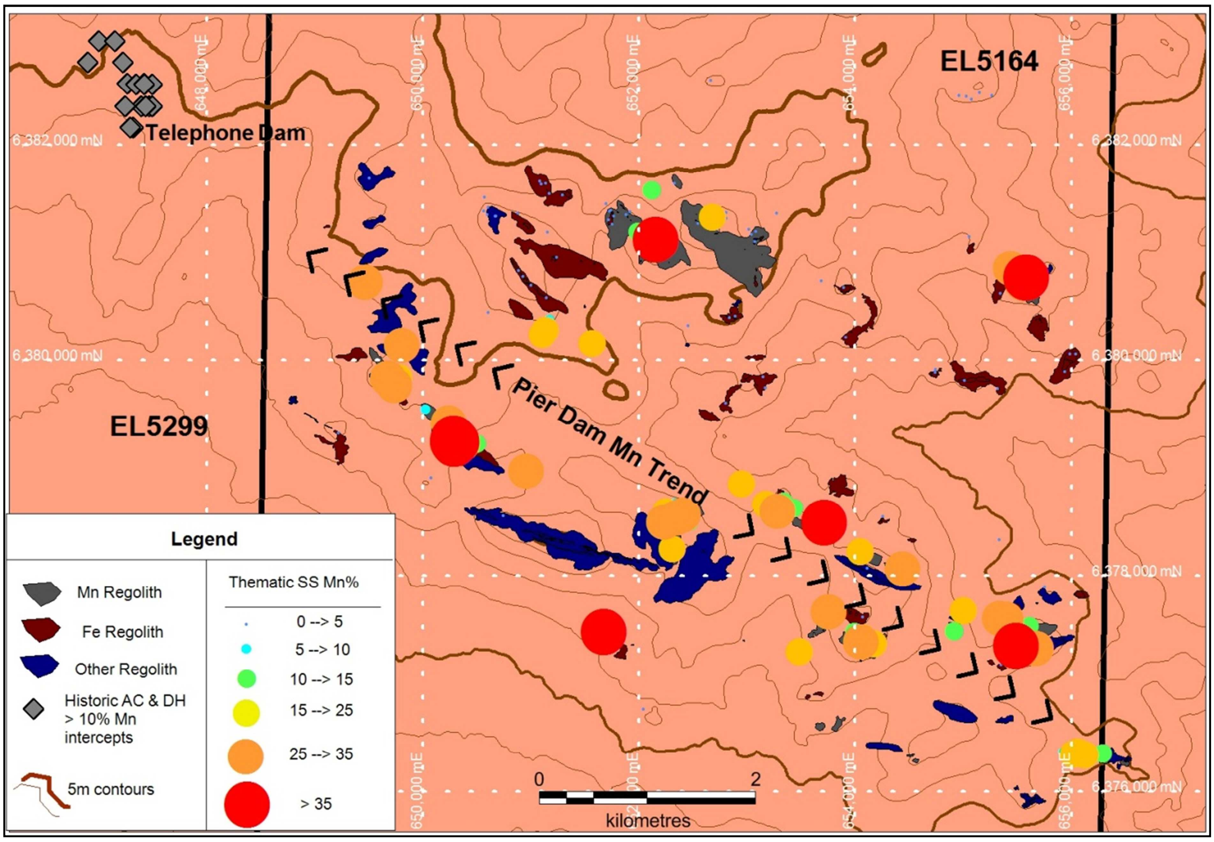

Figure 2 Pier Dam Prospect showing manganese results of historical and recent surface rock chip sampling. Circles are coloured and scaled according to Mn values.

<u>Manganese Processing Desktop Study</u>

A preliminary desktop study into the processing of manganese ores from Hercules and Pier Dam prospect was completed. Surface ore samples and drill chips have shown a declining iron ore content with increasing manganese grade which may lead to production of at least two products - a manganese ore with low iron content and a manganese/iron ore with higher iron content.

Initial tests via gravity concentration indicate the ability of upgrading manganese concentration via simple processing. Additional work needs to be completed to show a defined processing route for manganese ore to become a saleable product. (IFE ASX Release 30 October 13).

Project Overview

Indigenous Access Survery

Following the completion of indigenous clearances in May-June 2014, a further supplementary clearance was carried out in July 2014. The supplementary clearance was required to reduce the exclusion areas recommended in the previous clearance and gain more understanding of the nature of the sensitivities and negotiate access to key target areas.

The final reports were received, reviewed and finalised in August 2014 with the support of the Gawler Ranges Aboriginal Corporation. Approval is now in place and Black Hills South West, Reddon Dam, Olympic Hill and Pier Dam are now cleared for exploration to begin as required.

Directors' Report

Your directors present their report on Tyranna Resources Limited (the "Company"), formerly IronClad Mining Limited and of the Group being the Company and its controlled entity for the financial year ended 30 June 2015.

Directors

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

Ian D. Finch

Robert Mencel (resigned 19 November 2014)

Neil W. McKay

Peter W. Rowe

Bruno Seneque (appointed 23 December 2014)

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

Company Secretary

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

Neil McKay — Bachelor of Business

Principal Activities

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

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

Operating Results and Financial Review

Profit and loss

The Group's proft after providing for income tax amounted to $3,856,154 (2014: loss of $24,060,159) which includes gain on acquisition of business combinations of $5,335,085 from the merger with Trafford Resources Ltd.

The Group continues to work towards advancing its project toward gold production.

Financial Position

The directors believe the Group is in a stable financial position to expand and grow its current operations. The Group's net assets as at 30 June 2015 are $16,681,327 (2014: $10,878,792).

Liquidity and capital resources

The Company's principal source of liquidity as at 30 June 2015 is cash of $390,644 (2014: $1,926,306). None of which (2014: $nil) has been placed on short term deposit. The Company's main source of cash during the year is the receipt of research and development rebate in relation to the year ended 30 June 2014 and loan financing.

Dividends Paid or Recommended

No amounts have been paid or declared by way of dividends by the Company since the end of the previous financial period and up until the date of this report. The directors do not recommend the payment of any dividend for the financial year ended 30 June 2015.

Review of Operations

- Completion of the Merger with Trafford Resources Ltd.
- The Company received $1.8 million in Research and Development (R&D) Rebate during the reporting period.

Significant Changes in State of Affairs

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

After Balance Date Events

The Company completed its capital raisings through placement to sophisticated investors and Share Purchase Plan in August 2015, raising $705,915 by issuing 35,295,733 shares and 8,978,867 options exercisable at $0.04 on or before 24 August 2017. The Company issued a further 1,650,000 shares and 825,000 options exercisable at $0.04 on or before 24 August 2017 to the drilling contractor at the Jumbuck Gold Prospect.

On 18 September 2015, the price of Orinoco Gold Ltd increased to $0.14 per share, which increased the total fair value of the investment held by $804,846.

Future Developments, Prospects and Business Strategies

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

i. Increase the size and grade of the gold mineral resource at Golf Bore with the aim of producing a feasible reserve study through the application of various works including metallurgical, mining and geotechnical studies.

ii. Development and drilling of known near surface high grade gold occurrences within a 50km radius of Challenger Gold mine in order to delineate a pipeline of potential deposits for future mining development.

iii. Further regional exploration of extensive (10,000 Km2) South Australian assets for base metals and gold through the application of geochemistry and geophysics data collection and interpretation.

Environmental Issues

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

National Greenhouse and Energy Reporting Guidelines

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

Energy Efficiency Opportunities Guidelines

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

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

Director's Report

Clean Energy Act 2011

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

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

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

Information on Directors

Ian D Finch	Executive Chairman
Qualifications	BSc (Hons) in Geology from the University of Birmingham (England), a Member of the Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Company Directors.
Experience	Mr Finch's career spans 45 years of mining and exploration. He worked extensively throughout Southern Africa between 1970 and 1981 – from the Zambian Copper Belt and Zimbabwean Nickel and Chrome fields to the Witwatersrand Gold Mines in South Africa. In 1981 he joined CRA Exploration as a Principal Geologist, before joining Bond Gold as its Chief Geologist in 1987. In these roles he was instrumental in the discovery and development of several new gold and copper/gold resources in Australia. In 1993 Mr Finch established Taipan Resources Ltd, a company which successfully pioneered the exploration for large gold deposits in the Ashburton District of Western Australia – when it was discovered a resource of approximately 1.0 million ounces at the Paulsen's Project. In 1999 Mr Finch founded Templar Resources Limited, now a 100% owned subsidiary of Canadian Listed company Goldminco Corporation. As President/CEO for Goldminco until May 2005, Mr Finch established an extensive exploration portfolio in New South Wales where the Company is actively exploring for large porphyry copper / gold deposits. During his presidency Mr Finch forged strong strategic ties with major mining houses and financial institutions in Vancouver, Toronto and London. Mr Finch was Chairman of Bannerman Resources Limited from 30 May 2005 until 26 May 2006.
Interest in Shares	7,642,771 fully paid ordinary shares.
Interest in Options	634,750 options exercisable at 20 cents on or before 20 May 2016. 1,000,000 options exercisable at 3 cents on or before 24 August 2017.
Directorships held in other listed entities	Director of Orinoco Gold Limited.

Robert Mencel	Managing Director (Resigned on 19 November 2014)
Qualifications	Bachelor of Engineering in Mining Engineering and Masters in Business Administration
Experience	Mr. Mencel has previously held senior positions with Mount Gibson Iron, Tenix Projects, Tenix Defence, Western Mining Corporation and Normandy Mining (now Newmont).
Interest in Shares and Options	Nil.
Directorships held in other listed entities	None.

Neil W. McKay	Non-Executive Director and Company Secretary
Qualifications	Bachelor of Business
Experience	Mr. McKay is a former Chartered Accountant and has been involved in the resources industry for more than 29 years. He has been Company Secretary for several listed resource public companies and held senior administrative and accounting positions for a number of other resource companies. Since 1995, he has operated as an independent consultant, specialising in the incorporation and administration of resource companies with special focus in South East Asia. For the last two years, he has divided his time between Australia where he provides consultation to various public companies, and South East Asia where he continues his involvement.
Interest in Shares	4,126,369 fully paid ordinary shares.
Interest in Options	176,000 options exercisable at 20 cents on or before 20 May 2016. 1,000,000 options exercisable at 3 cents on or before 24 August 2017.
Directorships held in other listed entities	None.

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

Director's Report

Bruno Seneque	Non-Executive Director (Appointed on 23 December 2014)
Qualifications	B. Bus (Acc), CPA
Experience	Mr Seneque is a Certified Practicing Accountant with CPA Australia, and has 19 years' experience as a qualified accountant. Over the last 17 years Mr Seneque has accumulated experience in the mining industry in various roles including executive general management, CFO, company secretarial services, corporate and mine site accounting. Mr Seneque was previously Managing Director of Fox Resources Ltd, which operated the Radio Hill nickel/copper mine in Karratha. His career has seen an active involvement in ASX listed companies in every stage from exploration to production.
Interest in Shares & Options	Nil
Directorships held in other listed entities	None.

Meetings of Directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Held	**Attended**	**Eligible to attend**
Ian Finch	12	12	12
Robert Mencel	12	3	3
Neil McKay	12	11	12
Peter Rowe	12	12	12
Bruno Seneque	12	7	7

Indemnifying Officer

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer or agent of the Group shall be indemnified out of the property of the Group against any liability incurred by him in his capacity as Officer or agent of the Group or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The amount paid for this indemnity was $13,838.

Options

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

Grant Date	*Expiry Date*	*Exercise Price*	*Number of Options*
6 May 2015	20 May 2016	$0.20	25,700,846
4 June 2015	4 June 2018	$0.03	10,000,000
10 June 2015	10 June 2017	$0.03	2,000,000
25 August 2015	24 August 2017	$0.03	2,000,000
25 August 2015	24 August 2017	$0.04	8,830,867
4 September 2015	24 August 2017	$0.04	973,000

Proceedings on Behalf of Group

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

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

Non-audit Services

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

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

No other fees were paid or payable to the auditors for non-audit services performed during the year except for a fee of $15,200 (2013: $17,400) paid for taxation services.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C for the year ended 30 June 2015 has been received and can be found on page 19 of the directors' report.

Consent of Competent Persons

The information in this announcement that relates to Exploration Results is based on information compiled by Ian D. Finch, who is a Member of The Australasian Institute of Mining and Metallurgy and who has more than five years' experience in the field of activity being reported on. Mr. Finch is the Chairman of the company.

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 report of the matters based on his information in the form and context in which it appears.

Remuneration Report (Audited)

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

Remuneration policy

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

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

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

The Group is an exploration and development entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. The founding directors were issued shares and options as part of the terms of the Initial Public Offer. The directors have retained these securities which assist in aligning their objectives with overall shareholder value.

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

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5% (9.25% for the financial year ended 30 June 2014) and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

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

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

Group Performance, Shareholder Wealth and Directors' and Executives Remuneration

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

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

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

Ian Finch	Executive Chairman
Robert Mencel	Managing Director (Resigned 19 November 2014)
Neil McKay	Non-Executive Director
Peter Rowe	Non-Executive Director
Bruno Seneque	Non-Executive Director (Appointed 23 December 2014)

Employment Contracts of Executive Directors

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

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

- The contract is not for a specific term.
- The personnel may resign from his position and thus terminate this contract by giving 3 months written notice.
- The Company is required to give 6 months' notice to terminate the employment agreement if on a without cause basis.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred.

Details of Remuneration for Year Ended 30 June 2015

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

2015

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

2014

	Salary, Fees and Commissions	Director's Fee	Cash Bonus	Super-annuation Contribution	Termination	Options /Share Rights (iii)	Total	Represented by Options
Directors								
Ian Finch	220,300	-	-	20,378	-	-	240,678	-
Robert Mencel	391,792	-	-	36,241	-	-	428,033	-
Neil McKay	74,636	48,767	-	11,415	-	-	134,818	-
Peter Rowe	-	50,353	-	4,658	-	-	55,011	-
	686,728	**99,120**	**-**	**72,692**	**-**	**-**	**858,540**	

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

(i) Resigned on 19 November 2014.

(ii) Appointed on 23 December 2014.

(iii) The share rights were granted as part of remuneration in Trafford Resources Ltd on 14 October 2013.

Share-based payments as part of remuneration

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

Shares Issued on Exercise of Compensation Options or Share Rights

No compensation options and share rights have been issued to Directors during the current financial year. During the financial year ending 30 June 2014, Mr Finch and Mr McKay were issued compensation share rights in Trafford Resources Ltd as part of their directors' remuneration, which vested in the current financial year converting to shares as a result of the merger with Trafford Resources Limited.

Director's Report

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

The share rights listed above were issued on 14 October 2013 in Trafford Resources Ltd as part of directors' remuneration, and vested in current financial year.

Number of Shares Held by Key Management Personnel

2015	Balance 1.7.2014	Granted As Compensation	Purchased	Options/ Rights Exercised[2]	Net Change Other*	Balance 30.6.2015
Ian Finch	192,141	-	23,880	1,000,000	5,676,750	6,892,771
Neil McKay	19,800	-	-	500,000	3,231,569	3,751,369
Peter Rowe	-	-	-	-	-	-
Robert Mencel	-	-	-	-	-	-
Bruno Seneque	-	-	-	-	-	-
Total	**211,941**	**-**	**23,880**	**1,500,000**	**10,408,319**	**10,644,140**

2014	Balance 1.7.2013	Granted As Compensation	Purchased	Options/ Right Exercised	Net Change Other*	Balance 30.6.2014
Ian Finch	192,141	-	-	-	-	192,141
Neil McKay	19,800	-	-	-	-	19,800
Peter Rowe	-	-	-	-	-	-
Robert Mencel	-	-	-	-	-	-
Total	**211,941**	**-**	**-**	**-**	**-**	**211,941**

Number of Options Held by Key Management Personnel

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

2014	**Balance 1.7.2013**	**Granted As Compensation**	**Exercised**	**Net Change Other***	**Balance 30.6.2014**	**Unvested and not exercisable**
Ian Finch	-	-	-	-	-	-
Neil McKay	-	-	-	-	-	-
Peter Rowe	-	-	-	-	-	-
Robert Mencel	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

*Net Change Other refers to shares/options purchased, sold or expired during the financial year, or resulting from the Scheme of Arrangement between the Company and Trafford Resources Ltd.

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

Other transactions with key management personnel of the Group

Prior to his appointment as a director, Mr. Seneque was paid $10,000 in consultant fees for services performed primarily in relation to the merger between IronClad Mining Limited and Trafford Resources Limited.

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.

End of Remuneration Report

Corporate Governance Statement

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

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

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

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

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

Ian Finch
Chairman
Dated this 18th day of September 2015

Bentleys
THINKING AHEAD

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To The Board of Directors

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

As lead audit director for the audit of the financial statements of Tyranna Resources Limited for the financial year ended 30 June 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS **Chartered Accountants**	**MARK DELAURENTIS CA** **Director**

Dated at Perth this 18th day of September 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 30 June 2015

	Notes	2015 $	2014 $
Revenue and other income	2, 28	5,367,855	95,061
Administrative expense		(65,475)	(57,942)
Consultancy expenses		(190,529)	(338,927)
Compliance and regulatory expenses		(60,940)	(39,995)
Depreciation and amortisation		(323,019)	(17,767)
Director fees		(139,865)	(100,696)
Share-based payment	19	(81,706)	(35,700)
Legal fees		(137,579)	(5,613)
Finance costs		(137,227)	(16,276)
Occupancy costs		(53,727)	(180,958)
Public relation costs		(17,218)	(26,955)
Staffing costs		(985,421)	(1,828,396)
Asset impairment	9, 10, 11	(527,435)	(2,901,180)
Development costs written off		(1,514,732)	(20,705,048)
Exploration costs written off		(1,343,008)	(969,381)
Other expenses from ordinary activities		(62,566)	(142,792)
Profit/ (loss) before income tax		(272,592)	(27,272,565)
Income tax benefit	3	4,128,746	3,212,406
Profit /(loss) for the year		3,856,154	(24,060,159)
Other comprehensive income			
Net gain/(loss) on revaluation of financial assets		101,204	-
Total comprehensive income		**3,957,358**	**(24,060,159)**
Basic gain / (loss) per share (cents per share)	6	3.01	(22.30)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position
As At 30 June 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	390,644	1,926,306
Trade and other receivables	8	56,717	89,405
Assets classified as held for sale	10	2,597,000	2,123,143
TOTAL CURRENT ASSETS		3,044,361	4,138,854
NON-CURRENT ASSETS			
Trade and other receivables	8	45,200	442,943
Property, plant and equipment	9	5,874,015	7,363,425
Exploration and evaluation expenditure	11	8,930,000	250,000
Financial assets	12	1,104,957	-
TOTAL NON-CURRENT ASSETS		15,954,172	8,056,368
TOTAL ASSETS		**18,998,533**	**12,195,222**
CURRENT LIABILITIES			
Trade and other payables	13	1,450,468	1,189,650
Provisions	15	100,820	126,780
Borrowings	14	701,171	-
TOTAL CURRENT LIABILITIES		2,252,459	1,316,430
NON CURRENT LIABILITIES			
Provisions	15	64,747	-
TOTAL CURRENT LIABILITIES		64,747	-
TOTAL LIABILITIES		**2,317,206**	**1,316,430**
NET ASSETS		**16,681,327**	**10,878,792**
EQUITY			
Issued capital	16	71,164,212	69,365,041
Reserve	17	182,910	2,834,224
Accumulated losses		(54,665,795)	(61,320,473)
TOTAL EQUITY		**16,681,327**	**10,878,792**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For Year Ended 30 June 2015

	Note	Issued Capital	Accumulated Losses	Financial Asset Reserve	Share-Based Payment Reserve	Total
		$	**$**	**$**	**$**	**$**
Balance at 1 July 2014		**69,365,041**	**(61,320,473)**	**-**	**2,834,224**	**10,878,792**
Profit for the year		-	3,856,154		-	3,856,154
Other comprehensive income		-	-	101,204	-	101,204
Total comprehensive income for the year		-	3,856,154	101,204	-	3,957,358
Transaction with owners, in the capacity as owners, and other transfers						
Share options or rights issued		-	-	-	81,706	81,706
Expired share-based payment		-	2,798,524	-	(2,798,524)	-
Shares issued during the year		35,723	-	-	(35,700)	23
Shares issued to Trafford shareholder for merger		2,315,755	-	-	-	2,315,755
Shares held by wholly owned subsidiary		(517,958)	-	-	-	(517,958)
Transaction costs in relation to prior year		(34,349)	-	-	-	(34,349)
Balance at 30 June 2015	16	**71,164,212**	**(54,665,795)**	**101,204**	**81,706**	**16,681,327**
Balance at 1 July 2013		**69,365,041**	**(37,260,314)**	**-**	**2,798,524**	**34,903,251**
Loss for the year		-	(24,060,159)	-	-	(24,060,159)
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	(24,060,159)	-	-	(24,060,159)
Transaction with owners, in the capacity as owners, and other transfers						
Share options or rights issued		-	-	-	35,700	35,700
Forfeited options of directors and employees		-	-	-	-	-
Shares issued during the year		-	-	-	-	-
Transaction costs in relation to prior year		-	-	-	-	-
Balance at 30 June 2014	16	**69,365,041**	**(61,320,473)**	**-**	**2,834,224**	**10,878,792**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For Year Ended 30 June 2015

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments for exploration and evaluation activity		(429,859)	(891,237)
Payments to suppliers and employees		(1,712,187)	(2,763,509)
Interest received		30,195	95,811
Interest and other charges paid		(140,442)	(10,960)
Research and development rebate and other income		1,812,969	3,212,406
Net cash inflows / (outflows) from operating activities	18	(439,324)	(357,489)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of equity investment		14,300	-
Purchase of equity investment		(100,000)	-
Proceeds from disposal of property, plant and equipment		-	1,200,000
Payments for property, plant and equipment		(30,770)	(177,246)
Development of mineral tenements		(1,524,306)	(3,460,644)
Tenement acquisition		-	(250,000)
Receipts from security deposits		397,743	2,992
Net cash inflow on acquisition of subsidiary	28	12,370	-
Loan to other entities		(541,542)	-
Net cash used in investing activities		(1,772,205)	(2,684,898)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		23	-
Fundraising Costs		(20,358)	-
Proceeds from / (repayment) of borrowings		700,000	1,459
Net cash provided by (used in) financing activities		679,665	1,459
Net decrease in cash held		(1,531,864)	(3,040,928)
Cash at beginning of financial year		1,926,306	4,967,241
Effect of exchange rates on cash holdings in foreign currencies		(3,798)	(7)
Closing Cash and Cash Equivalents	7	**390,644**	**1,926,306**

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report was authorised for issue in accordance with a resolution of the directors on 18th September 2015.

Basis of Preparation

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

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

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

Going concern

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

The Group made a net profit after tax for the year of $3,856,154 (2014: loss of $24,060,159), however this was after recording a gain of $5,335,085 (2014: $nil) on acquisition of Trafford Resources Limited and receipt of R&D refunds totaling $1,812,965 (2014: $3,212,406). Net cash outflows for the year was $1,531,864 (2014: $3,040,928) which has resulted in the Group's cash and cash equivalents balance falling from $1,926,306 to $390,644 as at 30 June 2015.

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

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

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

- The Directors have an appropriate plan to sell the assets classified as held for sale;
- The Directors have an appropriate plan to claim research and development rebate for the 2015 financial year;
- The Directors have an appropriate plan to raise additional funds as and when they are required, as evidenced through the recently completed capital raising detailed in Note 29. In light of the Group's current exploration and project development, the Directors believe that the additional capital required can be raised in the market; 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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. **Principles of Consolidation**

The consolidated financial statements comprise the financial statements of Tyranna Resources Ltd and its subsidiaries as at 30 June 2015.

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

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

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

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

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

b. **Income Tax**

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

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

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

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

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

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

c. **Foreign Currency Transactions and Balances**

Functional and presentation currency

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

Transaction and balances

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

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

d. **Property, Plant and Equipment**

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

Plant and equipment are measured on the cost basis.

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

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

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

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

Depreciation

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

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

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

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

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

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

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

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. **Leases**

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

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

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

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

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

f. **Earnings Per Share**

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

g. **Revenue Recognition**

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

Interest

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

h. **Cash and Cash Equivalents**

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

i. **Employee Benefits**

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

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

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

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

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

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k. **Impairment of Assets**

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

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

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

l. **Joint Venture Entities**

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

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

Interests in joint operations

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

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

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

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

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

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

m. **Financial Instruments**

Recognition and Initial Measurement

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

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Classification and Subsequent Measurement

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

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

ii. *Loans and Receivables*

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

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

iii. *Available-for-sale financial assets*

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

iv. *Financial liabilities*

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

v. *Held to maturity investments*

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

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

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

Fair Value

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

Impairment

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

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition

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

n. **Provisions**

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

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

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

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

o. **Share-Based Payment Transactions**

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

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

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

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

p. **Trade and Other Payables**

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

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

q. **Mine Development Expenditure**

Mines under construction

Upon transfer of "Exploration and evaluation expenditure" into "Mines under construction" within "Mine development expenditure", all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised within "Mines under construction". Development expenditure is net of proceeds from all, but the incidental sale of ore extracted during the development phase. After production starts, all assets included in "Mines under construction" are transferred to "Producing mines" within "Mine development expenditure".

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred stripping

Overburden and other mine waste materials are often removed during the initial development of a mine in order to access the mineral deposit. This activity is referred to as development stripping. The directly attributable costs (inclusive of an allocation of relevant overhead expenditure) are capitalised as development costs. Capitalisation of development stripping costs ceases and amortisation of those capitalised costs commences when the strip ratio reaches the life of mine strip ratio. Amortisation of capitalised development stripping costs is determined on a unit of production basis over the life of the mine.

Where a mine operates several open pits that are regarded as separate operations for the purpose of mine planning, stripping costs are accounted for separately by reference to the ore from each separate pit. If, however, the pits are highly integrated for the purpose of the mine planning, the second and subsequent pits are regarded as extensions of the first pit in accounting for stripping costs. In such cases, the initial stripping, (i.e., overburden and other waste removal) of the second and subsequent pits are deferred to the extent that the current period ratio exceeds the life of the mine strip ratio The amount of stripping costs deferred is based on the strip ratio obtained by dividing the tonnage of waste mined either by the quantity of ore mined or by the quantity of minerals contained in the ore.

Capitalised development stripping costs are classified as 'Mine Development Expenditure'. Development stripping costs are considered in combination with other assets of an operation for the purpose of undertaking impairment assessments.

Removal of waste material normally continues throughout the life of a mine. This activity is referred to as production stripping and commences upon extraction of ore.

The costs of production stripping are charged to the statement of comprehensive income as operating costs.

r. **Contingencies**

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

s. **Borrowing Costs**

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

t. **Critical Accounting Estimates and Judgements**

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

Key estimates and judgements:

Share-based payments

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

Exploration and evaluation costs

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

Environmental Issues

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

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair value measurements and valuation process

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

Ore reserve and resource estimates

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

Taxation

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

Comparative figures

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

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

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

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

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

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

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

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Valuation techniques

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

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

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

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

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

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

New and revised AASB's and Interpretations that are not applicable for the Group but are relevant for the period:

AASB 14 'Regulatory Deferral Accounts' and AASB 2014-1 'Amendments to Australian Accounting Standards – Part D: 'Consequential Amendments arising from AASB 14' is not applicable to the Group as the Group is not a first-time adopter of Australian Accounting Standards.

AASB 1056 'Superannuation Entities' is not applicable to the Group as the Group is not a superannuation entity.

AASB 2015-6 'Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities' is not applicable to the Group as the Group is a for-profit entity.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

The Group does not anticipate that there will be a material effect on the financial statements from the adoption of these standards.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

Notes to the Financial Statements

NOTE 2: REVENUE AND OTHER INCOME

	2015 **$**	**2014** **$**
Interest earned	29,570	95,061
Gain on acquisition – Note 28	5,335,085	-
Other	3,200	-
	5,367,855	**95,061**

NOTE 3: INCOME TAX

(a) **Income tax benefit**

Current tax	(1,812,969)	(3,212,406)
Deferred tax	(2,315,777)	-
	(4,128,746)	**(3,212,406)**
Deferred income tax expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	2,315,777	290,117
Increase/(decrease) in deferred tax liabilities	(2,315,777)	(290,117)
	-	-

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

Profit/(Loss) from ordinary activities before income tax	(272,592)	(27,272,565)
The prima facie tax (payable)/refundable on profit/(loss) from ordinary activities before income tax at 30%	81,778	8,181,769
Add / (Less) Tax effect of:		
Share-based payments	(24,512)	(10,710)
Entertainment	(1,075)	(841)
Non-deductible expenses	-	(7,083,555)
Other deductible expenses	-	158,754
Deferred tax assets not brought to account	(56,191)	(1,245,417)
Effect of previously unrecognised and unused tax losses and deductible temporary differences now offset against deferred tax liabilities	(2,315,777)	-
Income tax attributable to operating profit/(loss)	(2,315,777)	-
Research and development claim refund	(1,812,969)	(3,212,406)
Income tax benefit	(4,128,746)	(3,212,406)
Applicable weighted average effective tax rates	Nil%	Nil%
Balance of franking account at year end	Nil	Nil

Notes to the Financial Statements

NOTE 3: INCOME TAX (CONTINUED)

	2015 $	2014 $
(c) **Deferred tax assets**		
Tax losses	15,083,426	13,073,453
Mine development expenditure	6,590,933	6,136,514
Provisions and accruals	176,395	195,356
Capital raising costs	161,330	236,813
Other	-	36,735
	22,012,085	19,678,871
Set-off deferred tax liabilities	(2,634,361)	(41,778)
Net deferred tax assets	19,377,723	19,637,093
Less: deferred tax assets not recognised	(19,377,723)	(19,637,093)
Net tax assets	-	-
(d) **Deferred tax liabilities**		
Exploration expenditure	2,604,000	-
Other	30,361	41,778
	2,634,361	41,778
Set-off deferred tax assets	(2,634,361)	(41,778)
Net deferred tax assets	-	-
(e) **Tax losses**		
Unused tax losses for which no deferred tax asset has been recognised	41,496,884	43,578,177

(f) The potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2015 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

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

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

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

Notes to the Financial Statements

NOTE 4: KEY MANAGEMENT PERSONNEL

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

a. **Remuneration for Key Management Personnel**

	2015 $	2014 $
Short term employment benefits	565,442	785,848
Post- employment benefits	49,214	72,692
Long-term benefits	-	-
Share-based payments	-	-
Termination payments	160,000	-
Total remuneration	**774,656**	**858,540**

NOTE 5: AUDITORS' REMUNERATION

	2015 $	2014 $
Remuneration of the auditor of the Group for:		
— Auditing and reviewing financial reports	40,000	41,000
— Other services	15,200	17,400
	55,200	**58,400**

NOTE 6: EARNINGS PER SHARE (EPS)

Basic earnings per share

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

	2015 $	2014 $
Profit / (Loss) attributable to ordinary shareholders	3,856,154	(24,060,159)
	No.	**No.**
Weighted average number of ordinary shares	127,917,770	107,903,871

Diluted earnings per share

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

Notes to the Financial Statements

	2015 $	2014 $
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	203,338	6,472
Short-term bank deposits	187,306	1,919,834
	390,644	**1,926,306**

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

NOTE 8: TRADE AND OTHER RECEIVABLES		
CURRENT		
GST receivable	28,570	27,894
Interest receivable	-	625
Other	28,147	60,886
	56,717	**89,405**
NON-CURRENT		
Environmental bond	30,000	300,000
Office bond – Adelaide	-	27,786
Office bond – Perth	-	99,957
Other bonds	15,200	15,200
	45,200	**442,943**

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

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2015 $	2014 $
RESIDENTIAL CAMP		
At cost	4,500,000	5,056,585
Accumulated depreciation	(112,500)	-
	4,387,500	**5,056,585**
(a) Reconciliation		
Carrying amount at beginning of period	5,056,585	5,056,585
Impairment	(556,585)	-
Depreciation expense	(112,500)	-
Carrying amount at end of period	**4,387,500**	**5,056,585**

Notes to the Financial Statements

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

PLANT AND EQUIPMENT

	2015 $	2014 $
At cost	1,736,840	1,941,856
Accumulated depreciation	(250,325)	(745,877)
	1,486,515	**1,195,979**
(b) Reconciliation		
Carrying amount at beginning of period	1,195,979	250,975
Transfer from assets under construction	575,000	1,083,034
Equipment additions	24,197	965
Impairment	(58,336)	-
Depreciation expense	(250,325)	(138,995)
Carrying amount at end of period	**1,486,515**	**1,195,979**
UNDER CONSTRUCTION		
At cost	-	2,193,257
Accumulated depreciation	-	-
	-	**2,193,257**
(c) Reconciliation		
Carrying amount at beginning of period	1,110,861	2,193,257
Additions:		
Loader and container	-	638
Dry magnetic separation plant	-	-
Refund received on unperformed work:		
Dry magnetic separation plant	-	-
Transfer to plant and equipment:		
Magnets	(575,000)	-
Reclassification for constructed assets	-	(1,083,034)
Written-off against consultancy costs	-	-
Depreciation expense	-	-
Asset impairment		
Magnets	(535,861)	-
Carrying amount at end of period	**-**	**1,110,861**
Total Property, Plant and Equipment	**5,874,015**	**7,363,425**

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

Notes to the Financial Statements

NOTE 10: ASSETS CLASSIFIED AS HELD FOR SALE

		2015 $	2014 $
(a) At cost:			
Tug boat		-	-
Barge		2,597,000	2,123,143
		2,597,000	**2,123,143**
(b) Reconciliation			
Carrying amount at beginning of period		2,123,143	5,948,680
Transfer from assets under construction			
Tug boat		-	-
Barge		-	-
Additions:			
Barge		-	275,643
Disposal:			
Tug boat		-	(1,200,000)
Final adjustment to construction contract price of the Barge		(149,490)	-
(Asset impairment) / reversal of impairment:			
Barge		623,347	(2,901,180)
Carrying amount at end of period		**2,597,000**	**2,123,143**

(i) The Group intends to dispose of its barge as it is no longer suitable for its operation methodology. As at 30 June 2015, the Directors believe that the barge is valued at fair value based on offers received for the barge. This is a level 2 hierarchy valuation method.

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE

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

* Acquired through the merger with Trafford Resources Ltd.

NOTE 12: FINANCIAL ASSETS

Shares in listed corporations – fair value	Note 28	1,104,957	-
		1,104,957	**-**

At 30 June 2015, the Group has 13,641,447 shares in Orinoco Gold Limited (representing 6.73% ownership) as a result of the merger with Trafford Resources Ltd. Investment in Orinoco Gold Limited is measured at the prevailing share price as at 30 June 2015.

Notes to the Financial Statements

	2015 $	2014 $
NOTE 13: TRADE AND OTHER PAYABLES		
Accounts payable	1.048,968	542,794
Accruals	401,500	646,856
	1,450,468	**1,189,650**

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

NOTE 14: BORROWINGS

	Maturity Date	Effective Interest Rate		
Secured loan (i)	4 Feb 2017	13%	500,000	-
Secured loan (ii)	10 Jun 2016	15%	100,781	-
Unsecured loan	20 May 2016	15%	100,390	-
			701,171	**-**

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

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

NOTE 15: PROVISIONS

	Employee Entitlements (i) $	Taxes (ii) $	Rehabilitation (iii) $	Total $
CURRENT				
Opening balance at 1 July 2014	122,451	4,329	-	126,780
Additional provisions	76,646	25,000	20,000	121,646
Amount used	(125,277)	(22,329)	-	(147,606)
Balance at 30 June 2015	73,820	7,000	20,000	100,820
NON-CURRENT				
Opening balance at 1 July 2014	-	-	-	-
Additional provisions	64,747	-	-	64,747
Amount reversed	-	-	-	-
Balance at 30 June 2015	64,747	-	-	64,747

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

(ii) Estimate of fringe benefit tax payable

(iii) Estimate of environmental rehabilitation required after drilling

Notes to the Financial Statements

NOTE 16: ISSUED CAPITAL

a. **Ordinary shares**

	2015 $	2014 $
Balance at beginning of reporting period	69,365,041	69,365,041
Exercise of 300,000 performance share rights	35,700	-
Merger with Trafford Resources Ltd	2,315,755	-
Exercise of 114 options at $0.20	23	-
Shares held by wholly owned subsidiary	(517,958)	-
Transaction cost relating to share issues	(34,349)	-
	71,164,212	**69,365,041**

Ordinary shares	**Number**	**Number**
Balance at beginning of reporting period	107,903,871	107,903,871
Exercise of performance share rights	300,000	-
Merger with Trafford Resources Ltd	128,653,065	-
Exercise of options at $0.20	114	
At the end of reporting period	236,857,050	107,903,871

Terms of Ordinary Shares

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

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

The Company has fully paid shares of no par value.

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

Capital Management

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

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

b. **Options and share rights**

	Number	**$**
Balance at beginning of reporting period	300,000	2,834,224
Share based payment s expired	-	(2,798,524)
Exercise of performance share rights	(300,000)	(35,700)
Merger with Trafford Resources Ltd	25,700,960	-
Exercise of $0.20 options	(114)	-
Other options issued during the period	12,000,000	81,706
	37,700,846	81,706

Notes to the Financial Statements

NOTE 16: ISSUED CAPITAL (CONTINUED)

	2015	2014
	$	$
The Group's available working capital at 30 June is disclosed in the table below:		
Cash and cash equivalents	390,644	1,926,306
Trade and other receivables	56,717	89,405
Assets classified as held for sale	2,597,000	2,123,143
Borrowings, short term provisions, trade and other payables	(2,252,459)	(1,316,430)
	791,902	**2,822,424**

NOTE 17: RESERVE

Share-based payment Reserve

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

Financial Assets Reserve

The financial assets reserve records revaluations of financial assets.

NOTE 18: CASH FLOW INFORMATION

Reconciliation of net profit / (loss) after income tax to the net cash flows from operations		
- Profit / (loss) for the year	3,856,154	(24,060,159)
Non-cash items		
- Share-based payment	81,706	35,700
- Asset impairment	527,435	2,901,180
- Mine development expenditure written-off	1,514,732	20,705,048
- Depreciation and amortisation	323,019	17,767
- Gain on acquisition	(5,335,085)	-
- Deferred tax liabilities set off	(2,315,777)	-
- Exploration costs written off	1,020,000	-
- Unrealised foreign exchange loss / (gain)	3,798	7
- Interest and charges in borrowings	47,555	-
Changes in operating assets and liabilities		
- Decrease / (Increase) in trade and other receivables	46,988	750
- Increase / (decrease) in trade & other payables	(71,391)	42,218
- Increase / (decrease) in provisions	(138,458)	-
Net cash outflows from operating activities	**(439,324)**	**(357,489)**

Notes to the Financial Statements

NOTE 19: SHARE-BASED PAYMENTS

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

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

OPTIONS

The options outstanding at 30 June 2015 had a weighted average exercise price of $0.15 (2014: Nil) and a weighted average remaining contractual life of 1.48 years (2014: Nil). Exercise prices of these options range from $0.03 to $0.20 (2014: Nil) and the weighted average fair value of the options granted during the year is $0.0086 (2014: Nil).

	2015		**2014**	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Outstanding at the beginning of the year	-	-	-	-
Granted	37,700,960	0.15	-	-
Exercised	(114)	0.20	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	**37,700,846**	**0.15**	**-**	**-**
Exercisable at year-end	**37,700,846**	**0.15**	**-**	**-**

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

	Option Series		
	Series 1	**Series 2**	**Series 3**
Grant date	06/05/15	04/06/15	10/06/15
Grant date fair value	$0.000	$0.007	$0.005
Grant date share price	$0.017	$0.02	$0.02
Exercise price	$0.20	$0.03	$0.03
Expected volatility	68.76%	69.28%	69.28%
Option life	1 year	3 years	2 years
Expiry date	20/05/16	04/06/18	10/06/17
Risk-free interest rate	2.06%	2.04%	2.03%

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

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

Included in the 2015 statement of profit or loss and other comprehensive income is share-based payments of $81,706, which relates in full to the value of options granted during the year.

Notes to the Financial Statements

NOTE 19: SHARE-BASED PAYMENTS (CONTINUED)

SHARE RIGHTS

Pursuant to the scheme, in 2014 financial period, the Company issued share rights to an employee. These rights have met the vesting criteria and been converted to ordinary shares during the period.

No of Rights	Grant Date	Expiry Date	Share Price on Grant Date	Discount for Vesting Criteria	Fair Value per Right
300,000	10 Feb 2014	31 Jul 2014	$0.140	15%	$0.119

The share rights were valued based on the price of the Company's shares discounted for performance based vesting conditions. Included in the 2014 statement of profit or loss and other comprehensive income is share-based payments of $35,700, which relates to the amortisation of the value of share rights over the vesting period. During the current financial period, the performance conditions were met and the share rights are converted into ordinary shares.

NOTE 20: FINANCIAL RISK MANAGEMENT

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

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

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

Treasury Risk Management

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

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

(a) Market Risk

- Interest Rate Risk

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

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

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

Sensitivity Analysis

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

Notes to the Financial Statements

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

		Interest Rate Risk -1%		Interest Rate Risk +1%	
	Carrying Amount	Net Profit / (Loss) ($)	Equity ($)	Net Profit / (Loss) ($)	Equity ($)
30 June 2015					
Consolidated Cash	390,644	(3,906)	(3,906)	3,906	3,906
Environmental bond	30,000	(300)	(300)	300	300
30 June 2014					
Consolidated Cash	1,926,306	(192,631)	(192,631)	192,631	192,631
Environmental bond	300,000	(3,000)	(3,000)	3,000	3,000
Office Bonds	127,743	(1,277)	(1,277)	1,277	1,277

- Price Risk

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

- Foreign Exchange Risk

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

(b) Credit Risk

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

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

Cash and cash equivalents

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

Trade and other receivables

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

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

Notes to the Financial Statements

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity Risk

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

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

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

Financial instrument composition and maturity analysis

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

2015	**Weighted Average Effective Interest Rate %**	**Less than one month**	**1 to 3 Months**	**3 Months to one year**	**1 to 5 Years ($)**	**Total ($)**
Financial Assets						
Non-interest bearing		-	56,717	-	-	56,717
Variable interest rate	0.70	390,644	-	-	-	390,644
		390,644	**56,717**	**-**	**-**	**447,361**
Financial Liabilities						
Non-interest bearing		838,969	563,781	-	-	1,402,750
Variable interest rate	13.29	-	-	748,890	-	748,890
		838,869	**563,781**	**748,890**	**-**	**2,151,640**
Net financial assets*		**(448,325)**	**(507,064)**	**(748,890)**	**-**	**(1,704,279)**

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

2014						
Financial Assets						
Non-interest bearing		-	88,781	-	-	88,781
Variable interest rate	2.39	1,926,306	-	-	-	1,926,306
Fixed interest rate	3.43	-	127,743	300,000	-	427,743
		1,926,306	**216,524**	**300,000**	**-**	**2,442,830**
Financial Liabilities						
Non-interest bearing		1,189,650	-	-	-	1,189,650
Variable interest rate		-	-	-	-	-
		1,189,650	**-**	**-**	**-**	**1,189,650**
Net financial assets		**736,656**	**216,524**	**300,000**	**-**	**1,253,180**

Notes to the Financial Statements

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Net Fair Values

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

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

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

NOTE 21: CONTROLLED ENTITIES

Name of Entity	**Incorporated**	**Interest – 2015**	**Interest - 2014**
Trafford Resources Pty Ltd (1)	Australia	100%	-
Telescope Investments Pty Ltd (2)	Australia	100%	-
Half Moon Pty Ltd (3)	Australia	100%	-
Coastal Shipping Pty Ltd (4)	Australia	100%	100%

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

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

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

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

NOTE 22: COMMITMENTS

	2015 **$**	**2014** **$**
Tenement Commitments		
Not longer than one year	1,842,359	-
Longer than one year, but not longer than five years	1,609,577	-
Longer than five years	-	-
	3,451,936	**-**
Lease Commitments		
Not longer than one year	200,247	474,313
Longer than one year, but not longer than five years	-	617,833
Longer than five years	-	-
	200,247	**1,092,146**
Capital Commitments		
Not longer than one year	-	512,119
	-	**512,119**

Notes to the Financial Statements

NOTE 22: COMMITMENTS

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

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

NOTE 23: CONTINGENT LIABILITIES

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

NOTE 24: COMPANY DETAILS

The registered office of the company is:

Level 2, 679 Murray Street

West Perth WA 6005

NOTE 25: PARENT ENTITY DISCLOSURES

	2015	**2014**
	$	**$**
a) Financial Position		
Assets		
Current assets	2,406,947	4,138,854
Non-current assets	9,570,372	8,056,368
Total assets	**11,977,319**	**12,195,222**
Liabilities		
Current liabilities	2,000,156	1,316,430
Non-current liabilities	-	-
Total liabilities	**2,000,156**	**1,316,430**
Equity		
Issued capital	71,682,170	69,365,041
Reserve	11,930	2,834,224
Accumulated Losses	(61,716,937)	(61,320,473)
Total Equity	**9,977,163**	**10,878,792**

Notes to the Financial Statements

NOTE 25: PARENT ENTITY DISCLOSURES (CONTINUED)

b) Financial Performance

	2015 **$**	**2014** **$**
Profit / (Loss) for the year	(3,194,988)	(25,217,890)
Other comprehensive income	(69,776)	-
Total comprehensive income	**(3,264,764)**	**(25,217,890)**

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

NOTE 26: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

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

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

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

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

Notes to the Financial Statements

NOTE 26: OPERATING SEGMENTS (CONTINUED)

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

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

Segment assets

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

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

Segment liabilities

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

*Unallocated item*s

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

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

Notes to the Financial Statements

NOTE 26: OPERATING SEGMENTS (CONTINUED)

	Exploration International $	Exploration WA $	Shipping $	Exploration & Development SA $	Total $
(i) Segment performance					
Period ended 30.06.2015					
Segment revenue	**-**	**-**	**-**	**-**	**-**
Reconciliation of segment revenue to Group's revenue					
Net interest income					29,570
Gain on acquisition					5,335,085
Other income					3,200
Total revenue					**5,367,855**
Segment result	**9,258**	**(1,018,970)**	**623,347**	**(2,998,810)**	**(3,385,175)**
Reconciliation of segment result to Group's net loss before tax					
Unallocated items:					
Net corporate Charges					(1,817,777)
Gain on acquisition					5,335,085
Depreciation					(323.019)
Share-based payments					(81,706)
Net loss before income tax					**(272,592)**
Period ended 30.06.2014					
Segment revenue	**-**	**-**	**-**	**-**	**-**
Reconciliation of segment revenue to Group's revenue					
Net interest income					95,061
Total revenue					**95,061**
Segment result	**-**	**-**	**(2,972,968)**	**(21,674,429)**	**(24,647,397)**
Reconciliation of segment result to Group's net loss before tax					
Unallocated items:					
Net corporate Charges					(2,571,701)
Depreciation					(17,767)
Share-based payments					(35,700)
Net loss before income tax					**(27,272,565)**

Notes to the Financial Statements

NOTE 26: OPERATING SEGMENTS (CONTINUED)

(ii) Segment assets	**Exploration International $**	**Exploration WA $**	**Shipping $**	**Exploration & Development SA $**	**Total $**
Period ended 30.06.2015					
Segment assets	-	-	2,597,000	14,802,500	17,399,500
Reconciliation of segment assets to Group's assets					
Unallocated items:					
Cash and cash equivalents					390,644
Trade and other receivables					56,917
Financial assets					1,104,957
Property, plant and equipment					46,515
Total assets					**18,998,533**
Additions/(reductions) in segment assets for the year:					
Exploration expenditure written-off	-	(1,020,000)	-	-	(1,020,000)
Business combinations	-	1,020,000	-	8,680,000	9,700,000
Capital expenditure	-	-	(149,490)	301	(149,189)
Depreciation	-	-	-	(272,500)	(272,500)
Asset impairment	-	-	623,347	(1,150,782)	(527,435)
Other	-	-	-	(270,000)	(270,000)
Total additions/(reductions)	**-**	**-**	**473,857**	**6,987,019**	**7,460,876**
Period ended 30.06.2014					
Segment assets	-	-	2,123,143	7,815,481	9,938,624
Reconciliation of segment assets to Group's assets					
Unallocated items:					
Cash and cash equivalents					1,926,306
Trade and other receivables					217,349
Property, plant and equipment					112,943
Total assets					**12,195,222**
Additions/(reductions) in segment assets for the year:					
Exploration expenditure	-	-	-	250,000	250,000
Development expenditure	-	-	-	3,207,092	3,207,092
Development expenditure written-off	-	-	-	(20,705,048)	(20,705,048)
Capital expenditure	-	-	275,643	638	276,281
Asset impairment	-	-	(2,901,180)	-	(2,901,180)
Asset disposal	-	-	(1,200,000)	-	(1,200,000)
Total additions/(reductions)	**-**	**-**	**(3,825,537)**	**(17,247,318)**	**(21,072,855)**

Notes to the Financial Statements

NOTE 26: OPERATING SEGMENTS (CONTINUED)

(iii) Segment liabilities	Exploration International $	Exploration WA $	Shipping $	Exploration & Development SA $	Total $
Period ended 30.06.2015					
Segment liabilities	3,758	20,353	375,000	414,100	813,211
Reconciliation of segment liabilities to Group's liabilities					
Unallocated items:					
Trade and other payables					657,257
Borrowings					701,171
Provisions					145,567
Total liabilities					**2,317,206**
Period ended 30.06.2014					
Segment liabilities		-	550,000	373,061	923,061
Reconciliation of segment liabilities to Group's liabilities					
Unallocated items:					
Trade and other payables					266,589
Provisions					126,780
Total liabilities					**1,316,430**

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

NOTE 27: RELATED PARTY INFORMATION

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

Transactions with related entities:

Prior to the merger, the Company has an agreement with Trafford Resources Limited whereby the Company could acquire technical and administration services from Trafford Resources Ltd while the Company focused its resources on its development. Invoices for these services are issued to the Company on a monthly basis.

Prior to his appointment as a director, Bruno Seneque was paid $10,000 in consultant fees for services performed primarily in relation to the merger between IronClad Mining Limited and Trafford Resources Limited.

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.

Notes to the Financial Statements

NOTE 28: BUSINESS COMBINATIONS

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

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

NOTE 29: EVENTS SUBSEQUENT TO REPORTING DATE

The Company completed its capital raisings through placement to sophisticated investors and Share Purchase Plan in August 2015, raising $705,915 by issuing 35,295,733 shares and 8,978,867 options exercisable at $0.04 on or before 24 August 2017. The Company issued a further 1,650,000 shares and 825,000 options exercisable at $0.04 on or before 24 August 2017 to the drilling contractor at the Jumbuck Gold Prospect.

On 18 September 2015, the price of Orinoco Gold Ltd increased to $0.14 per share, which increased the total fair value of the investment held by $804,846.

Directors' Declaration

The Directors of the company declare that:

1. the consolidated financial statements and notes, as set out on pages 20 to 56 and the remuneration disclosure that are contained in pages 14 to 18 of the Remuneration Report in the Directors' report, are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company;
   c. the remuneration disclosures that are contained in pages 14 to 18 of the Remuneration Report in the Directors' report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and
   d. are in accordance with International Reporting Standard, issued by the International Accounting Standard Board; and
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Ian Finch
Chairman
Dated this 18th day of September 2015

Bentleys
THINKING AHEAD

Independent Auditor's Report

To the Members of Tyranna Resources Limited

Bentleys Audit & Corporate (WA) Pty Ltd
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West Perth WA 6005
Australia
PO Box 44
West Perth WA 6872
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ABN 33 121 222 802
T +61 8 9226 4500
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We have audited the accompanying financial report of Tyranna Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

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

Independent Auditor's Report

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

Opinion

In our opinion:

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

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

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

Emphasis of matter on Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred net cash outflows of $1,531,864 during the year ended 30 June 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 Consolidated Entity 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Tyranna Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated at Perth this 18th day of September 2015

Additional Information for Listed Public Companies

The distribution of members and their holdings of equity securities in the Company as at 17 September 2015 was as follows:

1. **Shareholding**

a. **Distribution of Shareholders**

Distribution of Shareholders	Number of Holders	Number Ordinary
1 – 1000	431	180,875
1001 - 5000	834	2,470,827
5,001 – 10,000	533	4,235,682
10,001 – 100,000	1225	43,399,681
100,001 – and over	365	223,515,718
	3,388	**273,802,783**

b. The number of shareholdings held in less than marketable parcels is 2,444.

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

Shareholders	Number Ordinary
Trafford Resources Limited	28,775,445
Admark Investments Pty Limited	24,500,000

d. **Voting Rights**

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

Ordinary shares

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

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

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Trafford Resources Limited	28,775,445	10.51
2.	Admark Investments Pty Limited	24,500,000	8.95
3.	New Pages Investments Limited	7,500,000	2,74
4.	DBS Vickers Securities (Singapore) Pte Ltd <Client Account>	6,680,822	2.44
5.	Imperial Resources Management Pty Ltd	6,658,684	2.43
5.	HSBC Custody Nominees (Australia) Ltd	3,963,010	1.45
7.	Hanlong Metals Limited	3,780,000	1.38
8.	Chembank Pty Ltd	3,442,078	1.26
9.	ZW 2 Pty Ltd	3,349,000	1.22
10.	Citicorp Nominees Pty Ltd	3,341,007	1.22
11.	Neil McKay Pty Ltd	3,318,371	1.21
12.	Ms. Concettina Schiavello	2,950,000	1.08
13.	Mr. Malcolm Thom	2,500,000	0.91

Additional Information For Listed Public Companies (Continued)

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

Name		**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Ordinary Capital**
14.	HS Superannuation Pty Ltd	2,485,644	0.91
15.	Mr. Michael John Williams & Mrs Katrina Elfreda Williams	2,333,657	0.85
16.	Australian Mineral & Waterwell Drilling Pty Ltd	2,310,000	0.84
17.	Yendah Pty Ltd	2,200,000	0.80
18.	MAPT Pty Ltd	2,000,000	0.73
19.	Mr. Paramjit Singh Nagra & Mrs Surinder Kaur Nagra	1,982,200	0.72
20.	M & K Korkidas Pty Ltd	1,874,850	0.69
		115,944,768	**42.35**

f. **20 Largest Option holders — Exercisable at $0.20 and Expiring 20 May 2016**

	Name	**Number of Options Held**	**% of Units**
1.	Mr. Kwok Kim Cho	2,520,599	9.81
2.	Mr. Richard Kenneth Maish	2,000,000	7.78
3.	Admark Investments Pty Ltd	1,959,000	7.62
4.	Mr. Brian Deasy & Mrs Irmtraud Deasy	700,000	2.72
5.	Optiplus Super Pty Ltd	698,750	2.72
6.	Kas Investmeents & Development Pty Ltd	647,575	2.52
7.	Australian Mineral & Waterwell Drilling Pty Ltd	630,000	2.45
8.	Alimatt Pty Ltd	554,374	2.16
9.	Roy Spagnolo Pty Ltd <Spagnolo Family Trust>	525,000	2.04
10.	Mr. Reade Freeman	500,004	1.95
11.	Procure to Report Pty Ltd	377,999	1.47
12.	Imperial Resources Management Pty Ltd	359,750	1.40
13.	ASB Nominees Ltd	353,643	1.38
14.	Mr Peter Howells	335,050	1.30
15.	Elysian Fields Investments	316,348	1.23
16.	Mr. Lionel Cedric Julian Lees & Mrs Colleen Kerry Lees	300,000	1.17
17.	Mrs. Fook Lin Chan	299,998	1.17
18.	Mr. Richard Kenneth Maish & Mrs. Jessica Anne Maish	267,500	1.04
19.	HS Superannuation Pty Ltd	262,984	1.02
20.	Mr. William James Hoskin	260,000	1.01
		13,868,574	**53.96**

2. The name of the company secretary is Neil W. McKay

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

4. Registers of securities are held at the following addresses

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

5. **Stock Exchange Listing**

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

6. **Unquoted Securities**

   Options over Unissued Shares:

   A total of 23,803,867 options are on issue, with a total of 2,000,000 options issued to 2 directors.

Schedule of Mineral Tenements
As at 18 September 2015

South Australia Tenement Schedule			
Exploration License No	**Tenement Name**	**Registered Holder**	**Beneficial Interest %**
4286	Valley Dam	Trafford Resources Limited	100%
5299	Wilcherry Hill	Trafford Resources Limited	100%
5164	Eurilla Dam	Trafford Resources Limited	100%
4421	Peterlumbo	Trafford Resources Limited	100%
4748	Mt Miccollo	Trafford Resources Limited	100%
4870	Pinkawillinie	Trafford Resources Limited	100%
4945	Reid Lookout	Trafford Resources Limited	100%
4946	Siam	Trafford Resources Limited	100%
4942	Irra Outstation (Jumbuck)	Trafford Resources Limited	100%
4943	Garford Outstation West	Trafford Resources Limited	100%
4944	Garford Outstation East	Trafford Resources Limited	100%
5098	Wildingi Claypen	Trafford Resources Limited	100%
5168	Indooroopilly	Trafford Resources Limited	100%
5282	Hilga Crutching Shed	Trafford Resources Limited	100%
5283	Mt Christie	Trafford Resources Limited	100%
5284	Commonwealth Hill	Trafford Resources Limited	100%
5285	Ingomar	Trafford Resources Limited	100%
5460	Mt Christie Siding	Trafford Resources Limited	100%
4465	Isthmus	Trafford Resources Limited	100%
5510	Mathews Tank	Trafford Resources Limited	100%
5551	Brickies - Wynbring	Trafford Resources Limited	100%
5526	Galaxy Tank	Trafford Resources Limited	100%

South Australia Tenement Schedule			
Exploration License No	**Tenement Name**	**Registered Holder**	**Beneficial Interest %**
5183	Campfire Bore	Challenger Gold Operations Pty Ltd, Coombedown Resources Pty Ltd	53% rights to the gold
5298	Mulgathing	Challenger Gold Operations Pty Ltd	53% rights to the gold
4577	Sandstone JV	Challenger Gold Operations Pty Ltd, Coombedown Resources Pty Ltd	53% rights to the gold
4468	Jumbuck	Challenger Gold Operations Pty Ltd	53% rights to the gold
4532	Mobella	Challenger Gold Operations Pty Ltd	53% rights to the gold
4644	Sandstone	Challenger Gold Operations Pty Ltd	53% rights to the gold
4951	Blowout	Challenger Gold Operations Pty Ltd	53% rights to the gold

Mining Lease No	Tenement Name	Registered Holder	Beneficial Interest %
6390	Wilcherry Hill	IronClad Mining Limited	100%

Western Australia Tenement Schedule			
Exploration License No	**Tenement Name**	**Registered Holder**	**Beneficial Interest %**
E59/1982	Twin Peaks North	Trafford Resources Limited	100%

* P Prospecting Licence
E Exploration Licence