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ABN 79 124 990 405

and

Controlled Entities

Annual Report

For the year ended 30 June 2020

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Corporate Directory

NON-EXECUTIVE DIRECTORS

Giuseppe (Joe) Graziano
Joseph S. Pinto
David Wheeler

COMPANY SECRETARY

Tim Slate

REGISTERED OFFICE

Level 26, 140 St Georges Terrace
Perth WA 6000
Telephone: + 61 (08) 485 1040

AUDITORS

Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, 216 St Georges Terrace
Perth, WA 6000
Telephone: +61 (08) 9226 4500
Facsimile: +61 (08) 9226 4300

SHARE REGISTRAR

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands, WA 6009
Telephone: +61 (08) 9389 8033
Facsimile: +61 (08) 9389 7871

STOCK EXCHANGE LISTING

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

BANKERS

Westpac Banking Corporation
Murray Street
West Perth, WA 6005

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ABOUT THE COMPANY

Tyranna is a diversified minerals exploration company focused on the advanced Eureka Gold Project located North of Kalgoorlie in Western Australia. Tyranna also has a portfolio of assets including the Goodsprings Cobalt and Base Metals Project, located in USA, and the large Jumbuck Gold Project in the Northern Gawler Block of South Australia.

Dragon & Knight Nickel Projects (WA)

During the year Tyranna undertook a strategic re-focus to progress the Dragon & Knight Nickel Projects (D&KNP).

To jump-start exploration work for the Dragon & Knight Nickel Projects, Tyranna acquired various geophysical survey datasets, including aeromagnetics, gravity, radiometrics and DEM from public domain and government sources. These were then merged, filtered, re-processed and analysed by an independent geophysical consultant, with a clear mandate to define priority targets prospective for nickel sulphide mineralisation.

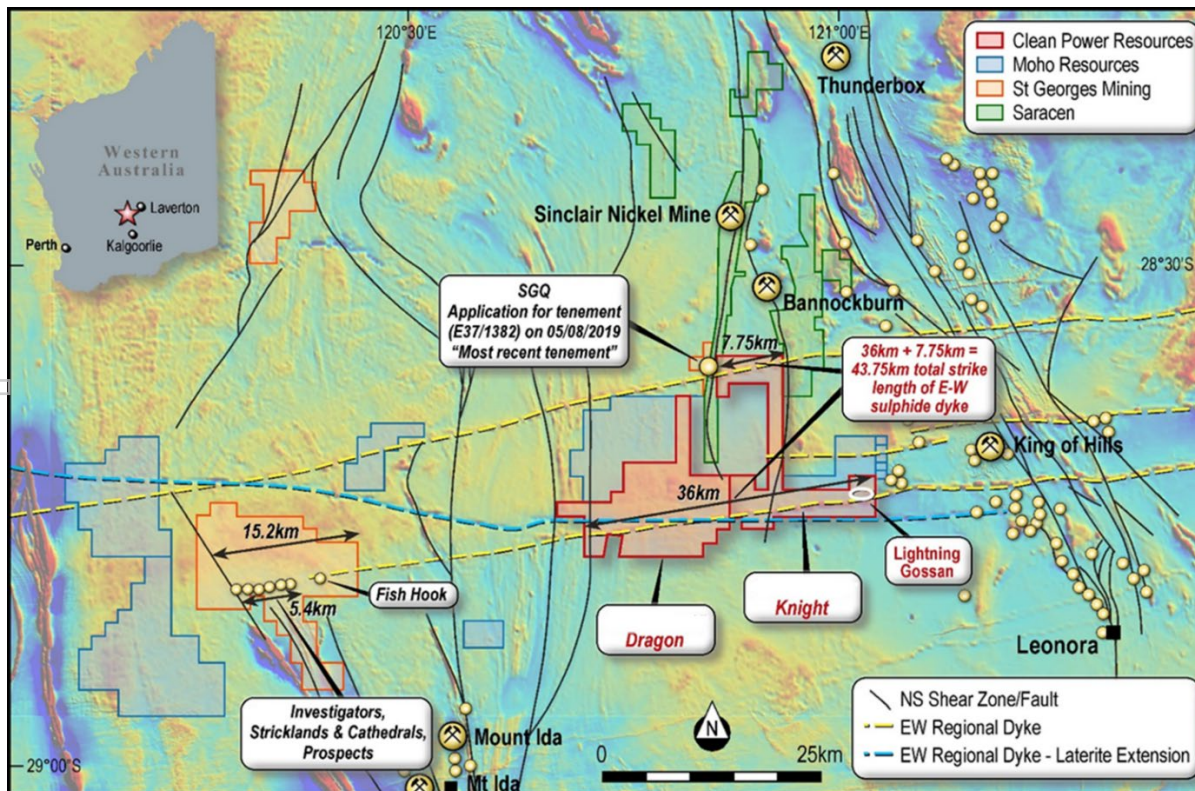
The consultant highlighted two areas within D&KNP to focus on for follow up fieldwork (Figure 1), comprising:

- Lightning Gossan – a historic prospect where assays have confirmed anomalous nickel in drill intersections; and
- East-West trending regional dykes that are along strike to the east from St George Mining’s Mt Alexander Project (which includes the Stricklands & Cathedrals prospects) where extensive nickel sulphide mineralisation has been discovered.

The first phase of implementing the exploration plan at D&KNP will comprise geological mapping and surface sampling along the regional dykes and at the Lightning Gossan prospect. The results will be interpreted with ground geophysical electromagnetic (EM) survey campaigns considered to outline potential conductive nickel sulphide drill targets at depth.

The Board remains optimistic on the outlook for nickel over the longer-term. Moreover, the Board is cognizant the level of interest in the Central Yilgarn region remains high, resulting from recent discoveries, for instance, by St George Mining at its Mt Alexander Project

FIGURE 1: DRAGON & KNIGHT PROJECTS IN WESTERN AUSTRALIA.



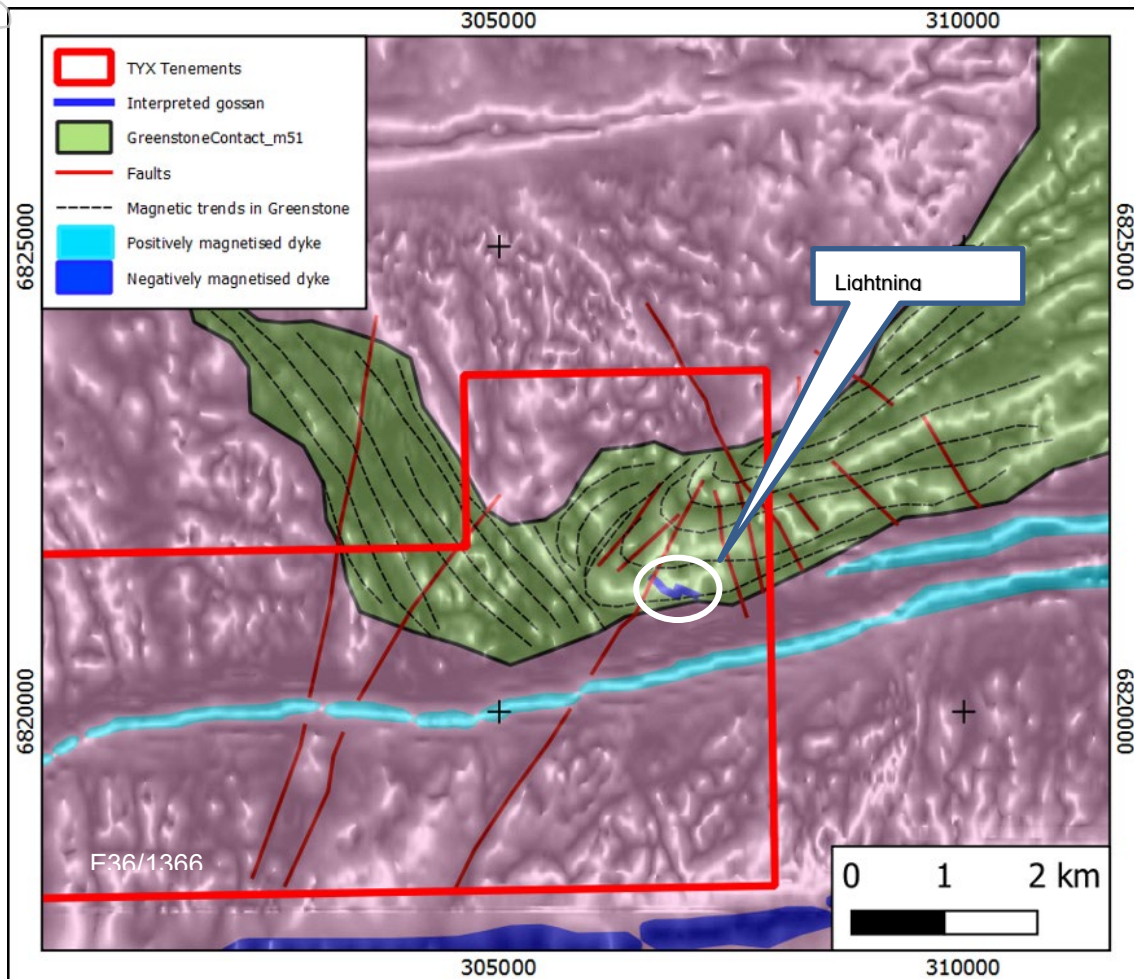
Source: TYX ASX Release – 30 October 2019 plus addition of Lightning Gossan.

GEOPHYSICAL INTERPRETATIONS

Lightning Gossan Prospect

The Lightning Gossan Prospect is a priority target based on anomalous nickel geochemistry associated with ultramafic rocks within an Archaean greenstone sequence (Figure 2). Further, outcropping gossan zones have been drilled by previous explorers and returned anomalous nickel results. In addition, wide spaced surface geochemical sampling completed by previous explorers¹ returned anomalous nickel geochemistry along trend from the outcropping gossan, which has now proven to be an area which requires systematic follow up.

FIGURE 2: LIGHTNING GOSSAN GEOPHYSICAL INTERPRETION OVER MAGNETIC ANOMALY IMAGE.



Note: Interpreted greenstone belt surrounding Lightning Gossan (green), along with interpreted faults (red), positive and negatively magnetised E-W dykes (light blue/dark blue), and magnetic trends in the greenstone (dashed black lines), plotted over a TDR magnetic image

Regional trending dykes

Several east-west trending Proterozoic mafic dykes and dyke swarms have been detected and interpreted on magnetic images passing through D&KNP, with at least two major dykes in the south and one in the north (refer Figures 1); note, such mafic dykes can be either positively or negatively magnetised.

Interestingly, a pronounced north-west trending structural fabric is apparent in the geophysics. Further, linear magnetic features can be seen to have a general north-south orientation, which is interpreted to be either remnant greenstone rafts, pendants or granite-gneiss. Most of this appears to be under surface regolith cover in the western portion of the project area.

Moving forward, Tyranna will field validate several conceptual target areas characterised by north-south trending magnetic features that are intersected by east-west dykes. In addition, the east-west dyke to the south of Lightning Gossan will be covered by the surface sampling campaign.

Optimising Eureka Gold Project, WA Goldfields

The Board continue to progress its decision to optimise the high-grade Eureka Gold Project – located on a granted mining lease 50km north of Kalgoorlie (WA). Discussions with interested groups are presently underway which comprise either engaging a development partner to mine the project or straight cash sale.

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On 17 August 2020, Tyranna announced it had granted Warriedar Mining Pty Ltd (Warriedar) an option to acquire the Eureka Gold Project tenements (Option). The Option included an Option Fee of \$100,000 and if Warriedar exercised the Option consideration of up to \$1,400,000 cash, comprised of:

- \$400,000 cash on exercise of the Option (Initial Payment)
- \$500,000 cash on satisfaction of the Tyranna obtaining ministerial approval for the transfer of the Tenements to Warriedar within 4 months after the Option is exercised; and
- \$500,000 cash if, on or before the 5th anniversary of the Completion Date, Warriedar produces from within the Tenements recovered gold of not less than 20,000 ounces.

On 31 August 2020, Tyranna announced Warriedar had exercised the Option and paid \$900,000 (ex-GST) to the Company.

Sale of Jumbuck Gold Project (SA) to raise \$2,250k

On 29 June 2020, Tyranna announced it had executed a sale agreement with Syngas Limited (Syngas), for the proposed sale of:

- (a) all of Tyranna's right, title and interest in all of the issued shares of wholly-owned subsidiary Half Moon Pty Ltd (HMP), the owner of the majority joint venture interest in the Western Gawler Craton Joint Venture (WGCJV); and
- (b) all tenements located around the WGCJV owned 100% by HMP and Tyranna's wholly-owned subsidiary Trafford Resources Pty Ltd,

Sale agreement referred to as the "Jumbuck Gold Project" (Acquisition).

Subsequent to the end of the year, Tyranna received the following offers:

- (a) on 30 July 2020, a conditional offer from Alliance Resources Limited (ASX:AGS) to acquire the Jumbuck Gold Project for \$2 million;
- (b) on 31 July 2020, a conditional offer from Marmota Limited (ASX:MEU) to acquire the Jumbuck Gold Project for \$2.6 million; and
- (c) also on 31 July 2020, an increased offer of \$2 million from Syngas (Syngas Offer),

On 10 August 2020, the Company announced that the terms of the Formal Sale Agreement had been varied to provide for an increase in the consideration payable for the Jumbuck Gold Project to \$2.25 million that included an obligation to pay a Termination Fee of \$250,000 if shareholders did not approve the transaction.

Tyranna expects to hold a general meeting of shareholders to approve the Acquisition in late October/early November.

OTHER PROJECTS

Goodsprings Base Metals Project (Nevada, USA)

The Goodsprings Base Metals Project, which is located circa 50km southwest of Las Vegas (Nevada, USA) comprises 329 mining claims covering 6,580 acres³. Previous geophysics surveys and geochemical work highlighted potential targets for copper-zinc-cobalt mineralisation.

Although Tyranna renewed its mining claims in late 2019 with the Bureau of Land Management in Las Vegas, the Board has decided to seek EOs from prospective parties to acquire or develop the project.

Subsequent to year end, during September 2020, Tyranna relinquished its rights to tenure for the Goodsprings Project tenements. As a result of relinquishing the tenements, an impairment loss of \$2,196,470 was recognised in the statement of profit or loss in relation to the Goodsprings Project.

Weebo Gold Project

The Weebo Gold Project is located 70km north of Leonora in the Eastern Goldfields of Western Australia and was acquired by the Company in 2017. The Project comprises approximately 69 km² of ground east of the Jaguar base metal mine. The Company continues to review the project to assess options moving forward.

Pacific Express Ni Project

Tyranna acquired the Pacific Express nickel project in Late 2019. The project, located in northern NSW comprises a single licence (EL8733) for ~ 108 km. The area is prospective for lateritic Ni-Co mineralisation. Historical exploration has defined several target areas which require further investigation¹.

CORPORATE

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

On 14 February 2020, Tyranna issued 83,333,334 shares to sophisticated and professional investors at \$0.003 per share (February Placement). This raised \$1.23m (before costs) to continue developing the NSW projects primarily.

On 29 May 2020 Tyranna announced that \$500,000 had been raised from sophisticated investors, who are clients of CPS Capital Group Pty Ltd (CPS) (May Placement). Under the terms of the placement Tyranna would issue 166,666,667 fully paid ordinary shares, priced at \$0.003 per share.

The Placement was been fully subscribed and would be issued in two tranches, being:

1. On 2 June 2020, TYX issued 62,500,000 fully paid ordinary shares pursuant to the Company's placement capacity under Listing Rule 7.1 ("Tranche 1"); and
2. On 17 August 2020, following receipt of shareholder approval TYX issued the remaining 104,166,667 fully paid ordinary shares ("Tranche 2").

At a General Meeting of shareholders on 31 July 2020, the Company received approval to:

1. Issue Mr Joseph Pinto 16,666,667 fully paid ordinary shares following his participation in the February Placement.
2. Issue a total of 26,527,233 fully paid ordinary shares to convert debt owing to CPS Capital Group Pty Ltd to equity.
3. Issue a total of 12,286,667 fully paid ordinary shares to convert related party debt owing to Mr Giuseppe Graziano to equity.
4. Issue a total of 4,380,000 fully paid ordinary shares to convert related party debt owing to Mr David Wheeler to equity.

These shares were issued on 17 August 2020.

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

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

Directors' Report

Your Directors present their report on Tyranna Resources Limited (the "Company") and of the Group being the Company and its controlled entity for the financial year ended 30 June 2020.

Directors

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

- Joseph S. Pinto – Non-Executive Director
- Giuseppe Graziano – Non-Executive Director
- David Wheeler – Non-Executive Director (appointed 18 October 2019)
- Bruno Seneque (resigned 18 October 2019)

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:

- Tim Slate (appointed 29 November 2019)

Principal Activities

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

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

Operating Results and Financial Review*Profit and loss*

The Group's loss after providing for income tax amounted to \$6,939,952 (2019: \$8,207,232). 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 2020 are \$3,189,949 (2019: \$9,748,983).

Liquidity and capital resources

The Company's principal source of liquidity as at 30 June 2020 is cash of \$154,394 (2019: \$506,801). The Company's main sources of cash during the year are proceeds from capital raisings and sale of assets.

Dividends Paid or Recommended

No amounts have been paid or declared by way of dividends by the Company since the end of the previous financial period and up until the date of this report. The directors do not recommend the payment of any dividend for the financial year ended 30 June 2020.

Review of Operations

- Completed the acquisition of Dragon & Knight Nickel Projects.
- Commenced optimisation of Eureka Gold Project through a cash sale.
- Agreed sale of Jumbuck Gold Project (SA) to raise \$2,250k.

Director's Report

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

Subsequent to the end of the year, Tyranna received the following offers for Jumbuck:

- (a) on 30 July 2020, a conditional offer from Alliance Resources Limited (ASX:AGS) to acquire the Jumbuck Gold Project for \$2 million;
- (b) on 31 July 2020, a conditional offer from Marmota Limited (ASX:MEU) to acquire the Jumbuck Gold Project for \$2.6 million; and
- (c) also on 31 July 2020, an increased offer of \$2 million from Syngas (Syngas Offer),

On 10 August 2020, the Company announced that the terms of the Formal Sale Agreement had been varied to provide for an increase in the consideration payable for the Jumbuck Gold Project to \$2.25 million that included an obligation to pay a Termination Fee of \$250,000 if shareholders did not approve the transaction.

Tyranna expects to hold a general meeting of shareholders to approve the Acquisition in late October/early November.

At a General Meeting of shareholders on 31 July 2020, the Company received approval to:

1. issue Tranche 2 of the May Placement being 104,166,667 fully paid ordinary shares;
2. issue Mr Joseph Pinto 16,666,667 fully paid ordinary shares following his participation in the February Placement;
3. issue a total of 26,527,233 fully paid ordinary shares to convert debt owing to CPS Capital Group Pty Ltd to equity;
4. issue a total of 12,286,667 fully paid ordinary shares to convert related party debt owing to Mr Giuseppe Graziano to equity; and
5. issue a total of 4,380,000 fully paid ordinary shares to convert related party debt owing to Mr David Wheeler to equity.

These shares were issued on 17 August 2020.

On 17 August 2020, Tyranna announced it had granted Warriedar Mining Pty Ltd (Warriedar) an option to acquire the Eureka Gold Project tenements (Option). The Option included an Option Fee of \$100,000 and if Warriedar exercised the Option consideration of up to \$1,400,000 cash, comprised of:

- \$400,000 cash on exercise of the Option (Initial Payment)
- \$500,000 cash on satisfaction of the Tyranna obtaining ministerial approval for the transfer of the Tenements to Warriedar within 4 months after the Option is exercised; and
- \$500,000 cash if, on or before the 5th anniversary of the Completion Date, Warriedar produces from within the Tenements recovered gold of not less than 20,000 ounces.

On 31 August 2020, Tyranna announced Warriedar had exercised the Option and paid \$900,000 (ex-GST) to the Company.

During September 2020, Tyranna relinquished its rights to tenure for the Goodsprings Project tenements. As a result of relinquishing the tenements, an impairment loss of \$2,196,470 was recognised in the statement of profit or loss in relation to the Goodsprings Project.

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

Director's Report**Future Developments, Prospects and Business Strategies**

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

- i. Upgrade and extend known prospects in order to increase projects' resources.
- ii. Make a new high grade discovery.
- iii. Develop potential mining feasibility of one or more projects.

Environmental Issues

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

National Greenhouse and Energy Reporting Guidelines

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

Energy Efficiency Opportunities Guidelines

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

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

Clean Energy Act 2011

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

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

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

Director's Report

Information on Directors

Joseph S. Pinto	Non-Executive Director
Qualifications	Bachelor of Laws and Bachelor of Commerce
Experience	Mr. Pinto is a Solicitor and Barrister of the Supreme Court of N.S.W.as well as having been admitted as a Solicitor to the High Court of Australia. He has been a major shareholder and supporter of the Company.
Interest in Shares	67,971,393 fully paid ordinary shares
Interest in Options	294,117 Options exercisable at \$0.04 on or before 6 October 2021.
Directorships held in other listed entities	None.
Directorships previously held in other listed entities in the previous 3 years	None.
Giuseppe (Joe) Graziano	Non-Executive Director (Appointed 1 June 2019)
Qualifications	Bachelor of Business (Accounting and Economics), CA
Experience	Mr Graziano is a Chartered Accountant with corporate and company secretarial experience. He has over 28 years' experience providing a wide range of business, financial and strategic advice to small cap unlisted and listed public companies and privately-owned businesses in Western Australia's resource-driven industries. Since 2014 he has been focused on corporate advisory, company secretarial and strategic planning with listed corporations including Mergers & Acquisitions, Capital Raisings, Corporate Governance, ASX compliance and structuring. He is currently a director of Pathways Corporate Pty Ltd a specialised Corporate Advisory business
Interest in Shares	16,666,667
Interest in Options	Nil.
Directorships held in other listed entities	Thred Ltd (THD) Non-Executive Director Kin Mining NL (KIN) Chairman ACN 059 457 279 Ltd (formally Migme Ltd (MIG)) Non-Executive Director
Directorships previously held in other listed entities in the previous 3 years	None.
David Wheeler	Non-Executive Director
Qualifications	David has been a Fellow of the Australian Institute of Company Directors (FAICD) since 1990.
Experience	Mr Wheeler has more than 30 years of Executive Management, Directorship, and Corporate Advisory experience. He is a foundation Director and Partner of Pathways Corporate a boutique Corporate Advisory firm that undertakes assignments on behalf of family offices, private clients, and ASX listed companies. David has successfully engaged in business projects in the USA, UK, Europe, NZ, China, Malaysia, Singapore and the Middle East. David is a Fellow of the Australian Institute of Company Directors and serves on public and private company boards currently holding a number of Directorships and Advisory positions in Australian ASX listed companies.
Interest in Shares	16,666,667 fully paid ordinary shares.

Director's Report

Interest in Options	Nil.
Directorships held in other listed entities	Thred Ltd (THD) Non-Executive Chairman Avira Resources Ltd (AVW) Non-Executive Chairman Blaze International Ltd (BLZ) Non-Executive Chairman Protean Wave Energy Ltd (POW) Non-Executive Director Eneabba Gas Ltd (ENB) Non-Executive Director Ragnar Minerals Ltd (RAG) Non-Executive Director Tyranna Resources Ltd (TYX) Non-Executive Director Syntonic Ltd (SYT) Non-Executive Director VPCL Limited (VPCL) Non-Executive Director ACN 059 457 279 Ltd (formally Migme Ltd (MIG)) Non-Executive Director
Directorships previously held in other listed entities in the previous 3 years	Antilles Oil and Gas NL Ausmex Mining Group Limited Castillo Copper Limited 333D Limited Former Managing Director
Bruno Seneque	
Qualifications	Bachelor of Business (Accounting), CPA
Experience	Mr Seneque is a Certified Practising Accountant with CPA Australia, and has more than 22 years' experience as a qualified accountant. Over the last 20 years Mr Seneque has accumulated experience in the mining industry in various roles including executive general management, CFO, company secretarial services, corporate and mine site accounting. He was previously Managing Director of Fox Resources Ltd, which operated the Radio Hill nickel/copper/cobalt mine in Karratha.
Interest in Shares	1,757,731 fully paid ordinary shares (at resignation)
Interest in Options	1,176,470 Options exercisable at \$0.04 on or before 6 October 2021. (at resignation)
Directorships held in other listed entities	Kairos Minerals Ltd (KAI) Director
Directorships previously held in other listed entities in the previous 3 years	None.

Meetings of Directors

During the financial year, 2 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Held	Attended	Eligible to attend
Joseph Pinto	2	2	2
Giuseppe (Joe) Graziano	2	2	2
David Wheeler	1	1	1
Bruno Seneque	1	1	1

Director's Report**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. In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to insurers has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

Options

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

<i>Grant Date</i>	<i>Expiry Date</i>	<i>Exercise Price</i>	<i>Number of Options</i>
6 October 2017	6 October 2021	\$0.04	121,323,551
15 December 2017	6 October 2021	\$0.04	35,764,710
20 April 2018	6 October 2021	\$0.04	95,698,530
26 April 2018	6 October 2021	\$0.04	1,176,468
7 May 2018	6 October 2021	\$0.04	20,000,000
October 2018	6 October 2021	\$0.04	30,000,000

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any other proceedings during the year.

Non-audit Services

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

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

No other fees were paid or payable to the auditors for non-audit services performed during the year except for a fee of \$6,000 (2019: \$6,500) paid for taxation services.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C for the year ended 30 June 2020 has been received and can be found on page 16 of the directors' report.

Remuneration Report (Audited)

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

Remuneration policy

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

Director's Report

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

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

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

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

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

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

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

Group Performance, Shareholder Wealth and Directors' and Executives Remuneration

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

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

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

Joseph Pinto	Non-Executive Director
Giuseppe (Joe) Graziano	Non-Executive Director
David Wheeler	Non-Executive Director (appointed 18 October 2019)
Bruno Seneque	Managing Director (resigned 18 October 2019)

Director's Report

Employment Contracts of Executive Directors

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

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

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

Details of Remuneration for Year Ended 30 June 2020

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

2020	Salary and	Director's	Cash	Super-		Options/	Total	Represented
	Commissions	Fee	Bonus	annuation	Termination	Performance		by Options/
	\$	\$	\$	\$	\$	\$	\$	Performance
								Rights
								%
Joseph Pinto	-	38,280	-	1,140	-	-	39,420	-
Giuseppe Graziano	46,720	39,420	-	-	-	-	86,140	-
David Wheeler (i)	-	26,280	-	-	-	-	26,280	-
Bruno Seneque (ii) (iii)	82,158	-	-	6,175	-	-	88,333	-
	128,878	103,980	-	7,315	-	-	240,173	

(i) Appointed as Non-Executive Director on 18 October 2019.

(ii) Resigned as Managing Director on 18 October 2019.

(iii) During the year \$187,070 of incentive options and performance rights were reversed.

2019

Directors	Salary and	Director's	Cash	Super-		Options	Total	Represented
	Commission	Fee	Bonus	annuation	Termination	/		by Options/
	s			Contribution		Performance		Performance
	\$	\$	\$	\$	\$	Rights	\$	Rights
								%
Geoffrey Clifford (i)	-	55,000	-	5,225	-	-	60,225	-
Bruno Seneque	232,500	-	-	22,088	-	95,087	349,675	27.19
Nicholas Revell (ii)	185,578	-	-	17,630	-	(60,749)	142,459	(42.64)
Giuseppe Graziano (iii)	-	3,333	-	317	-	-	3,650	-
Joseph Pinto	-	40,000	-	3,800	-	-	43,800	-
	418,078	98,333	-	49,060	-	34,338	599,809	

(i) Appointed as Non-Executive Chairman on 24 January 2018 and resigned as Non-Executive Chairman on 1 June 2019.

(ii) Resigned as Technical Director on 27 June 2019.

(iii) Appointed as Non-Executive Director on 1 June 2019.

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

Director's Report

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 Listed and Incentive Options or Performance Rights

No shares were issued on exercise of listed and incentive options or performance rights during the year (2019: Nil).

Number of Performance Rights held by Key Management Personnel
2020

Performance Rights	Granted Number	Grant Date	Fair Value per Right \$	Expiry Date	Vested Number
Bruno Seneque ¹	2,500,000	30 Nov 16	0.0011	30 Nov 19	-
	2,500,000	30 Nov 16	0.0001	30 Nov 19	-
	<u>5,000,000</u>				<u>-</u>

1. Cancelled at date of resignation.

Number of Shares Held by Key Management Personnel

2020	Balance 1 July 2019	Granted As Compensation	Purchased	Options/Rights Exercised	Net Change Other*	Balance 30 June 2020
Joseph Pinto	51,304,726	-	-	-	-	51,304,726
Giuseppe Graziano	-	-	-	-	-	-
David Wheeler	- ¹	-	1,500,000	-	-	1,500,000
Bruno Seneque	1,757,731	-	-	-	-	1,757,731 ²
Total	53,062,457	-	1,500,000	-	-	54,562,457

(1) Balance as at the date of appointment

(2) Balance as at the date of resignation

Number of Listed and Incentive Options Held by Key Management Personnel

2020	Balance 1 July 2019	Granted As Compensation	Exercised	Net Change Other*	Balance 30 June 2020	Unvested and not exercisable
Joseph Pinto	294,117	-	-	-	294,117	294,117
Giuseppe Graziano	-	-	-	-	-	-
David Wheeler	- ¹	-	-	-	-	-
Bruno Seneque	31,176,470	-	-	(30,000,000) ²	1,176,470 ³	-
Total	31,470,587	-	-	(30,000,000)	1,176,470	294,117

1) Balance as at the date of appointment

2) Cancelled at date of resignation,

3) Balance as at the date of resignation.

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

Director's Report

Loans to key management personnel

Napelle Pty Ltd, a company of which Mr Giuseppe Graziano has a relevant interest, provided the company an unsecured short term loan of \$15,000 for a period of no more than 12 months at an interest rate of 10% and convertible to equity at Napelle Pty Ltd's election at a mutually agreed share price. The loan was repaid.

Other transactions with key management personnel of the Group

Pathways Corporate Pty Ltd, a company of which Mr. Wheeler and Mr. Graziano are directors and shareholders, provided the Group with a fully serviced office including administration and information technology support and charged \$7,000 for the year ended 30 June 2020 for these services, plus reimbursement of accounting services of \$27,833 were charged during the year. \$82,203 was outstanding at year end.

Mr Pinto had \$28,908 outstanding at year end.

Mr Graziano was reimbursed minor expenses \$2,897 for the year ended 30 June 2020. \$Nil was outstanding at year end.

Transactions with key management personnel were made at arm's length at normal market prices and normal commercial terms.

There are no other transaction with key management personnel during the period.

End of Remuneration Report

Director's Report

Corporate Governance Statement

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

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

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

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

Consent of Competent Persons

The information in this announcement that relates to Exploration Results is based on information compiled by Nicholas Revell, who is a Member of The Australian Institute of Geoscience and who has more than five years' experience in the field of activity being reported on. Mr. Revell consults to the Company as a geology consultant. Mr. Revell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

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



Director

Dated this 30th day of September 2020

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To the Board of Directors

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

As lead audit partner for the audit of the financial statements of Tyranna Resources Limited for the financial year ended 30 June 2020, 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

DOUG BELL CA
Partner

Dated at Perth this 30th day of September 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020

	Notes	2020 \$	2019 \$
Revenue and other income	2	72,398	4,592
Administrative expense		(49,980)	(92,291)
Consultancy expenses		(321,908)	(230,329)
Compliance and regulatory expenses		(57,873)	(81,687)
Depreciation	10	(64,389)	(252,377)
Director fees		(105,120)	(107,675)
Share-based payment	18	187,070	(35,077)
Legal fees		(37,986)	(192,518)
Finance costs		-	(7,339)
Occupancy costs		(17,461)	(185,123)
Public relation costs		(2,864)	(40,023)
Staff costs		(14,535)	(429,887)
Loss on disposal of property, plant and equipment	10	-	(2,846,276)
Impairment of property, plant and equipment		(9,300)	-
Impairment of exploration and evaluation asset	11	(6,075,163)	(1,191,568)
Net foreign exchange gain/(loss)		-	(56)
Net fair value loss on financial assets		-	(563,286)
Impairment		-	-
Exploration costs		(415,115)	(1,847,500)
Other expenses from ordinary activities		(27,726)	(108,812)
Loss before income tax		(6,939,952)	(8,207,232)
Income tax benefit	3	-	-
Loss for the year		(6,939,952)	(8,207,232)
Other comprehensive income			
Foreign exchange		(3,490)	802
Net gain/(loss) on revaluation of financial assets		(31,623)	(1,915,329)
Total other comprehensive income, net of tax		(35,113)	(1,914,527)
Total comprehensive income		(6,975,065)	(10,121,759)
Loss per share (cents per share)	6	(0.70)	(0.91)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position
As at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	154,394	506,801
Trade and other receivables	8	11,107	10,031
Assets classified as held for sale	9	3,150,000	-
TOTAL CURRENT ASSETS		3,315,501	516,832
NON-CURRENT ASSETS			
Trade and other receivables	8	95,000	85,000
Property, plant and equipment	10	-	91,838
Exploration and evaluation expenditure	11	219,721	9,225,163
Financial assets	12	-	467,200
TOTAL NON-CURRENT ASSETS		314,721	9,869,201
TOTAL ASSETS		3,630,222	10,386,033
CURRENT LIABILITIES			
Trade and other payables	13	440,272	417,595
Provisions	14	-	219,455
TOTAL CURRENT LIABILITIES		440,272	637,050
TOTAL LIABILITIES		440,272	637,050
NET ASSETS		3,189,950	9,748,983
EQUITY			
Issued capital	15	85,359,497	84,756,395
Reserve	16	638,466	(1,708,709)
Accumulated losses		(82,808,013)	(73,298,703)
TOTAL EQUITY		3,189,950	9,748,983

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2020

	Note	Issued Capital	Financial Asset Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2019		84,756,395	(2,537,735)	828,224	802	(73,298,703)	9,748,983
Loss for the year			-	-	-	(6,939,952)	(6,939,952)
Other comprehensive income		-	(31,623)	-	(3,490)		(35,113)
Total comprehensive income for the year		-	(31,623)	-	(3,490)	(6,939,952)	(6,975,065)
Derecognition on disposal of financial asset			2,569,358			(2,569,358)	-
<i>Transaction with owners, in the capacity as owners, and other transfers</i>							
Share options or rights cancelled		-	-	(187,378)	-	-	(187,378)
Share options or rights issued		-	-	308	-	-	308
Shares issued during the year		637,500	-	-	-	-	637,500
Transaction costs		(34,398)	-	-	-	-	(34,398)
Balance at 30 June 2020		85,359,497	-	641,154	(2,688)	(82,808,013)	3,189,950
Balance at 1 July 2018		81,494,384	(622,406)	673,147	-	(65,091,471)	16,453,654
Loss for the year		-	-	-	-	(8,207,232)	(8,207,232)
Other comprehensive income		-	(1,915,329)	-	802	-	(1,914,527)
Total comprehensive income for the year		-	(1,915,329)	-	802	(8,207,232)	(10,121,759)
<i>Transaction with owners, in the capacity as owners, and other transfers</i>							
Share options or rights cancelled		-	-	(63,884)	-	-	(63,884)
Share options or rights issued		-	-	218,961	-	-	218,961
Shares issued during the year		3,281,903	-	-	-	-	3,281,903
Transaction costs in relation to prior year		(19,892)	-	-	-	-	(19,892)
Balance at 30 June 2019		84,756,395	(2,537,735)	828,224	802	(73,298,703)	9,748,983

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments for exploration and evaluation activity		(448,854)	(1,801,198)
Payments to suppliers and employees		(801,485)	(1,246,549)
Interest received		450	4,601
Interest and other charges paid		-	(7,339)
Net cash outflows from operating activities	17	<u>(1,249,889)</u>	<u>(3,050,485)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets		419,021	334,946
Purchase of financial assets		-	(50,000)
Proceeds from disposal of property, plant and equipment		-	1,500,000
Payments for property, plant and equipment		-	(2,985)
Purchase of mineral tenements		(49,641)	(1,378,619)
Proceeds from disposal of exploration assets		75,000	-
Net cash inflows from investing activities		<u>444,380</u>	<u>403,342</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		437,500	-
Prepayment for issue of shares		50,000	-
Proceeds from borrowings		15,000	-
Repayment of borrowings		(15,000)	-
Transaction Costs		(34,398)	(19,892)
Net cash provided inflows from financing activities		<u>453,102</u>	<u>(19,892)</u>
Net increase/(decrease) in cash held		(352,407)	(2,667,035)
Cash at beginning of financial year		506,801	3,173,034
Effect of exchange rates on cash holdings in foreign currencies		-	802
Closing Cash and Cash Equivalents	7	<u>154,394</u>	<u>506,801</u>

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report was authorised for issue in accordance with a resolution of the directors on 30 September 2020.

a. 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.

b. Going concern

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

The Group made a net loss after tax for the year of \$6,939,952 (2019: \$8,207,232). The Group incurred net cash outflows for the year of \$352,407 (2019: outflows of \$2,667,035) which has resulted in the Group's cash and cash equivalents balance decreasing from \$506,801 to \$154,394 as at 30 June 2020.

Subsequent to the end of the year, On 10 August 2020, the Company announced that the terms of the Formal Sale Agreement had been varied to provide for an increase in the consideration payable for the Jumbuck Gold Project to \$2.25 million that included an obligation to pay a Termination Fee of \$250,000 if shareholders did not approve the transaction.

Tyranna expects to hold a general meeting of shareholders to approve the Acquisition in late October/early November.

At a General Meeting of shareholders on 31 July 2020, the Company received approval to:

1. issue Tranche 2 of the May Placement being 104,166,667 fully paid ordinary shares raising \$312,500;
2. issue Mr Joseph Pinto 16,666,667 fully paid ordinary shares following his participation in the February Placement;
3. issue a total of 26,527,233 fully paid ordinary shares to convert debt owing to CPS Capital Group Pty Ltd to equity;
4. issue a total of 12,286,667 fully paid ordinary shares to convert related party debt owing to Mr Giuseppe Graziano to equity; and
5. issue a total of 4,380,000 fully paid ordinary shares to convert related party debt owing to Mr David Wheeler to equity.

These shares were issued on 17 August 2020.

On 17 August 2020, Tyranna announced it had granted Warriedar Mining Pty Ltd (Warriedar) an option to acquire the Eureka Gold Project tenements (Option). The Option included an Option Fee of \$100,000 and if Warriedar exercised the Option consideration of up to \$1,400,000 cash, comprised of:

- \$400,000 cash on exercise of the Option (Initial Payment)
- \$500,000 cash on satisfaction of the Tyranna obtaining ministerial approval for the transfer of the Tenements to Warriedar within 4 months after the Option is exercised; and
- \$500,000 cash if, on or before the 5th anniversary of the Completion Date, Warriedar produces from within the Tenements recovered gold of not less than 20,000 ounces.

On 31 August 2020, Tyranna announced Warriedar had exercised the Option and paid \$900,000 (ex-GST) to the Company.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure additional funds from the above transactions and if required capital raising and developing its mineral assets. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

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

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

- The Group has taken appropriate cost cutting exercise at the end of the financial year;
- The Group has no existing loans to external and related parties; and
- The Directors have an appropriate plan to contain certain expenditure if appropriate funding is unavailable.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

c. Principles of Consolidation

The consolidated financial statements comprise the financial statements of Tyranna Resources Ltd and its subsidiaries as at 30 June 2020.

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.

d. 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.

e. Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

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

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

f. 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

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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.

g. Depreciation

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

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

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

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

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

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

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

h. 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.

i. 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.

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j. 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.

k. 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.

l. 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.

m. 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.

n. 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.

o. Financial Instruments

In 2017 the Group early adopted and prospectively applied all the measurement and recognition requirements of AASB 9: Financial Instruments (December 2014), including consequential amendments to other standards, on 1 July 2016.

(i) Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

- those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

The Group classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost**Debt instruments**

Investments in debt instruments are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. The measurement of credit impairment is based on the three-stage expected credit loss model described below in note I Impairment of financial assets.

(a) Financial assets measured at fair value through other comprehensive income

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which AASB 3 “Business Combination” applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(b) Items at fair value through profit or loss Items at fair value through profit or loss comprise:

- items held for trading;
- items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group’s own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

(c) Impairment of financial assets

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognised on equity investments.

Determining the stage for impairment

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At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

(b) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amount and intends to settle on a net basis or to realise the asset and settle the liability simultaneously. Refer to Note 19: Financial Risk Management.

p. 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.

q. 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.

r. 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.

s. 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.

t. Borrowing Costs

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

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

Environmental Issues

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

Fair value measurements and valuation process

The Group measure some of its assets and liabilities at fair value for financial reporting. The directors of the Company determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Should Level 1 or Level 2 inputs are not available; the Group engages third party qualified valuers to perform the valuation where appropriate. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 11 and 12.

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. AusIndustry reserves the right to review claims made for the Research and Development Incentive under the R&D Legislation.

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.

v. Fair Value of Assets and Liabilities

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

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

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

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

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

Valuation techniques

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

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

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

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

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

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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:

- (b) 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.

w. 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 or 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 been 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.

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.

x. Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for mineral and, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation activity includes:

- researching and analysing historical exploration data
- gathering exploration data through topographical, geochemical and geophysical studies
- exploratory drilling, trenching and sampling
- determining and examining the volume and grade of the resource
- surveying transportation and infrastructure requirements
- conducting studies such Scoping, Pre-feasibility, Feasibility and Bank Feasibility Studies.

Costs incurred with respect to the acquisition of rights to explore for each identifiable area of interest are capitalised on the statement of financial position. Costs incurred with respect to ongoing exploration activities are expensed as incurred in the statement of profit or loss and other comprehensive income.

Capitalised costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Capitalised costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made. Exploration areas at which reserves have been discovered but require major capital expenditure before production can begin are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is under way or planned. To the extent that capitalised expenditure is not expected to be recovered it is charged to the income statement. Cash flows associated with exploration and evaluation expenditure (comprising both amounts expensed and amounts capitalised) are classified as operating activities in the cash flow statement.

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y. Application of New and Revised Accounting Standards

In the period ended 30 June 2020, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. Those which have a material impact on the Group are set out below.

AASB 16 Leases

This Standard is applicable to annual reporting periods beginning on or after 1 July 2019. This Standard replaced the accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduced a single lessee accounting model that eliminated the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and lease liability for all leases (excluding short-term leases with a lease term 12 months or less of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. The Group has completed its impact assessment of AASB 16 and the effect did not have a material impact on the Group.

Impact of standards issued but not yet applied by the entity

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 30 June 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no changes are necessary to Group accounting policies.

NOTE 2: REVENUE AND OTHER INCOME

	2020	2019
	\$	\$
Interest earned	307	4,592
Option Fee – Jumbuck Project	75,000	-
Other income	(2,909)	-
	72,398	4,592

NOTE 3: INCOME TAX

	2020	2019
	\$	\$
(a) Income tax benefit		
Current tax	-	-
Deferred tax	-	-
	-	-

NOTE 3: INCOME TAX

(b) Reconciliation of income tax expense to prima facie tax payable	2020 \$	2019 \$
Profit/(Loss) from ordinary activities before income tax	(6,939,952)	(8,207,232)
The prima facie tax (payable)/refundable on profit/(loss) from ordinary activities before income tax at 30% (2019: 30%)	(2,081,986)	(2,462,170)
Add / (Less) Tax effect of:		
Share-based payments	(56,121)	10,523
Loss on acquisition	594,748	-
Deferred tax assets not brought to account	1,543,359	2,451,647
Income tax attributable to operating profit/(loss)	-	-
Research and development claim refund	-	-
Income tax benefit	-	-
I Deferred tax assets		
Tax losses	26,484,198	26,627,928
Mine development expenditure	-	-
Provisions and accruals	-	50,363
Capital raising costs	109,985	57,051
Other	-	428,878
	26,594,183	27,164,220
Set-off deferred tax liabilities pursuant to set-off provisions	(1,138,500)	(1,138,500)
Net deferred tax assets	25,455,683	26,025,720
Less: deferred tax assets not recognised	(25,455,683)	(26,025,720)
Net tax assets	-	-
(d) Deferred tax liabilities		
Exploration expenditure	1,138,500	1,138,500
Other	-	-
	1,138,500	1,138,500
Set-off deferred tax assets pursuant to set-off provisions	(1,138,500)	(1,138,500)
Net deferred tax assets	-	-
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	88,172,327	90,178,622
Potential tax benefit @ 30% (2019: 30%)	26,451,698	27,053,587

(f) The potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2020 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.

NOTE 4: KEY MANAGEMENT PERSONNEL AND RELATED PARTY INFORMATION

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.

	2020	2019
	\$	\$
Short term employment benefits	232,858	516,411
Post- employment benefits	7,315	49,060
Share-based payments	-	34,338
Termination payments	-	-
Total remuneration	240,173	599,809

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

Loans to key management personnel:

Napelle Pty Ltd, a company of which Mr Giuseppe Graziano has a relevant interest, provided the company an unsecured short term loan of \$15,000 for a period of no more than 12 months at an interest rate of 10% and convertible to equity at Napelle Pty Ltd's election at a mutually agreed share price.

Transactions with related entities:

Pathways Corporate Pty Ltd, a company of which Mr. Wheeler and Mr. Graziano are directors and shareholders, provided the Group with a fully serviced office including administration and information technology support and charged \$7,000 for the year ended 30 June 2020 for these services, plus reimbursement of accounting services (\$27,833) were charged during the year. \$82,203 was outstanding at year end.

Mr Pinto had \$28,908 outstanding at year end.

Mr Graziano was reimbursed minor expenses \$2,897 for the year ended 30 June 2020. \$Nil was outstanding at year end.

NOTE 5: AUDITORS' REMUNERATION

	2020	2019
	\$	\$
Remuneration of the auditor of the Group for:		
Auditing and reviewing financial reports	40,205	27,592
Other services	6,000	6,500
	46,205	34,092

NOTE 6: EARNINGS PER SHARE

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:

	2020	2019
	\$	\$
Profit / (Loss) attributable to ordinary shareholders	(6,939,952)	(8,207,232)
	No.	No.
Weighted average number of ordinary shares	995,928,269	897,504,732

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.

NOTE 7: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank and in hand	154,394	10,465
Short-term bank deposits	-	496,336
	154,394	506,801

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

<i>CURRENT</i>	2020	2019
	\$	\$
GST receivable	8,114	-
Other receivables	2,993	10,031
	11,107	10,031
<i>NON-CURRENT</i>		
Other bonds	95,000	85,000
	95,000	85,000

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

NOTE 9: ASSETS CLASSIFIED AS HELD FOR SALE

	2020 \$	2019 \$
Interest in Jumbuck Gold Project (i)	2,250,000	-
Interest in Eureka Gold Project (ii)	900,000	-
	3,150,000	-

- (i) During the year the Company entered binding term sheet with Syngas Limited for the proposed sale of all of the issued shares of Half Moon Pty Ltd (HMP), the owner of the Western Gawler Craton Joint Venture and all the tenements located around the WGCJV owned by Trafford Resources Pty Ltd (Trafford), collectively referred to as the Jumbuck Gold Project. HMP and Trafford are wholly owned subsidiaries of Tyranna. Under the terms of the term sheet Syngas was granted the option to acquire the Jumbuck Gold Project for \$950,000 cash, subsequent to the end of the quarter the acquisition price was increased to \$2,250,000.
- (ii) Subsequent to year end, the Company entered in to a binding term sheet with Warriedar Mining Pty Ltd for the proposed sale of the tenements included in the Eureka Gold Project. Under the terms of the of the term sheet, Warriedar was granted the option to acquire the Eureka Gold Project for \$1,400,000 cash inclusive of production milestones. The Company has received \$900,000 since year end with the remaining \$500,000 being contingent on a production target of 20,000 ounces within 5 years. If ministerial approval for the transfer of the tenements is not obtained by 31 December 2020 the agreement may be terminated by either party and Tyranna would be required to repay the consideration received.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2020 \$	2019 \$
At cost	734,029	734,029
Accumulated depreciation	(734,029)	(642,191)
	-	91,838

	2020 \$	2019 \$
(b) Reconciliation		
Carrying amount at beginning of period	91,838	245,006
Additions	-	2,985
Loss on disposal of assets ¹	-	(6,276)
Disposal of asset	(18,149)	(10,000)
Impairment expense	(9,300)	-
Depreciation expense	(64,389)	(139,877)
Carrying amount at end of period	-	91,838

¹ During the previous year, the Group entered into a Sale and Purchase Agreement with Alliance Resources Ltd for the sale of various assets including the residential camp and the Wilcherry Hill Project for a total consideration of \$1.5 million. A loss on disposal of \$2,846,276 was recognised in the Profit or Loss due to the difference between the property, plant and equipment carrying amount and consideration received.

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

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE

	2020	2019
	\$	\$
Carrying amount at beginning of the period	9,225,163	5,716,568
Addition/(Reduction):		
Acquisition of Eureka Project	-	3,233,692
Acquisition of Goodsprings Project	-	2,196,471
Acquisition of Clean Power Resources Project ¹	219,721	-
Transfer interest in Jumbuck to assets held for sale ²	(2,250,000)	-
Transfer interest in Eureka to assets held for sale ³	(900,000)	-
Transfer interest in Wilcherry Hill Project Area to assets held for sale	-	(730,000)
Less impairment ^{2, 3, 4}	(6,075,163)	(1,191,568)
Carrying amount at end of period	219,721	9,225,163

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

² During the year the Company entered into a binding term sheet with Syngas Limited for the proposed sale of all of the issued shares of Half Moon Pty Ltd (HMP), the owner of the Western Gawler Craton Joint Venture and all the tenements located around the WGCJV owned by Trafford Resources Pty Ltd (Trafford), collectively referred to as the Jumbuck Gold Project. HMP and Trafford are wholly owned subsidiaries of Tyranna. Under the terms of the term sheet Syngas was granted the option to acquire the Jumbuck Gold Project for \$950,000 cash, subsequent to the end of the quarter the acquisition price was increased to \$2,250,000. An impairment loss of \$1,545,000 was recognised in the Profit or Loss due to the difference between the exploration and evaluation assets carrying amount and the consideration to be received. Refer Note 9 for details.

³ Subsequent to year end, the Company entered into a binding term sheet with Warriedar Mining Pty Ltd for the proposed sale of the tenements included in the Eureka Gold Project. Under the terms of the term sheet, Warriedar was granted the option to acquire the Eureka Gold Project for \$1,400,000 cash inclusive of production milestones. An impairment loss of \$2,333,693 was recognised in the Profit or Loss due to the difference between the exploration and evaluation assets carrying amount and the consideration to be received, (excluding contingent portion). Refer Note 9 for details.

⁴ Subsequent to year end, Tyranna relinquished its right to tenure of the Goodsprings Project tenements. As a result of relinquishing the tenements, an impairment loss of \$2,196,470 was recognised in the statement of profit or loss in relation to the Goodsprings Project.

⁵ At each reporting date, the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. Where an indication of impairment exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. During the period the Group identified indicators of impairment on certain exploration and evaluation assets under AASB 6 Exploration and Evaluation of Mineral Resources. As a result of this review, a total impairment loss of \$6,075,163 (30 June 2019: \$1,191,568) has been recognised in the statement of profit or loss in relation to the Jumbuck, Goodsprings and Eureka projects.

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

NOTE 12: FINANCIAL ASSETS	2020	2019
	\$	\$
Shares in Kairos Minerals Limited (i)	-	436,431
Shares in New Age Exploration Limited (ii)	-	30,769
	-	467,200

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

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

NOTE 13: TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Accounts payable	354,035	406,095
Accruals	36,237	11,500
Unissued shares	50,000	-
	440,272	417,595

Accounts payable are generally non-interest bearing and on a 30-day terms. Related entity payables are further discussed in Note 4.

NOTE 14: PROVISIONS

	Employee entitlements(i)	Taxes (ii)	Rehabilitation (iii)	Restructuring (iv)	Total
	\$	\$	\$	\$	\$
Opening balance at 1 July 2019	116,290	10,662	10,000	82,503	219,455
Additional provisions	-	-	-	-	-
Amount used	(116,290)	(10,662)	(10,000)	(82,503)	(219,455)
Closing balance at 30 June 2020	-	-	-	-	-

(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

(iv) Estimate of redundancy payable due to restructuring

NOTE 15: ISSUED CAPITAL

a. Ordinary shares	2020	2019
	\$	\$
Balance at beginning of reporting period	84,756,395	81,494,384
Clean Power Resources project acquisition	200,000	-
Eureka project acquisition	-	1,305,432
Goodsprings project acquisition	-	1,976,471
Placement at \$0.003	437,500	-
Transaction cost relating to share issues	(34,398)	(19,892)
	85,359,497	84,756,395

NOTE 15: ISSUED CAPITAL (CONTINUED)	2020 No	2019 No
Balance at beginning of reporting period	941,730,868	713,525,564
Clean Power Resources project acquisition	30,769,230	-
Eureka project acquisition	-	87,028,834
Goodsprings project acquisition	-	141,176,470
Placement at \$0.003	145,833,334	
At the end of reporting period	1,118,333,432	941,730,868

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 16: Reserves, and Note 18: 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 performance rights	2020		2019	
	No	\$	No	\$
Balance at beginning of reporting period	340,098,259	828,224	340,098,259	828,224
Options issued for Goodsprings Acq.	-	-	30,000,000	120,000
Cancellation of options issued to directors (i)	(30,000,000)	(183,903)	(20,000,000)	(61,301)
Amortisation	-	308	-	98,961
Performance rights lapsed	-	-	(5,567,500)	-
Cancellation of performance rights (i)	(6,135,000)	(3,475)	(5,000,000)	(2,583)
Balance at end of reporting period	303,963,259	641,154	340,098,259	828,224

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

NOTE 16: RESEVES

Share-based payment Reserve

The share-based payment reserve records the valuation of employee share options/rights. Refer to Note 15(b) for reconciliation of Share Based Payment Reserve.

Financial Assets Reserve

The asset revaluation reserve is used to record increments and decrements in the revaluation of financial asset as described in Note: 1(o). The balance standing at credit of the reserve may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law.

NOTE 17: CASH FLOW INFORMATION

Reconciliation of net profit / (loss) after income tax to the net cash flows from operations	2020	2019
	\$	\$
- Profit / (loss) for the year	(6,939,952)	(8,207,232)
Non-cash items		
- Share-based payment	(187,070)	35,077
- Loss on disposal of exploration assets & PPE	-	4,037,844
- Impairment of exploration assets & PPE	6,084,463	-
- Depreciation and amortisation	64,389	252,377
- Fair value adjustment on financial assets	-	563,286
Reclassification to investing activities		
- Proceeds from disposal of exploration assets	(75,000)	-
- Goodsprings tenement bond	10,000	-
- Acquisition of tenements	49,641	-
Reclassification to financing activities		
- Proceeds from unissued share capital	(50,000)	-
Changes in operating assets and liabilities		
- Decrease / (Increase) in trade and other receivables	(1,076)	32,652
- Decrease / (Increase) in non-current trade and other receivables	(10,000)	-
- Increase / (decrease) in trade & other payables	24,171	147,064
- Increase / (decrease) in provisions	(219,455)	88,447
Net cash outflows from operating activities	(1,249,889)	(3,050,485)

NOTE 18: SHARE-BASED PAYMENTS

The Company has adopted a scheme called the Tyranna Employee Incentive Scheme (the "Scheme"). The purpose of the Scheme is to give employees, directors, executive officers of the Company an opportunity, in the form of options and performance 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 performance 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.

PERFORMANCE RIGHTS

2020

Pursuant to the scheme, during the year, the Company cancelled 6,135,000 performance rights previously issued to former director and staff that have not vested. The share rights are divided into six classes, where each class will convert into ordinary share upon satisfaction of the relevant milestone as set out below and in accordance with the terms and conditions. These rights have not met the vesting criteria and have not been converted to ordinary shares during the period.

Class of Share Rights	Milestone Date	No Issued Interest Rate	Performance conditions
Class E	30 Nov 2019	567,500	Share price of \$0.10 for a period of 30 consecutive calendar days.
Class F	30 Nov 2019	567,500	Share price of \$0.16 for a period of 30 consecutive calendar days.
Class H	30 Nov 2019	2,500,000	Share price of \$0.10 for a period of 30 consecutive calendar days.
Class I	30 Nov 2019	2,500,000	Share price of \$0.16 for a period of 30 consecutive calendar days.

NOTE 18: SHARE-BASED PAYMENTS (CONTINUED)

Class of Share Rights	Grant Date	Milestone Date	Fair Value per Right	Share based payment at 30 June 2020
Class E*	2 Aug 2016	30 Nov 2019	\$0.0011	(\$496)
Class F*	2 Aug 2016	30 Nov 2019	\$0.0001	(\$50)
Class H*	30 Nov 2016	30 Nov 2019	\$0.0011	(\$2,403)
Class I*	30 Nov 2016	30 Nov 2019	\$0.0001	(\$218)
				<u>(\$3,167)</u>

* The share-based payment expense is affected by the reversal of performance rights that were forfeited due to director and staff resignation.

The performance rights were valued based on the price of the Company's shares with discount applied for performance-based vesting conditions. Included in the 2020 statement of profit or loss and other comprehensive income is share-based payments of (\$3,167) (2019: \$4,427), which relates to the amortisation of the value of share rights over the vesting period, after offset against any amortisation reversal for share rights that were cancelled during the period.

2019

Pursuant to the scheme, during the year, the Company cancelled 5 million performance rights previously issued to former director that have not vested. The share rights are divided into six classes, where each class will convert into ordinary share upon satisfaction of the relevant milestone as set out below and in accordance with the terms and conditions. These rights have not met the vesting criteria and have not been converted to ordinary shares during the period.

Class of Share Rights	Milestone Date	No Issued Interest Rate	Performance conditions
Class E	30 Nov 2019	567,500	Share price of \$0.10 for a period of 30 consecutive calendar days.
Class F	30 Nov 2019	567,500	Share price of \$0.16 for a period of 30 consecutive calendar days.
Class H	30 Nov 2019	2,500,000	Share price of \$0.10 for a period of 30 consecutive calendar days.
Class I	30 Nov 2019	2,500,000	Share price of \$0.16 for a period of 30 consecutive calendar days.

Class of Share Rights	Grant Date	Milestone Date	Fair Value per Right	Share based payment at 30 June 2019
Class D	2 Aug 2016	30 Nov 2018	\$0.0041	\$506
Class E	2 Aug 2016	30 Nov 2019	\$0.0011	\$214
Class F	2 Aug 2016	30 Nov 2019	\$0.0001	\$19
Class G	30 Nov 2016	30 Nov 2018	\$0.0041	\$4,271
Class H	30 Nov 2016	30 Nov 2019	\$0.0011	\$(535)
Class I	30 Nov 2016	30 Nov 2019	\$0.0001	\$(48)
				<u>\$4,427</u>

NOTE 18: SHARE-BASED PAYMENTS (CONTINUED)

The fair value of performance rights granted were independently valued using standard valuation techniques (including Monte Carlo simulation and probability distribution) taking into account the terms and conditions upon which the rights were granted as detailed below:

Class	Grant Date	Period (years)	Valuation per right	Expected Volatility	Risk free interest rate	Dividend Yield
D	2 Aug 2016	2	\$0.0041	107%	1.72%	-
E	2 Aug 2016	3	\$0.0011	112%	1.72%	-
F	2 Aug 2016	3	\$0.0001	112%	1.80%	-
G	30 Nov 2016	2	\$0.0041	107%	1.72%	-
H	30 Nov 2016	3	\$0.0011	112%	1.72%	-
I	30 Nov 2016	3	\$0.0001	112%	1.80%	-

The performance rights were valued based on the price of the Company's shares with discount applied for performance-based vesting conditions. Included in the 2019 statement of profit or loss and other comprehensive income is share-based payments of \$(3,167) (2019: \$4,427), which relates to the amortisation of the value of share rights over the vesting period, after offset against any amortisation reversal for share rights that were cancelled during the period.

OPTIONS – LISTED AND INCENTIVE

The listed and incentive options outstanding at 30 June 2020 had a weighted average exercise price of \$0.04 (2019: \$0.04) and a weighted average remaining contractual life of 2.27 years (2019: 3.27 years). Exercise prices of these options are \$0.04 (2019: \$0.04) and the weighted average fair value of the options granted during the year is not applicable as none were granted (2019: \$0.008).

	2020		2019	
	No of Options	Weighted Average Exercise Price \$	No of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	333,375,000	0.04	363,375,000	0.04
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	(30,000,000)	0.04	(30,000,000)	0.04
Expired	-	-	-	-
Outstanding at year-end	303,375,000	0.04	333,375,000	0.04
Exercisable at year-end	303,375,000	0.04	333,375,000	0.04

NOTE 18: SHARE-BASED PAYMENTS (CONTINUED)

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

Option series	Grant date	Grant date fair value	Exercise price	Expiry date	Vesting date
Series 10	06/10/17	\$0.0056	\$0.04	06/10/21	Grant date
Series 11	20/04/18	\$0.009	\$0.04	06/10/21	Grant date
Series 13	07/05/18	\$0.006	\$0.04	06/10/21	Grant date
Series 14	03/10/18	\$0.004	\$0.04	06/10/21	Grant date

No options were issued during the year.

Included in the 2020 Consolidated Statement of Changes in Equity after accounting for the cancellation of previous year share rights and options issued to former director, is share-based payments of \$183,902 (2019: \$35,077), of which \$Nil (2019: \$30,650) relates to the value of options granted during the year.

Reconciliation of share-based payments expensed to the Consolidated Statement of Profit and Loss:

Class of Share Rights /Options	Grant Date	Milestone Date	Fair Value per Right	Share based payment as at 30 June 2020	Share based payment as at 30 June 2019
Class D	2-Aug-16	30-Nov-18	\$0.0041	\$506	\$506
Class E*	2 Aug 2016	30 Nov 2019	\$0.0011	(\$496)	\$214
Class F*	2 Aug 2016	30 Nov 2019	\$0.0001	(\$50)	\$19
Class G	30-Nov-16	30-Nov-18	\$0.0041	\$4,271	\$4,271
Class H*	30 Nov 2016	30 Nov 2019	\$0.0011	(\$2,403)	(535)
Class I*	30 Nov 2016	30 Nov 2019	\$0.0001	(\$218)	(48)
Director incentive options*	20-Apr-18	6-Oct-21	\$0.0090	(\$183,902)	\$30,650
Total				(\$187,070)	\$35,077

* The share-based payment expense is affected by the reversal of performance rights that were forfeited due to director resignation.

NOTE 19: 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.

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

	Carrying Amount	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net Profit / (Loss) (\$)	Equity (\$)	Net Profit / (Loss) (\$)	Equity (\$)
30 June 2020	154,394	(1,544)	(1,544)	1,544	1,544
Cash					
30 June 2019					
Cash	506,801	(5,068)	(5,068)	5,068	5,068

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 Australian Dollar functional currency of the Group. The Group is not significantly exposed to foreign exchange risk, as most of its financial instruments are held in Australian Dollar.

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit Risk

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

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

Cash and cash equivalents

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

Trade and other receivables

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

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

(c) Liquidity Risk

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

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

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

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.

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

2020	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		11,107	-	-	-	11,107
Variable interest rate	0.07	154,394	-	-	-	154,394
		165,501	-	-	-	165,501
Financial Liabilities						
Non-interest bearing		440,272	-	-	-	440,272
		440,272	-	-	-	440,272
2019						
Financial Assets						
Non-interest bearing		-	10,031	-	-	10,031
Variable interest rate	0.36	506,801	-	-	-	506,801
		506,801	9,888	-	-	516,832
Financial Liabilities						
Non-interest bearing		406,095	11,500	-	-	417,595
		406,095	11,500	-	-	417,595

(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 20: CONTROLLED ENTITIES

Name of Entity	Incorporated	Ownership %
Trafford Resources Pty Ltd ⁽¹⁾	Australia	100%
Telescope Investments Pty Ltd ⁽²⁾	Australia	100%
Half Moon Pty Ltd ⁽³⁾	Australia	100%
Coastal Shipping Pty Ltd ⁽⁴⁾	Australia	100%
US Cobalt Pty Ltd ⁽⁵⁾	Australia	100%
Columbia Pass Inc ⁽⁶⁾	USA	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.
- (5) US Cobalt Pty Ltd is a wholly owned subsidiary of Tyranna Resources Ltd.
- (6) Columbia Pass Inc is a wholly owned subsidiary of US Cobalt Pty Ltd.
- (7) Clean Power Resources Pty Ltd is a wholly owned subsidiary of Tyranna Resources Ltd.

NOTE 21: COMMITMENTS

	2020	2019
	\$	\$
<i>Tenement Commitments</i>		
Not longer than one year	2,173,108	1,909,958
Longer than one year, but not longer than five years	878,008	650,900
Longer than five years	102,200	124,100
	3,153,316	2,684,958
<i>Lease Commitments</i>		
Not longer than one year	-	-
Longer than one year, but not longer than five years	-	-
Longer than five years	-	-
	-	-
<i>Capital Commitments</i>		
Not longer than one year	-	-
	-	-

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

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 22: PARENT ENTITY DISCLOSURES

	2020	2019
	\$	\$
a) Financial Position		
Assets		
Current assets	3,315,492	516,832
Non-current assets	285,000	9,775,200
Total assets	3,600,492	10,292,032
Liabilities		
Current liabilities	243,775	543,049
Non-current liabilities	-	-
Total liabilities	243,775	543,049
Equity		
Issued capital	85,359,497	84,756,395
Reserve	641,154	(1,763,803)
Accumulated Losses	(82,643,934)	(73,243,609)
Total Equity	3,356,717	9,748,983

NOTE 22: PARENT ENTITY DISCLOSURES (CONTINUED)

b) Financial Performance

Profit /(Loss) for the year	(6,963,745)	(5,893,356)
Other comprehensive income	(31,623)	(1,915,329)
Total comprehensive income	(6,995,368)	(7,808,685)

c) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Guarantee provided under the deed of cross guarantee	-	-
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d) Contingent Liabilities of the Parent Entity

The Company completed the Clean Power Resources acquisition on 28 November 2019, following the issue of 30,769,230 fully paid ordinary shares for the Dragon and Knight projects. Under the terms of the Clean Power Resources acquisition, the Company agreed to Grant the Vendors a 1% net smelter royalty and the following deferred consideration:

- a) Within 5 business days after announcing the commencement of a drilling programme of at least 1,000 meters of air-core drilling, RC drilling or diamond drilling at any of the tenements, within 24-months of Completion, an aggregate \$200,000 worth of Tyranna shares at a deemed issue price equal to the higher of \$0.0065 or the 30-Day VWAP (Tranche 1 Deferred Consideration Shares);
- b) Within 5 business days after announcing a drill intersection of nickel sulphides of at least 0.7% Ni at any of the tenements, within 24 months of Completion, an aggregate amount of \$600,000 worth of Tyranna shares at a deemed issue price equal to the higher of \$0.0065 or the 30-Day VWAP (Tranche 2 Deferred Consideration Shares); and
- c) within 5 business days after announcing a JORC compliant resource estimate of at least 20,000 tonnes of contained nickel at minimum grade of 0.7% Ni at any of the tenements, Tyranna must, at the election of Tyranna, either:
 - o Issue to the Vendors an aggregate amount of \$1,000,000 worth of Tyranna shares at a deemed issue price equal to the 30-Day VWAP (Tranche 3 Deferred Consideration Shares); or
 - o Pay the Vendors an aggregate amount of \$1,000,000 in cash.

NOTE 23: OPERATING SEGMENTS

Segment Information*Identification of reportable segments*

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

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

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

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

Basis of accounting for purposes of reporting by operating segments*Accounting policies adopted*

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

Segment assets

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

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

Segment liabilities

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

Unallocated items

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

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

(a) Segment performance	Exploration International	Exploration WA	Exploration SA	Total
	\$	\$	\$	\$
Period ended 30 June 2020				
Segment revenue	-	-	-	-
<i>Reconciliation of segment revenue to Group's revenue</i>				
Option fee				75,000
Other income				(2,909)
Net interest income				307
Total revenue				72,398
Segment result				
<i>Reconciliation of segment result to Group's net loss before tax</i>				
Unallocated items:				
Net corporate Charges				(635,453)
Depreciation				(64,389)
Share-based payments				187,070
Exploration expensed				(415,115)
Impairment				(6,084,463)
Net loss before income tax				(6,939,952)

NOTE 23: OPERATING SEGMENTS (CONTINUED)

Period ended 30 June 2019

Segment revenue	-	-	-	-
<i>Reconciliation of segment revenue to Group's revenue</i>				
Net interest income				4,592
Total revenue				4,592
Segment result	(230,543)	(775,048)	(841,909)	(1,847,500)
<i>Reconciliation of segment result to Group's net loss before tax</i>				
Unallocated items:				
Net corporate Charges				(1,471,148)
Depreciation				(252,377)
Share-based payments				(35,077)
Fair value adjustment				(563,286)
Impairment				(4,037,844)
Net loss before income tax				(8,207,232)

(b) Segment assets

	Exploration International \$	Exploration WA \$	Exploration SA \$	Total \$
Period ended 30 June 2020				
Segment assets	-	1,214,721	2,250,000	3,464,721
<i>Reconciliation of segment assets to Group's assets</i>				
<i>Unallocated items:</i>				
Cash and cash equivalents				154,394
Trade and other receivables				11,107
Property, plant and equipment				-
Total assets				3,630,222
Additions/(reductions) in segment assets for the year:				
Bond	-	10,000	-	10,000
Asset impairment	(2,196,470)	(2,333,693)	(1,545,000)	(6,075,163)
Purchase / (Disposal)	-	219,721	-	219,721
Assets held for sale	-	900,000	2,250,000	3,150,000
Total additions/(reductions)	(2,196,470)	(1,203,972)	705,000	(2,695,442)

NOTE 23: OPERATING SEGMENTS (CONTINUED)

Period ended 30 June 2019

Segment assets	2,196,471	3,233,692	3,937,500	9,367,663
<i>Reconciliation of segment assets to Group's assets</i>				
<i>Unallocated items:</i>				
Cash and cash equivalents				506,801
Trade and other receivables				10,031
Financial assets				467,200
Property, plant and equipment				34,338
Total assets				10,386,033
Additions/(reductions) in segment assets for the year:				
Depreciation	-	-	(227,500)	(227,500)
Asset impairment	-	-	(4,031,568)	(4,031,568)
Purchase / (Disposal)	2,096,471	2,733,692	(1,490,000)	3,340,163
Total additions/(reductions)	2,096,471	2,733,692	(5,749,068)	(918,905)

(c) Segment liabilities	Exploration International \$	Exploration WA \$	Exploration SA \$	Total \$
Period ended 30 June 2020				
Segment liabilities	-	16,916	-	16,916
<i>Reconciliation of segment liabilities to Group's liabilities</i>				
<i>Unallocated items:</i>				
Trade and other payables				423,356
Provisions				-
Total liabilities				440,272
Period ended 30 June 2019				
Segment liabilities	-	87,992	68,776	156,768
<i>Reconciliation of segment liabilities to Group's liabilities</i>				
<i>Unallocated items:</i>				
Trade and other payables				270,827
Provisions				209,455
Total liabilities				637,050

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

NOTE 24: CONTINGENT ASSETS AND LIABILITIES

Contingent Assets

Subsequent to year end, the Company entered in to a binding term sheet with Warriedar Mining Pty Ltd for the proposed sale of the tenements included in the Eureka Gold Project (Eureka Agreement). Under the terms of the of the term sheet, Warriedar was granted the option to acquire the Eureka Gold Project for \$1,400,000 cash inclusive of production milestones. Under the terms of the binding term sheet Warriedar agreed that if, on or before the 5th anniversary of the completion date of the sale, Warriedar produces from within the Eureka Gold Project recovered gold of not less than 20,000 ounces of gold ex-smelter, Warriedar will make a payment of A\$500,000 cash to Tyranna.

Contingent Liabilities

If ministerial approval for the transfer of the Eureka tenements is not obtained by 31 December 2020 the Eureka Agreement may be terminated by either party and Tyranna would be required to repay the \$900,000 consideration received.

The Company completed the Clean Power Resources acquisition on 28 November 2019, following the issue of 30,769,230 fully paid ordinary shares for the Dragon and Knight projects. Under the terms of the Clean Power Resources acquisition, the Company agreed to Grant the Vendors a 1% net smelter royalty and the following deferred consideration:

- d) Within 5 business days after announcing the commencement of a drilling programme of at least 1,000 meters of air-core drilling, RC drilling or diamond drilling at any of the tenements, within 24-months of Completion, an aggregate \$200,000 worth of Tyranna shares at a deemed issue price equal to the higher of \$0.0065 or the 30-Day VWAP (Tranche 1 Deferred Consideration Shares);
- e) Within 5 business days after announcing a drill intersection of nickel sulphides of at least 0.7% Ni at any of the tenements, within 24 months of Completion, an aggregate amount of \$600,000 worth of Tyranna shares at a deemed issue price equal to the higher of \$0.0065 or the 30-Day VWAP (Tranche 2 Deferred Consideration Shares); and
- f) within 5 business days after announcing a JORC compliant resource estimate of at least 20,000 tonnes of contained nickel at minimum grade of 0.7% Ni at any of the tenements, Tyranna must, at the election of Tyranna, either:
 - o Issue to the Vendors an aggregate amount of \$1,000,000 worth of Tyranna shares at a deemed issue price equal to the 30-Day VWAP (Tranche 3 Deferred Consideration Shares); or
 - o Pay the Vendors an aggregate amount of \$1,000,000 in cash.

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

NOTE 25: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the year, Tyranna received the following offers for Jumbuck:

- (a) on 30 July 2020, a conditional offer from Alliance Resources Limited (ASX:AGS) to acquire the Jumbuck Gold Project for \$2 million;
- (b) on 31 July 2020, a conditional offer from Marmota Limited (ASX:MEU) to acquire the Jumbuck Gold Project for \$2.6 million; and
- (c) also on 31 July 2020, an increased offer of \$2 million from Syngas (Syngas Offer),

On 10 August 2020, the Company announced that the terms of the Formal Sale Agreement had been varied to provide for an increase in the consideration payable for the Jumbuck Gold Project to \$2.25 million that included an obligation to pay a Termination Fee of \$250,000 if shareholders did not approve the transaction.

Tyranna expects to hold a general meeting of shareholders to approve the Acquisition in late October/early November.

NOTE 26: EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

At a General Meeting of shareholders on 31 July 2020, the Company received approval to:

1. issue Tranche 2 of the May Placement being 104,166,667 fully paid ordinary shares;
2. issue Mr Joseph Pinto 16,666,667 fully paid ordinary shares following his participation in the February Placement;
3. issue a total of 26,527,233 fully paid ordinary shares to convert debt owing to CPS Capital Group Pty Ltd to equity;
4. issue a total of 12,286,667 fully paid ordinary shares to convert related party debt owing to Mr Giuseppe Graziano to equity; and
5. issue a total of 4,380,000 fully paid ordinary shares to convert related party debt owing to Mr David Wheeler to equity.

These shares were issued on 17 August 2020.

On 17 August 2020, Tyranna announced it had granted Warriedar Mining Pty Ltd (Warriedar) an option to acquire the Eureka Gold Project tenements (Option). The Option included an Option Fee of \$100,000 and if Warriedar exercised the Option consideration of up to \$1,400,000 cash, comprised of:

- \$400,000 cash on exercise of the Option (Initial Payment)
- \$500,000 cash on satisfaction of the Tyranna obtaining ministerial approval for the transfer of the Tenements to Warriedar within 4 months after the Option is exercised; and
- \$500,000 cash if, on or before the 5th anniversary of the Completion Date, Warriedar produces from within the Tenements recovered gold of not less than 20,000 ounces.

On 31 August 2020, Tyranna announced Warriedar had exercised the Option and paid \$900,000 (ex-GST) to the Company.

During September 2020, Tyranna relinquished its rights to tenure for the Goodsprings Project tenements. As a result of relinquishing the tenements, an impairment loss of \$2,196,470 was recognised in the statement of profit or loss in relation to the Goodsprings Project.

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

Directors' Declaration

The Directors of the company declare that:

1. the consolidated financial statements and notes, and the remuneration disclosure that are contained in pages 11 to 15 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 2020 and of the performance for the year ended on that date of the company;
 - c. the remuneration disclosures that are contained in pages 11 to 15 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.



Director

Dated this 30th day of September 2020

Independent Auditor's Report

To the Members of Tyranna Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tyranna Resources Limited (“the Company”) and its subsidiaries (“the Group”), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion:

- a. the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group’s financial position as at 30 June 2020 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1a.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Material Uncertainty Related to Going Concern

We draw attention to Note 1b in the financial report which indicates that the Group incurred a net loss of \$6,939,952 during the year ended 30 June 2020. This condition, along with other matters as set forth in 1b, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group 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. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Exploration and evaluation assets (Refer to Note 11)</p> <p>At balance date the Group had capitalised exploration and evaluation assets of \$219,721 following an impairment loss of \$6,075,163.</p> <p>Exploration and evaluation assets is a key audit matter due to:</p> <ul style="list-style-type: none"> - The significance of the balance and the impairment to the Group's financial statements. - The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources ("AASB 6")</i>. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. - The assessment of impairment of exploration and evaluation expenditure requiring judgement. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> - Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Group holds an interest and the exploration programs planned for those tenements; - For each area of interest, we assessed the Group's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable; - We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets; - We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: <ul style="list-style-type: none"> - the licenses for the right to explore expiring in the near future or are not expected to be renewed; - substantive expenditure for further exploration in the specific area is neither budgeted or planned

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Independent Auditor's Report

To the Members of Tyranna Resources Limited (Continued)



Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none">– decision or intent by the Group to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and– data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale; and– Examined the disclosures in the financial report.
<p>Assets classified as held for sale (Refer to Note 9)</p> <p>As at 30 June 2020, \$3,150,000 was classified as held for sale regarding the planned disposal of Jumbuck (\$2,250,000) and Eureka (\$900,000) Projects.</p> <p>We considered this as a key audit matter because of the size and nature of the transactions.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">– Reviewed the sale agreements;– Assessment of the transactions to verify the measurement and classification was recorded at the lower of its carrying amount or fair value less costs to sell; and– Examined the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 1a, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditor's Report

To the Members of Tyranna Resources Limited (Continued)



We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion, the Remuneration Report of Tyranna Resources Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 30th day of September 2020

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Additional Information for Listed Public Companies

The distribution of members and their holdings of equity securities in the Company as at 23 September 2020 was as follows:

1. Shareholding

a. Distribution of Shareholders	Number of Holders	Number Ordinary
1 – 1000	108	23096
1001 - 5000	80	230126
5,001 – 10,000	52	417285
10,001 – 100,000	830	36555603
100,001 – and over	709	1245134557
	1,779	1,282,360,667

b. The number of shareholdings held in less than marketable parcels is 995.

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

<i>Shareholders</i>	Number Ordinary
Admark Investments Pty Ltd <The Pinto Family A/C>	67,971,393

d. Voting Rights

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

Ordinary shares

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

e. 20 Largest Shareholders — Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. Admark Investments Pty Ltd <The Pinto Family A/C>	67,971,393	5.3
2. Ms Linlin Li	64,000,000	4.99
3. Alliance Resources Limited	61,245,438	4.78
4. Central West Resources Pty Ltd	50,955,304	3.97
5. Ms Aiping Zhang	50,000,000	3.9
6. Chembank Pty Limited <R T Unit A/C>	40,000,000	3.12
7. Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	35,316,667	2.75
8. Coral Brook Pty Ltd <Lloyd Super Fund A/C>	30,999,999	2.42
9. First Investment Partners Pty Ltd	30,000,000	2.34
10. Coral Brook Pty Ltd <Lloyd Super Fund A/C>	28,293,218	2.21
11. Celtic Capital Pte Ltd <Investment 1 A/C>	27,375,566	2.13
12. Celtic Capital Pty Ltd <Income A/C>	18,569,063	1.45
13. Pathways Corp Investments Pty Ltd <The Pc Investment A/C>	16,666,667	1.3

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

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
14.	Hans-Rudolf Moser	12,000,000	0.94
15.	BNP Paribas Nominees Pty Ltd	11,326,015	0.88
16.	Celtic Capital Pty Ltd <The Celtic Capital A/C>	10,904,133	0.85
17.	JD Squared Investments Pty Ltd <JD Squared Investments A/C>	10,641,164	0.83
18.	National Nominees Limited <Db A/C>	10,096,000	0.79
19.	Mazza Resources Pty Ltd	10,000,000	0.78
20.	MGL Corp Pty Ltd	10,000,000	0.78

f. **20 Largest Option holders — Exercisable at \$0.04 and Expiring 6 October 2021**

	Name	Number of Options Held	% of Units
1.	Coral Brook Pty Ltd <Lloyd Super Fund A/C>	26,533,828	8.73
2.	Mr Adam Anthony Mioceovich	18,500,000	6.09
3.	Ivory Financial Services Pty Ltd <Trevor Ivory Super Fund A/C>	15,000,000	4.93
4.	Celtic Capital Pty Ltd <The Celtic Capital A/C>	12,250,000	4.03
5.	Hans-Rudolf Moser	12,000,000	3.95
6.	Razorback Ridge Investments Pty Ltd <Greg Smith Super Fund A/C>	10,000,000	3.29
7.	First Investment Partners Pty Ltd	10,000,000	3.29
8.	M & K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/C>	9,000,000	2.96
9.	Mr Felix Stefan	8,076,325	2.66
10.	Mr Andrew William Spencer <The Aj Family A/C>	7,575,000	2.49
11.	Petard Pty Ltd	6,000,000	1.97
12.	Celtic Capital Pte Ltd <Investment 1 A/C>	5,000,000	1.64
13.	Mr Simon Franz Cohn	4,450,000	1.46
14.	Kairos Minerals Ltd	4,411,766	1.45
15.	Foucart Pty Ltd <Crb A/C>	4,000,000	1.32
16.	Hollywood Marketing (Wa) Pty Ltd	4,000,000	1.32
17.	Mr Felix Stefan	4,000,000	1.32
18.	Mr Gregory Francis Ryan + Mrs Carolyn Jane Ryan <The Ryan Family S/F A/C>	3,800,000	1.25
19.	Mr Kenneth Geoffrey Nuthall + Miss Claire Diana Mary Willis <Kennethnuthall S/F A/C>	3,300,000	1.09
20.	Mrs Magdalene De Costa	3,000,000	0.99

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2. The name of the company secretary is Tim Slate
3. The address of the registered office in Australia is Level 26, 140 St Georges Terrace, Perth, WA 6000. Telephone + (08) 6558 0886

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 Securities Exchange Limited. The Company's ASX code is TYX.

6. **Unquoted Securities**

Options over Unissued Shares:

No unquoted securities on issue.

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Schedule of Mineral Tenements

As at 23 September 2020

South Australia Tenement Schedule			
Exploration License No	Tenement Name	Registered Holder	Beneficial Interest
6002	Irra Outstation (Jumbuck)	Trafford Resources Pty Ltd	100%
6003	Garford Outstation West	Trafford Resources Pty Ltd	100%
6004	Garford Outstation East	Trafford Resources Pty Ltd	100%
6097	Wildingi Claypen	Trafford Resources Pty Ltd	100%
6171	Indooroopilly	Trafford Resources Pty Ltd	100%
6214	Hilga Crutching Shed	Trafford Resources Pty Ltd	100%
6215	Mt Christie	Trafford Resources Pty Ltd	100%
6216	Commonwealth Hill	Trafford Resources Pty Ltd	100%
5460	Mt Christie Siding	Trafford Resources Pty Ltd	100%
5680	Isthmus	Half Moon Pty. Ltd.	100%
5510	Mathews Tank	Trafford Resources Pty Ltd	100%
5551	Brickies - Wynbring	Trafford Resources Pty Ltd	100%
5526	Galaxy Tank	Trafford Resources Pty Ltd	100%
6005	Eagle Hawk	Trafford Resources Pty Ltd	100%
6098	Deep Leads	Trafford Resources Pty Ltd	100%
5817	Sandstone	Half Moon Pty. Ltd.	100%
5818	Lake Anthony	Half Moon Pty. Ltd.	100%
5819	Irra	Half Moon Pty. Ltd.	100%
5820	Barton Area	Half Moon Pty. Ltd.	100%
ELA2012/291	Barton Siding	Trafford Resources Pty Ltd	100%
5772	Warrior Outstation	Half Moon Pty. Ltd.	100%
5998	Campfire Bore	Challenger Gold Operations Pty Ltd, Coombedown Resources Pty Ltd	70% rights to the gold
6173	Mulgathing	Challenger Gold Operations Pty Ltd	78% rights to the gold
5732	Sandstone JV	Challenger Gold Operations Pty Ltd, Coombedown Resources Pty Ltd	70% rights to the gold
5661	Jumbuck	Challenger Gold Operations Pty Ltd	78% rights to the gold
5720	Mobella	Challenger Gold Operations Pty Ltd	78% rights to the gold
5767	Sandstone	Challenger Gold Operations Pty Ltd	78% rights to the gold
6012	Blowout	Challenger Gold Operations Pty Ltd	78% rights to the gold

Western Australia Tenement Schedule			
Exploration License No	Tenement Name	Registered Holder	Beneficial Interest
E36/880	Weebo	Tyranna Resources Ltd	100%
E37/1275	Weebo	Tyranna Resources Ltd	100%
E37/1328	Weebo	Tyranna Resources Ltd	100%
E37/1353A	Weebo	Tyranna Resources Ltd	100%
E37/1342A	Weebo	Tyranna Resources Ltd	100%
P36/1881**	Weebo	Tyranna Resources Ltd	0%
P36/1882**	Weebo	Tyranna Resources Ltd	0%
M24/189	Eureka	Central Iron Ore Ltd	100%
M24/584	Eureka	Central Iron Ore Ltd	100%
M24/585	Eureka	Central Iron Ore Ltd	100%
M24/586	Eureka	Central Iron Ore Ltd	100%
E37/1366	Knight	Clean Power Resources Pty Ltd	100%
E29/1034	Dragon	Clean Power Resources Pty Ltd	100%

** Application waiting for grant

New South Wales Tenement Schedule			
Exploration License No	Tenement Name	Registered Holder	Beneficial Interest
EL8733	Pacific Express	Clean Power Resources Pty Ltd	100%