

Tyranna Resources Limited

ABN 79 124 990 405



and

Controlled Entities

Interim Financial Report

For the Half-Year Ended
31 December 2020

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2020 and any public announcements made by Tyranna Resources Limited during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

TABLE OF CONTENTS

Corporate Directory.....	1
Directors' Report.....	2
Auditor's Independence Declaration	6
Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income.....	7
Condensed Consolidated Statement Of Financial Position.....	8
Condensed Consolidated Statement Of Changes In Equity	9
Condensed Consolidated Statement Of Cash Flows.....	10
Notes To The Financial Statements.....	11
Directors' Declaration.....	18
Independent Auditor's Review Report.....	19

CORPORATE DIRECTORY

NON-EXECUTIVE DIRECTORS

Joseph Pinto

Giuseppe (Joe) Graziano

David Wheeler

COMPANY SECRETARY

Tim Slate

REGISTERED OFFICE

Level 26, 140 St George's Terrace

Perth, WA 6000

Telephone: + 61 (08) 6558 0886

AUDITORS

Bentleys Audit & Corporate (WA) Pty Ltd

London House

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) 9262 3723

STOCK EXCHANGE LISTING

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: TYX

TYXOC

DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2020.

Directors

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

Joseph Pinto – Non-Executive Director
Giuseppe Graziano – Non-Executive Director
David Wheeler – Non-Executive Director

Company Secretary

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

Tim Slate

Dividends

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

Principal Activities

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

Review of Operations

Overview

Over the past six months, Tyranna Resources Limited ("Tyranna") has been engaged primarily in exploration and project development activities on its new Western Australian and New South Wales Nickel Projects.

Highlights of the reported progress during the period include:

WA Nickel Projects & NSW Nickel Project

- Undertook an eleven-day field trip to the Knight & Dragon Projects in WA's nickel belt, which focused on several areas, Tyranna's geology team were able to refine their core target to the Lightning Gossan prospect as there was demonstrable gold-nickel-copper-cobalt mineralisation at surface.

Eureka Gold Project (EGP)

- Completed sale of the Eureka Gold Project tenements owned 100% by Tyranna and its wholly owned subsidiary Coastal Shipping Logistics Pty Ltd to Warriedar Mining Pty Ltd (Warriedar) following receipt of the \$100,000 option fee, \$900,000 cash consideration and Ministerial Approval.
- The Company notes it can receive a further payment of \$500,000 cash if, on or before the 5th anniversary of the Completion Date, Warriedar produces from within the Eureka Gold Project tenements recovered gold of not less than 20,000 ounces.

Jumbuck Gold Project

- Tyranna executed a share and asset sale agreement (SASA) with Marmota Limited (ASX:MEU) (Marmota) for the proposed sale the "Jumbuck Gold Project" (Marmota Transaction) for \$3,000,000, comprised of:
 - \$100,000 in cash within two business days of the parties entering into the SASA;
 - \$2,400,000 in cash payable on completion of the sale and purchase of the Jumbuck Gold Project (Completion); and
 - \$500,000 worth of new fully paid ordinary shares in Marmota, calculated at the volume weighted average price of Marmota's shares over the six months prior to the announcement of the Transaction, to be issued to Tyranna at Completion.

About the Company

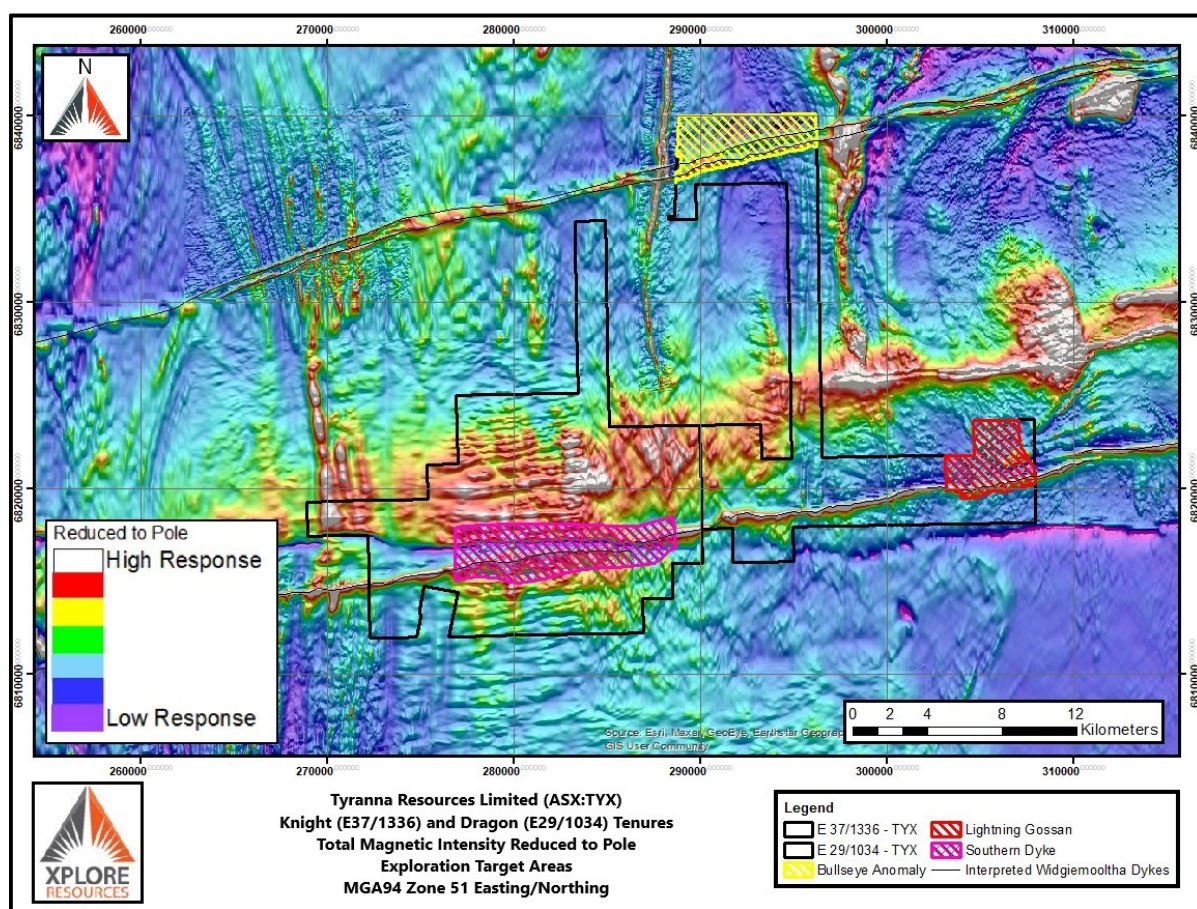
Tyranna is a diversified minerals exploration company which has been focused on the Dragon & Knight Nickel projects in WA's nickel belt. Tyranna also has a portfolio of assets including Jumbuck Gold Project in the Northern Gawler Block of South Australia and the Pacific Express nickel project in NSW.

WA NICKEL PROJECTS

Tyranna commenced exploration activities at the Dragon & Knight Project in Western Australia on 24 November 2020. A soil sampling campaign was undertaken at two priority target areas: Lightning Gossan Prospect and the recently identified Bullseye Anomaly, post the completion of a comprehensive surface sampling campaign across the Knight & Dragon Projects, assays results confirmed the Lightning Gossan target is prospective for gold-nickel-copper-cobalt mineralisation (Figure 1).

Further exploratory work needs to be progressed on the Southern Dyke and Bullseye Anomaly target, as access issues and minimal outcrop prevented adequate samples being collected to make a thorough assessment of the underlying geology.

FIGURE 1: LIGHTNING GOSSAN TARGET WITHIN KNIGHT & DRAGON PROJECTS



Lightning Gossan

Building on early work by previous explorers, Tyranna's geology team collected 160 soil samples over a 500 m by 800 m grid. The assay results returned up to 330 ppm Ni, which is anomalous, 84 ppm Cu and 28 ppm Co. In addition, 35 rock-chip samples from outcropping gossans, mafics and walls of two historic trenches indicate there is anomalous nickel-copper-cobalt mineralisation apparent with assays values up to **980 ppm Ni, 234 ppm Cu and 70 ppm Co** respectively.

JUMBUCK GOLD PROJECT (JGP)

On 10 August 2020, the Directors agreed to the proposed sale of all of Tyranna's right, title and interest in Half Moon Pty Ltd (**HMP**), the owner of the majority and controlling joint venture interest in the Western Gawler Craton Joint Venture (**WGCJV**) and all tenements located around the WGCJV owned 100% by HMP and Trafford

Resources Pty Ltd (**Trafford**), collectively referred to as the “Jumbuck Gold Project” (**Transaction**). HMP and Trafford are wholly owned subsidiaries of Tyranna, to Syngas Limited for a revised consideration of \$2.25 million.

On 26 November 2020, Tyranna held its annual general meeting of shareholders to approve the Transaction. Shareholder approval was not obtained.

On 30 November 2020, Tyranna executed an SASA with Marmota for the proposed sale the “Jumbuck Gold Project”.

Key terms of the SASA

Details of the key terms of the Transaction are set out below and further details are contained in an announcement by Marmota on 30 November 2020:

Consideration: Marmota will pay Tyranna \$3,000,000 for the Jumbuck Gold Project, comprised of:

- (a) \$100,000 in cash within two business days of the parties entering into the SASA (received);
- (b) \$2,400,000 in cash payable on completion of the sale and purchase of the Jumbuck Gold Project; and
- (c) \$500,000 worth of new fully paid ordinary shares in Marmota, calculated at the volume weighted average price of Marmota's shares over the six months prior to the announcement of the Transaction, to be issued to Tyranna at Completion.

Subject to certain conditions precedent being satisfied, Tyranna expects settlement to occur in Q2 2021.

EUREKA GOLD PROJECT (EGP)

On 1 October 2020, Tyranna advised, further to its announcement on 17 August 2020, it had completed sale of the Eureka Gold Project tenements owned 100% by Tyranna and its wholly owned subsidiary Coastal Shipping Logistics Pty Ltd to Warriedar Mining Pty Ltd (**Warriedar**) following receipt of the \$100,000 option fee, \$900,000 cash consideration and Ministerial Approval.

The Company notes it can receive a further payment of \$500,000 cash if, on or before the 5th anniversary of the Completion Date, Warriedar produces from within the Eureka Gold Project tenements recovered gold of not less than 20,000 ounces.

OTHER PROJECTS

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 investigation.

Goodsprings

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 at 30 June 2020 in the statement of profit or loss in relation to the Goodsprings Project.

Operating Results and Financial Review

Profit and loss

The Group's gain for the half-year after providing for income tax amounted to \$398,072 (2019 loss: \$6,074,175)

Financial position

The directors believe the Group is in a stable financial position to expand and grow its current operations. The Group's net assets as at 31 December 2020 are \$4,026,643 (30 June 2020: \$3,189,950).

Liquidity and capital resources

The Company's principal source of liquidity as at 31 December 2020 is cash of \$903,638 (30 June 2020: \$154,394).

CORPORATE

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.

Significant Changes in State of Affairs

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

Significant Events After Balance Date

There has been no other significant event after reporting date.

Competent Persons Statement

The information in this report that relates to Exploration Results, is based on information compiled and/or reviewed by Mr. Matthew Stephens who is a Fellow of The Australasian Institute of Geoscientists (FAIG). Mr. Stephens is an independent consultant to Tyranna Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are 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. Stephens consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 of the Financial Report for the half-year ended 31 December 2020.

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



Giuseppe (Joe) Graziano
Director
Perth, 11 March 2021

**Bentleys Audit & Corporate
(WA) Pty Ltd**

London House

Level 3,

216 St Georges Terrace

Perth WA 6000

PO Box 7775

Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

To the Board of Directors

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

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

Yours Faithfully,



BENTLEYS
Chartered Accountants



DOUG BELL CA
Partner

Dated at Perth this 11th day of March 2021

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Note	31 December 2020 \$	31 December 2019 \$
Revenue and other income		117,688	50,283
Consultancy expenses		(143,082)	(122,615)
Compliance & regulatory expenses		(30,333)	(29,172)
Director fees		(59,130)	(45,990)
Depreciation and amortisation expense		-	(63,199)
Finance costs		(21,441)	-
Legal fees		(41,090)	(35,909)
Occupancy costs		(8,182)	(26,595)
Share-based payments			187,070
Public relations cost		(1,623)	(2,864)
Staff costs expenses		-	(8,990)
Reversal of impairment / (impairment)	4	750,000	(5,666,951)
Exploration costs written off		(163,324)	(252,619)
Other expenses from ordinary activities		(1,411)	(56,624)
Gain / (loss) before income tax expense		398,072	(6,074,175)
Income tax benefit		-	-
Net gain / (loss) for the period		398,072	(6,074,175)
Other comprehensive income		(30,636)	(36,898)
Total comprehensive gain / (loss) for the period		367,436	(6,111,073)
Basic gain / (loss) per share (cents per share)		0.03	(0.64)
Diluted gain / (loss) per share (cents per share)		0.03	(0.64)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 December 2020 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents	2	903,638	154,394
Trade and other receivables	3	41,330	11,107
		<u>944,968</u>	<u>165,501</u>
Assets classified as held for sale	4	2,900,000	3,150,000
TOTAL CURRENT ASSETS		<u>3,844,968</u>	<u>3,315,501</u>
NON-CURRENT ASSETS			
Trade and other receivables	3	95,000	95,000
Exploration and evaluation costs	5	219,721	219,721
TOTAL NON-CURRENT ASSETS		<u>314,721</u>	<u>314,721</u>
TOTAL ASSETS		<u>4,159,689</u>	<u>3,630,222</u>
CURRENT LIABILITIES			
Trade and other payables	6	133,046	440,272
TOTAL CURRENT LIABILITIES		<u>133,046</u>	<u>440,272</u>
TOTAL LIABILITIES		<u>133,046</u>	<u>440,272</u>
NET ASSETS		<u>4,026,643</u>	<u>3,189,950</u>
EQUITY			
Issued capital	8	85,828,754	85,359,497
Reserves		607,830	638,466
Accumulated Losses		(82,409,941)	(82,808,013)
TOTAL ENTITY INTEREST		<u>4,026,643</u>	<u>3,189,950</u>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Issued Capital	Accumulated Losses	Financial Asset Reserve	Option Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	85,359,497	(82,808,013)	-	641,154	(2,688)	3,189,950
Gain for the period	-	398,072	-	-	-	398,072
Other comprehensive income	-	-	-	-	(30,636)	(30,636)
Total comprehensive income for the period	-	398,072	-	-	(30,636)	367,436
<i>Transaction with owners, in the capacity as owners, and other transfers</i>						
Shares issued during the period	492,081	-	-	-	-	492,081
Transaction costs	(22,824)	-	-	-	-	(22,824)
Balance at 31 December 2020	85,828,754	(82,409,941)	-	641,154	(33,324)	4,026,643
Balance at 1 July 2019	84,756,395	(73,298,703)	(2,537,735)	828,224	802	9,748,983
Loss for the period	-	(6,074,175)	-	-	-	(6,074,175)
Foreign currency	-	-	-	-	(5,275)	(5,275)
Other comprehensive income	-	-	(31,623)	-	-	(31,623)
Total comprehensive income for the period	-	(6,074,175)	(31,623)	-	(5,275)	(6,111,073)
<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 recognised	-	-	-	308	-	308
Shares issued during the period	200,000	-	-	-	-	200,000
Transaction costs	-	-	-	-	-	-
Balance at 31 December 2019	84,956,395	(79,372,878)	(2,569,358)	641,154	(4,473)	3,650,840

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$	31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(432,105)	(631,267)
Payments for exploration and evaluation activity	(226,001)	(330,266)
Interest received	188	426
Other income	17,500	-
Net cash used in operating activities	<u>(640,418)</u>	<u>(961,107)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets	-	419,021
Proceeds from disposal of exploration assets	1,100,000	50,000
Net cash used in investing activities	<u>1,100,000</u>	<u>469,021</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	312,500	-
Fundraising costs	(22,824)	-
Net cash provided by (used in) financing activities	<u>289,676</u>	<u>-</u>
Net increase (decrease) in cash held	749,258	(492,086)
Cash and cash equivalents at 1 July	154,394	506,801
Effects of exchange rates on cash holdings in foreign currencies	(14)	(5,275)
Closing Cash and Cash Equivalents	<u>903,638</u>	<u>9,440</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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

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

Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the company's 2020 annual financial report for the financial year ended 30 June 2020, except for the impact of the Standards and Interpretations described below, and the change in accounting policy as described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and revised Accounting Standards*Standards and Interpretations applicable to 31 December 2020*

In the period ended 31 December 2020, the directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and have determined there is no material impact on the Group and therefore no change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 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.

Statement of Compliance

The interim financial statements were authorised for issue on 11 March 2021.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Significant Accounting Estimates and Judgements

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Going Concern Disclosure

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

The Group incurred a profit for the period of \$398,072 (31 December 2019 loss: \$6,074,175) which included reversal of impairment of assets of \$750,000 (2019 impairment of: \$5,666,951). The Group incurred net cash outflows from operating activities of \$640,418 (31 December 2019: \$961,107) during the half year.

As at 31 December 2020, the Group had a working capital position of \$811,922 (30 June 2020: \$(274,771)). 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 half-year financial report.

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

- As disclosed in Note 4, the Group entered executed a share and asset sale agreement (**SASA**) with Marmota Limited (ASX:MEU) (**Marmota**) for the proposed sale the "Jumbuck Gold Project" for \$3,000,000 comprised of:
 - (a) \$100,000 in cash within two business days of the parties entering into the SASA (received);
 - (b) \$2,400,000 in cash payable on completion of the sale and purchase of the Jumbuck Gold Project; and
 - (c) \$500,000 worth of new fully paid ordinary shares in Marmota, calculated at the volume weighted average price of Marmota's shares over the six months prior to the announcement of the Transaction, to be issued to Tyranna at Completion.

Subject to certain conditions precedent being satisfied, Tyranna expects settlement to occur in Q2 2021.

- The Directors believe the Group will be able to secure funds to meet its commitments; and
- The Group can contain certain expenditure if appropriate funding is unavailable.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by completing the sale of the Jumbuck Gold Project and raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate an inherent uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. In the event the above matters are not achieved, the Group will be required to raise funds for working capital from debt or equity sources.

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.

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 Company'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.

	31 December 2020	30 June 2020
	\$	\$
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	903,638	154,394
	903,638	154,394

Cash at bank earn interest at floating rate based on daily bank deposit rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 December 2020	30 June 2020
	\$	\$
NOTE 3: TRADE AND OTHER RECEIVABLES		
<i>CURRENT</i>		
GST receivables	5,827	8,114
Other receivables	35,503	2,993
	41,330	11,107
<i>NON-CURRENT</i>		
Other bonds	95,000	95,000
	95,000	95,000

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.

	31 December 2020	30 June 2020
	\$	\$
NOTE 4: ASSETS CLASSIFIED AS HELD FOR SALE		
Interest in Jumbuck Gold Project (i)	2,900,000	2,250,000
Interest in Eureka Gold Project (ii)	-	900,000
	2,900,000	3,150,000

- (i) On 10 August 2020, the Directors agreed to the proposed sale of the Jumbuck Gold Project to Syngas Limited for a revised consideration of \$2.25 million, however on 26 November 2020, Tyranna held its annual general meeting of shareholders to approve the transaction. Shareholder approval was not obtained.

On 30 November 2020, the Group entered into a share and asset sale agreement (SASA) with Marmota Limited (ASX:MEU) (Marmota) for the proposed sale of the "Jumbuck Gold Project" for \$3,000,000 comprised of:

- (i) \$100,000 in cash within two business days of the parties entering into the SASA (received);
- (ii) \$2,400,000 in cash payable on completion of the sale and purchase of the Jumbuck Gold Project; and
- (iii) \$500,000 worth of new fully paid ordinary shares in Marmota, calculated at the volume weighted average price of Marmota's shares over the six months prior to the announcement of the Transaction, to be issued to Tyranna at Completion.

Subject to certain conditions precedent being satisfied, Tyranna expects settlement to occur in Q2 2021.

As a result of the Marmota transaction, a reversal of the prior period impairment of \$750,000 was recognised.

- (ii) During the period, 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. 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. The sale of the Eureka Gold Project was completed on 1 October 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 5: EXPLORATION AND EVALUATION COSTS

	31 December 2020	30 June 2020
	\$	\$
Carrying amount at beginning of the period	219,721	9,225,163
Addition/(Reduction):		
Acquisition of Clean Power Resources Project	-	219,721
Transfer interest in Jumbuck to assets held for sale	-	(2,250,000)
Transfer interest in Eureka to assets held for sale	-	(900,000)
Less impairment	-	(6,075,163)
	219,721	219,721

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.

	31 December 2020	30 June 2020
	\$	\$
NOTE 6: TRADE AND OTHER PAYABLES		
Accounts payable	57,790	354,035
Accruals	61,800	36,237
Other payables	13,456	-
Unissued shares	-	50,000
	133,046	440,272

Accounts payable are generally non-interest bearing and on 30 days term.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020****NOTE 7: OPERATING SEGMENTS****Segment Information****Identification of reportable segments**

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

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

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

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

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

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

Segment assets

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

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

Unallocated items

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 7: OPERATING SEGMENTS (CONTINUED)

	Exploration International \$	Exploration WA \$	Exploration SA \$	Unallocated Segment	Consolidated Segment \$
Period ended 31.12.2020					
Segment revenue	-	-	-	117,688	117,688
Segment result	(4,885)	(163,239)	(355)	566,551	398,072
Segment assets	-	219,721	-	3,939,968	4,159,689
Segment liabilities	-	29,337	-	103,709	133,046
Other information					
Net interest income	-	-	-	-	188
Other income	-	-	-	-	17,500
Asset impairment	-	-	-	-	-
Disposal or held for sale	-	-	-	-	(2,900,000)
	Exploration International \$	Exploration WA \$	Exploration SA \$	Unallocated Segment	Consolidated Segment \$
Period ended 31.12.2019					
Segment revenue	-	-	-	-	-
Segment result	(1,077,540)	(1,916,067)	(2,935,993)	(144,575)	(6,074,175)
As at 30 June 2020					
Segment assets	-	1,214,721	2,250,000	165,501	3,630,222
Segment liabilities	-	16,916	-	423,356	440,272
Other information					
Net interest income	-	-	-	-	283
Other income	-	-	-	-	50,000
Depreciation	-	-	-	-	(63,199)
Asset impairment	(1,067,510)	(1,916,067)	(2,935,993)	-	(5,919,570)
Assets held for sale	-	900,000	2,250,000	-	3,150,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 8: ISSUED CAPITAL

	No of shares	Total \$
a. Ordinary shares		
Balance at beginning of reporting period	1,118,333,432	85,359,497
Shares issued to sophisticated investors	120,833,334	362,500
Shares issued to convert debt to equity	43,193,900	129,581
Less issue costs	-	(22,824)
Balance at end of reporting period	1,282,360,666	85,828,754
	No of options and performance rights	Total \$
b. Options and Performance rights		
Balance at beginning of reporting period	303,963,259	641,154
Cancellation of options issued to directors (i)	-	-
Balance at end of reporting period	303,963,259	641,154

NOTE 9: CONTINGENT ASSETS AND LIABILITIES

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

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no other significant event after reporting date.

NOTE 11: DIVIDEND

No Dividend has been paid during or recommended for the half year ended 31 December 2020.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 17:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001; and
 - b. give a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Giuseppe (Joe) Graziano

Director

Perth, 11 March 2021

Independent Auditor's Review Report

To the Members of Tyranna Resources Limited

Conclusion

We have reviewed the accompanying half-year financial report of Tyranna Resources Limited ("the Company") and Controlled Entities ("the Group") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

- a. Giving a true and fair view of Tyranna Resources Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting and Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Independent Auditor's Review Report

To the Members of Tyranna Resources Limited (Continued)



Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group had net cash outflows from operating activities of \$640,418. As stated in Note 1 these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 11th day of March 2021