

TYRANNA

RESOURCES LTD

ABN 79 124 990 405

and

Controlled Entities

Annual Report

For the year ended 30 June 2023

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Corporate Directory

DIRECTORS

Giuseppe (Joe) Graziano – Chairman
Paul Williams – Executive Director
Peter Spitalny – Executive Director
David Wheeler – Non-Executive Director

COMPANY SECRETARY

Tim Slate

REGISTERED OFFICE

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Perth, WA 6000
Telephone: +61 (08) 6558 0886

AUDITORS

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Subiaco, WA 6008
Telephone: +61 (08) 9426 0666

SHARE REGISTRAR

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110 Stirling Highway
Nedlands, WA 6009
Telephone: +61 (08) 9389 8033
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STOCK EXCHANGE LISTING

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

BANKERS

Westpac Banking Corporation
109 St Georges Terrace
Perth, WA 6000

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About the Company

Tyranna Resources Limited (“Tyranna” or “the Company”) is an Australian ASX Listed explorer focused on discovery and development of battery and critical minerals in Australia and Overseas.

REVIEW OF OPERATIONS

Namibe Lithium Project

On 16 May 2022, Tyranna announced that it had executed a binding terms sheet to acquire an 80% interest in Angolan Minerals Pty Ltd (Angolan Minerals) with Tyranna completing negotiations in respect of the proposed acquisition of Angolan Minerals and executing a formal share sale agreement with the shareholders of Angolan Minerals on 27 June 2022 (Acquisition). The Acquisition was approved by Tyranna shareholders at a general meeting on 4 August 2022 and completion occurred on 18 August 2022.

The Acquisition provides an opportunity to explore in the highly prospective West African region.

The fundamentals surrounding mineral exploration in Angola are the favourable geology, the limited amount of modern exploration techniques used to date and the Angolan government’s objective to attract foreign investment in the mineral resource sector.

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Figure 1: Location of the Namibe Lithium Project

The 200km² project area contains the Giraul pegmatite field, in which approximately 1,000 or more pegmatites are exposed within an area spanning 25km long and up to 10km wide (Figure 2). The exposed pegmatites are up to 1,500m long and 100m wide, presenting as patches of outcrop surrounded by rubble and shallow soil derived from eroded pegmatite.

During the year, Tyranna announced the results of its maiden drilling campaign at the Muvero Prospect Angola, Africa with intersections of high-grade lithium mineralization, followed by results of preliminary metallurgical testing of a bulk sample of lithium pegmatite from the Muvero Prospect and initiated investigation of the far corners of the Namibe Lithium Project area.

REVIEW OF OPERATIONS (continued)

Summary of Drilling Results

Drill-holes NDDH004, NDDH005 and NDDH009 intersected different parts of the same zone of lithium mineralisation (Figures 2 and 3), with the following results:

NDDH004; from 20.25m to 43m, **22.75m @ 2.02% Li₂O**
 including 24m to 31m, **7m @ 3.06% Li₂O**,
 which contains **1m @ 5.26% Li₂O** from 29m

NDDH005; from 13.10m to 17.00m, **3.90m @ 0.70% Li₂O**
 And from 26.00m to 32.00m, **7m @ 1.80% Li₂O**

NDDH009; from 10.00m to 24.00m, **14m @ 1.39% Li₂O**
 including 14.30m to 19.00m, **4.70m @ 1.95% Li₂O**

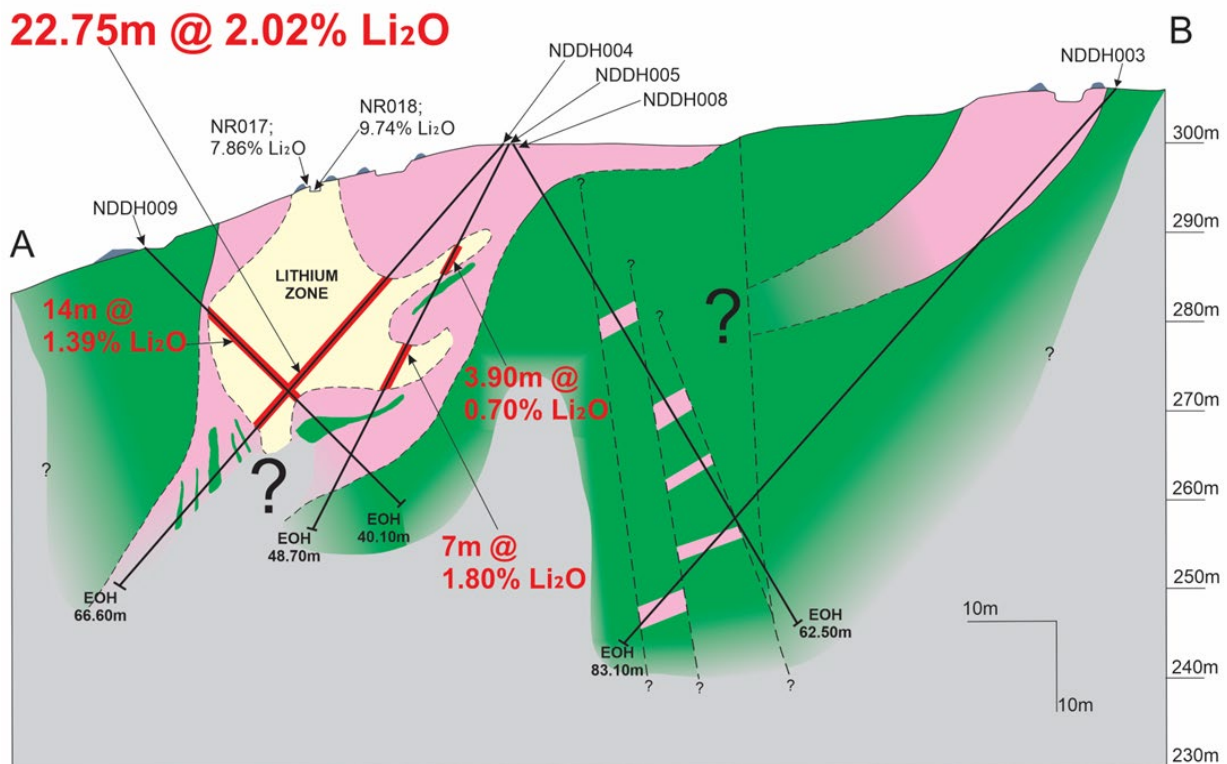


Figure 2: Cross-section AB, displaying intersected zone of high-grade lithium mineralisation.

Note: limited surface exposure of the high-grade lithium mineralisation, with rock-chip samples NR017 (spodumene) and NR018 (amblygonite-montebrasite) collected from small prospecting pits. Also, pegmatite = pink, host-rock = green and uncertain rock-types, i.e., areas not penetrated by drill-holes, = grey. Refer to figure 2 for location of the cross-section.

In addition, some very high grades of Tantalum and Tin, commodities that commonly occur with lithium minerals in many pegmatites, were attained, e.g., 1m from 18m @ 2036ppm Ta (i.e., **1m @ 0.25% Ta₂O₅**) in NDDH009 and 1m from 17m @ 2146ppm Sn (i.e., **1m @ 0.27% SnO₂**) in NDDH004. These grades suggest that zones of economically significant Tantalum mineralisation and Tin mineralisation, may be present in the Muvero pegmatite.

The intersection by NDDH004 of an interval of high grades of Caesium by NDDH004 (40m – 41m, 1m @ 23,884ppm Cs, i.e., **1m @ 2.53% Cs₂O**) suggests that the drill-hole passed through part of a **pollucite** zone.

This proves that pollucite is present in at least two parts of the Muvero pegmatite and may prove to be an economically significant component.

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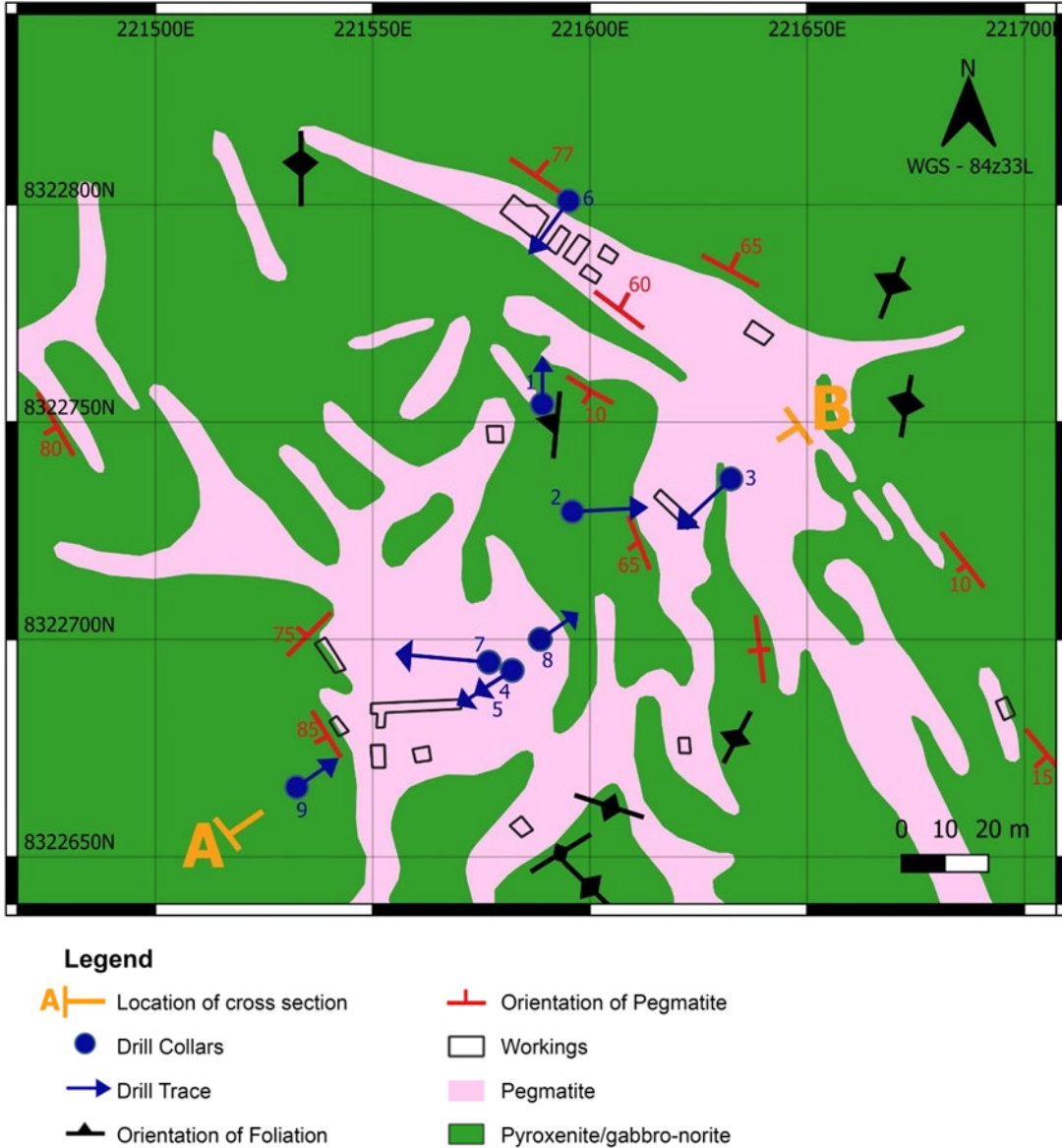


Figure 3: Muvero Drill Collar Plan, December 2022

Drilling Results Conclusions

The Muvero Prospect appears to be dominated by a single pegmatite that intruded a complex set of fractures and high-grade lithium mineralisation appears to be mainly located in thicker portions of the pegmatite, especially the bulging portions. Field observations establish that the pegmatite ascended into the fractures, i.e., the pegmatite source is below the pegmatites that outcrop.

It is likely that there are additional bulges, and there may be a large thick source-pegmatite, containing high-grade lithium mineralisation, from which the pegmatites exposed at surface emanate.

There is significant untested potential at Muvero, and Tyranna intends to complete follow-up drilling at Muvero to test its potential more thoroughly by extending coverage and ensuring greater depth of penetration of the drill-holes. Follow-up drilling plans were announced in August 2023, after the end of the period discussed in this Annual Report.

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REVIEW OF OPERATIONS (continued)

Summary of Metallurgical Testing Results

A bulk sample of pegmatite ore was collected from rubble adjacent to the pit shown in Figure 4 and was exported to Perth, Western Australia.



Figure 4: The pit that the rubble collected as the bulk sample originated from. Tyranna director Paul Williams provides scale and is standing approximately at 221585mE/8322794mN (WGS-84 Zone 33s).

Tyranna commissioned highly respected industry expert Mr Noel O'Brien, a metallurgist with extensive experience with lithium pegmatites, to design, monitor and guide the metallurgical testing procedure and interpret the test results.

The sample of pegmatite ore was submitted to Nagrom Laboratories in Perth, Western Australia, for initial metallurgical testing. The sample was crushed to 20mm, blended and sub-samples taken for head analysis and mineralogical determination by semi-quantitative XRD. A further two samples were crushed to 12.5mm and 8mm and wet screened at 0.85mm for gravity testing using heavy liquid separation (HLS) techniques.

The results of the XRD Mineralogy on the head sample confirmed the ore is an LCT-Complex spodumene pegmatite and that the dominant lithium mineral is spodumene, with minor amounts of lepidolite being present.

Wet screening revealed the sample has a high head grade, a low proportion of fines (<0.85mm) and that the iron content, at 0.11% Fe₂O₃, is low compared to most spodumene ores and will produce sought after low-iron concentrates.

When normalised to 6% concentrates, the HLS data shows around **80%** of the contained lithia is recovered into 50–55% of the overall mass processed. This result compares very favourably to other spodumene operations where **recoveries of around 55% to 65% are the norm.**

Metallurgical Test Results Conclusions

These results confirm the potential for the Namibe Lithium Project to produce very high quality spodumene concentrate, potentially entirely through DMS processes, and utilising a very coarse crush. Assuming utilisation of a very coarse crush and DMS, processing costs will be less expensive than other operations where a fine crush and flotation separation is required.

Additional metallurgical sampling, to enable completion of additional supporting metallurgical test work, is warranted.

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REVIEW OF OPERATIONS (continued)

Investigating the untested potential of the Namibe Lithium Project

Tyranna Resources Ltd (ASX: TYX) is expanding its activities to investigate the far corners of the Namibe Lithium Project area. Investigating the broader reaches of the project is an important and essential step forward in developing the full potential of the project, through identification of additional drilling targets and ultimately discovery of all the lithium deposits within the project.

There are 5 regions as shown in figure 5 that require immediate investigation. These regions are unexplored and contain a significant number of pegmatites where there is a very high potential to discover lithium mineralisation.

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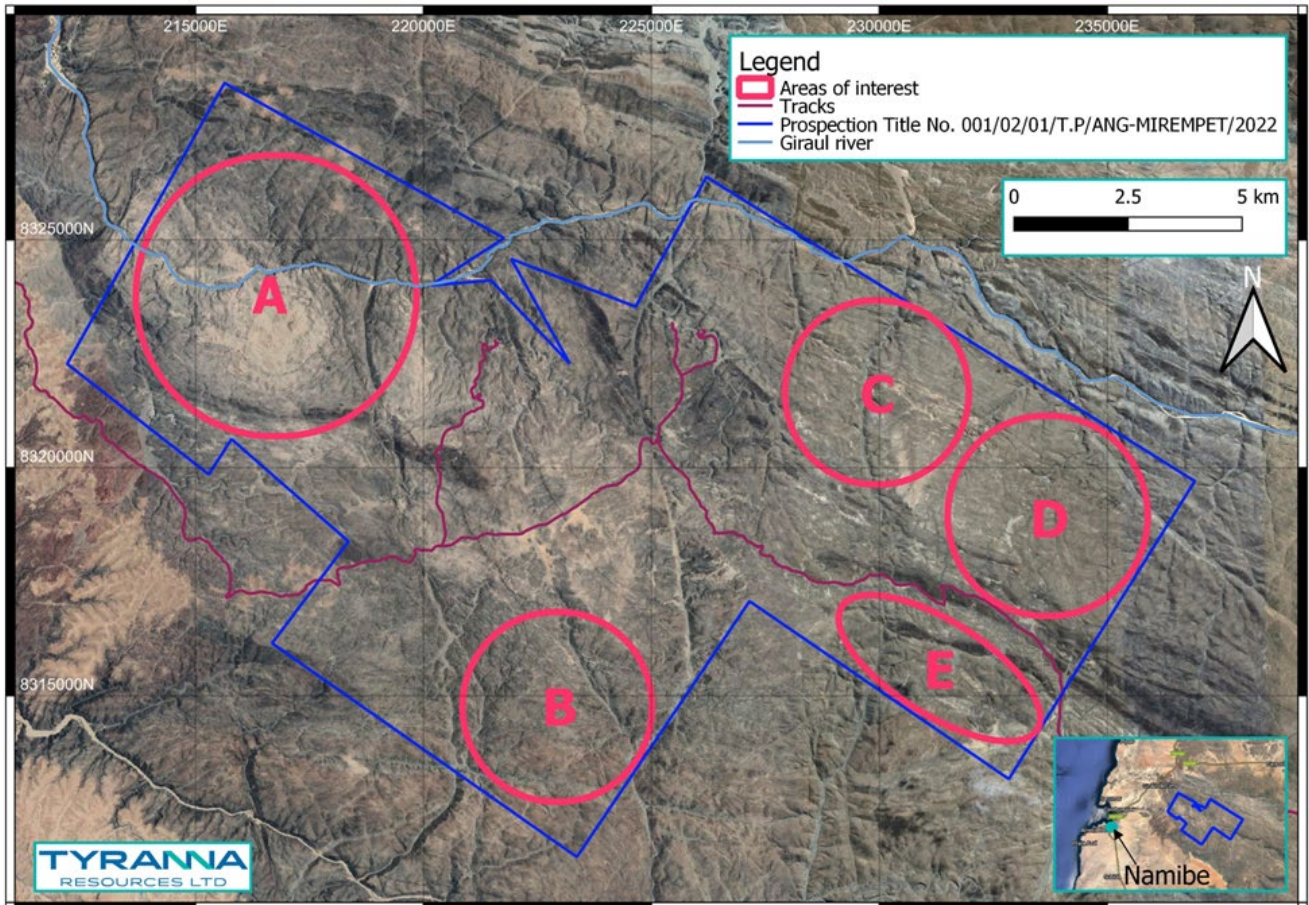


Figure 5: Schematic representation of the five main areas to be inspected

Within each of these 5 main areas, or immediately adjacent to the depicted circles indicating the approximate areas, there are numerous pegmatites that will be inspected, and sampled. This exploration task was intended to be completed in March but was rescheduled to be completed in September 2023, after the end of the period discussed in this Annual Report.

Exciting New Lithium Discoveries at Namibe as TYX Prepares for Further Drilling

In March 2023, along with completion of other tasks pertaining to planned drilling and providing a guided tour of the project to Sinomine, Tyranna initiated investigation of unexplored parts of the Namibe Lithium Project.

Investigation of 34 pegmatites that have never been examined by any previous explorers was completed through on-foot ground traverses, resulting in the discovery of 4 new lithium prospects. In addition, samples were also collected from 2 other pegmatites (211 and 22b) that had been inspected previously. The locations of these recently investigated pegmatites, including the 4 new lithium prospects, are displayed in Figure 6.

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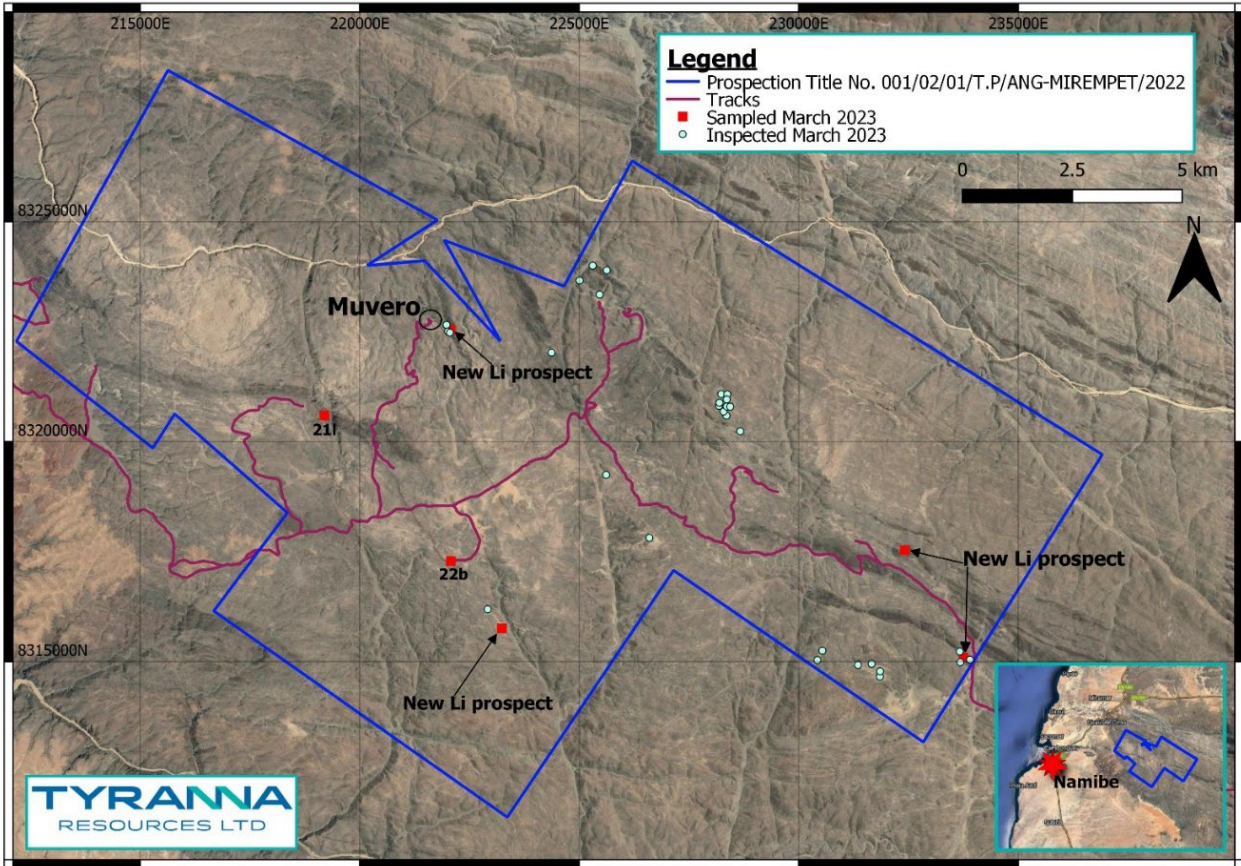


Figure 6: Location of pegmatites examined in March 2023.

A total of 18 samples (NR053 to NR070 inclusive) were collected from the 4 new discoveries and 2 other pegmatites (21i and 22b) that had been inspected previously. The sample locations are listed in Table 1, with the complete assay results in Table 2.

Table 1: Rock chip sample locations

| Site Code | Sample I.D. | Easting (mE) | Northing (mN) | Grid | Sample source | Composition |
|-----------|-------------|--------------|---------------|-------------|-----------------------|--|
| 21i | NR053 | 219193 | 8320599 | WGS-84 z33L | exposure in trench | <i>spd-bearing rock</i> |
| 21i | NR054 | 219191 | 8320598 | WGS-84 z33L | exposure in trench | <i>spd-bearing rock</i> |
| 21i | NR055 | 219212 | 8320593 | WGS-84 z33L | small dump | <i>dark green elb/alt spd</i> |
| 22b | NR056 | 222076 | 8317290 | WGS-84 z33L | exposure in small pit | <i>musc (massive)</i> |
| 23a | NR057 | 222084 | 8322551 | WGS-84 z33L | outcrop | <i>lepidolite (-qtz,alb)</i> |
| 23b | NR058 | 232636 | 8317478 | WGS-84 z33L | outcrop | <i>be (white)</i> |
| 23b | NR059 | 232649 | 8317472 | WGS-84 z33L | outcrop | <i>musc (massive)</i> |
| 23b | NR060 | 232544 | 8317510 | WGS-84 z33L | lag on outcrop | <i>weathered Li-FeMn phosphate (-heterosite)</i> |
| 23b | NR061 | 232396 | 8317534 | WGS-84 z33L | outcrop | <i>green mica in qtz-fsp matrix</i> |
| 23c | NR062 | 233755 | 8315096 | WGS-84 z33L | outcrop | <i>lepidolite (-qtz,alb)</i> |
| 23c | NR063 | 233740 | 8315107 | WGS-84 z33L | outcrop | <i>lepidolite (-qtz,alb)</i> |
| 23c | NR064 | 233785 | 8315085 | WGS-84 z33L | outcrop | <i>lepidolite (-qtz,alb)</i> |
| 23a | NR065 | 222073 | 8322547 | WGS-84 z33L | outcrop | <i>massive lepidolite</i> |
| 23d | NR066 | 223260 | 8315751 | WGS-84 z33L | lag overlying subcrop | <i>weathered Li-FeMn phosphate, qtz</i> |
| 23d | NR067 | 223239 | 8315755 | WGS-84 z33L | lag overlying subcrop | <i>weathered Li-FeMn phosphate, qtz</i> |
| 23d | NR068 | 223148 | 8315935 | WGS-84 z33L | lag overlying subcrop | <i>weathered Li-FeMn phosphate, qtz</i> |
| 21i | NR069 | 219205 | 8320597 | WGS-84 z33L | exposure in trench | <i>spd-bearing rock</i> |
| 21i | NR070 | 219215 | 8320595 | WGS-84 z33L | small dump | <i>possible SQUI</i> |

REVIEW OF OPERATIONS (continued)

Table 2: Rock chip sample Assay Results

| KM-2208-063597 | Li2O | Be | Cs | Nb | Al | B | Ba | Ca | Fe | K | Rb | Sn | Ta | Y | Mg | Mn | P | Si | Ti |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Method | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 | ICP005 |
| Units | % | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm |
| LLD | 0.001 | 1 | 1 | 5 | 100 | 50 | 50 | 1000 | 100 | 1000 | 5 | 1 | 1 | 1 | 100 | 10 | 100 | 100 | 100 |
| NR053 | 2.881 | 4 | 646 | 100 | 121900 | 300 | <50 | 1000 | 6200 | 14000 | 865 | 236 | 176 | 3.0 | 300 | 450 | 200 | 299900 | <100 |
| NR054 | 3.611 | 4 | 1683 | 425 | 124300 | 650 | <50 | 1000 | 8200 | 9000 | 570 | 79 | 2817 | 2.0 | 400 | 530 | 300 | 301800 | <100 |
| NR055 | 0.278 | 6 | 226 | 45 | 105600 | 1050 | <50 | 2000 | 5100 | 7000 | 605 | 213 | 56 | 2.0 | <100 | 490 | 1000 | 308000 | <100 |
| NR056 | 0.078 | 18 | 1302 | 90 | 150400 | 150 | 100 | <1000 | 21500 | 75000 | 2450 | 2 | 206 | 2.0 | 3400 | 630 | 100 | 248300 | 800 |
| NR057 | 3.796 | 24 | 5326 | 80 | 128200 | 300 | <50 | <1000 | 1400 | 78000 | 7315 | 215 | 219 | 2.0 | 400 | 2510 | 200 | 254000 | <100 |
| NR058 | 0.389 | 47031 | 492 | 5 | 95300 | <50 | <50 | <1000 | 7200 | <1000 | 85 | 3 | 3 | 3.0 | 300 | 130 | <100 | 307200 | <100 |
| NR059 | 0.090 | 31 | 71 | 225 | 175200 | 250 | <50 | <1000 | 12800 | 79000 | 1310 | 139 | 20 | 3.0 | 1500 | 300 | 200 | 235800 | 1200 |
| NR060 | 1.132 | 4 | 62 | <5 | 200 | <50 | 400 | 26000 | 154400 | 8000 | 100 | 2 | <1 | 3.0 | 1900 | 118010 | 34600 | 101600 | <100 |
| NR061 | 0.013 | 205 | 12 | 25 | 82000 | 150 | <50 | 4000 | 4700 | 20000 | 165 | 24 | 7 | 5.0 | 600 | 320 | 1400 | 249600 | 700 |
| NR062 | 2.214 | 36 | 1366 | 145 | 155200 | 350 | <50 | 1000 | 1500 | 80000 | 7975 | 271 | 74 | 4.0 | 200 | 3020 | 400 | 243800 | <100 |
| NR063 | 2.726 | 127 | 1378 | 135 | 139900 | 250 | <50 | 1000 | 4400 | 76000 | 8590 | 270 | 70 | 3.0 | 300 | 4670 | 1700 | 237400 | <100 |
| NR064 | 2.086 | 56 | 2140 | 130 | 144000 | 300 | <50 | <1000 | 6000 | 75000 | 7145 | 221 | 141 | 2.0 | 200 | 3790 | 300 | 248600 | <100 |
| NR065 | 4.237 | 33 | 4895 | 110 | 130300 | 300 | 50 | <1000 | 1200 | 79000 | 9220 | 198 | 172 | 2.0 | 200 | 1970 | <100 | 257800 | <100 |
| NR066 | 0.023 | 88 | 41 | 10 | 3400 | <50 | 500 | 42000 | 200900 | 3000 | 110 | 1 | <1 | 13.0 | 2900 | 82330 | 71100 | 27700 | <100 |
| NR067 | 0.020 | 87 | 21 | 55 | 8900 | <50 | 500 | 43000 | 137200 | 2000 | 60 | <1 | 54 | 10.0 | 1900 | 76190 | 33500 | 133200 | <100 |
| NR068 | 0.808 | 17 | 387 | 45 | 59200 | 6150 | 900 | 40000 | 69600 | 6000 | 710 | 23 | 19 | 1.0 | 600 | 70470 | 5700 | 155600 | <100 |
| NR069 | 4.236 | 6 | 1727 | 70 | 107000 | 250 | <50 | <1000 | 13500 | 5000 | 580 | 215 | 55 | 1.0 | 200 | 1300 | 1600 | 259500 | <100 |
| NR070 | 0.013 | 28 | 17 | 100 | 86100 | 50 | <50 | 5000 | 5300 | 1000 | 45 | 1 | 90 | 1.0 | <100 | 1490 | 3200 | 312400 | <100 |

The discovery of additional lithium pegmatites has doubled the area containing known lithium occurrences, highlighting the potential of the remaining unexplored majority of the project.

Muvero East

In addition to discovering some new prospects in distal parts of the project, important lithium mineralisation was discovered close to the Muvero Prospect on the eastern wall of the Muvero valley, where pegmatites are abundant (Figure 9).



Figure 7: Pegmatites outcropping on the eastern wall of the Muvero valley.

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REVIEW OF OPERATIONS (continued)

These pegmatites have not been examined by anyone prior to Tyranna, but their proximity to the Muvero Prospect suggests that they may be related and may be similarly lithium rich. With this in-mind, a route from Muvero was found down into the valley and the valley floor was inspected for rubble containing lithium minerals. A quartz-rich boulder with traces of lepidolite was found, which led to ascent (Figure 8) of the eastern valley wall to find the source of the boulder.



Figure 8: Ascending the eastern wall of the Muvero valley searching for lithium mineralisation. Blue circles highlight location of geologist (Peter Spitalny, upper circle) and field assistant (Joao Paulo Boy, lower circle). View from south-eastern margin of the Muvero Prospect, looking towards the southeast.

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REVIEW OF OPERATIONS (continued)

The pegmatite is largely covered by scree and is weathered but some parts outcrop, and lithium mineralisation was located at 222084mE/8322551mN and sampled as NR057. During a subsequent inspection, more lithium mineralisation was located 222073mE/8322547mN and sampled as NR065. These samples assayed 3.80% Li_2O and 4.24% Li_2O respectively.

A specimen of lithium mineralisation was collected from Muvero East that contains distinctive pink and green elbaite in a quartz-lepidolite matrix but the composition of the rock was mostly obscured by a thin layer of adherent weathering products. Hydrochloric acid was used to dissolve the obscuring film and revealed the mineralogy of the rock, including the presence of spodumene (Figure 9).



Figure 9: Specimen of spodumene-bearing rock from Muvero East. Rock comprised of approximately 50% lepidolite, 35% quartz, 10% elbaite (pink and green) and 5% spodumene.

Note: Visual indications and estimates of mineral species and abundance should never be considered a proxy for laboratory analysis. It should be noted that identification of spodumene in the field or in hand-specimens taken from the field can be achieved through traditional mineral identification techniques such as testing the hardness of the mineral, confirming the relatively high density of the mineral, observing the mineral's habit and the characteristic cleavage and parting. This identification can be achieved reliably and consistently by pegmatite experts such as Mr Spitalny.

The general nature of this pegmatite, now referred to as Muvero East, including the mineralisation observed to-date, is very similar to the Muvero pegmatite, e.g., the presence of the same pink and green elbaite (variety of tourmaline) that is a distinctive feature of the Muvero pegmatite, along with the presence of spodumene.

Given its close proximity to the Muvero pegmatite, similar composition, and similar geological setting, it is likely that the Muvero East pegmatite has a similar origin and is related to the Muvero pegmatite.

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REVIEW OF OPERATIONS (continued)

This points to the potential for lithium mineralisation extending from Muvero to Muvero East and further lithium mineralisation towards the southeast (Figure 10).

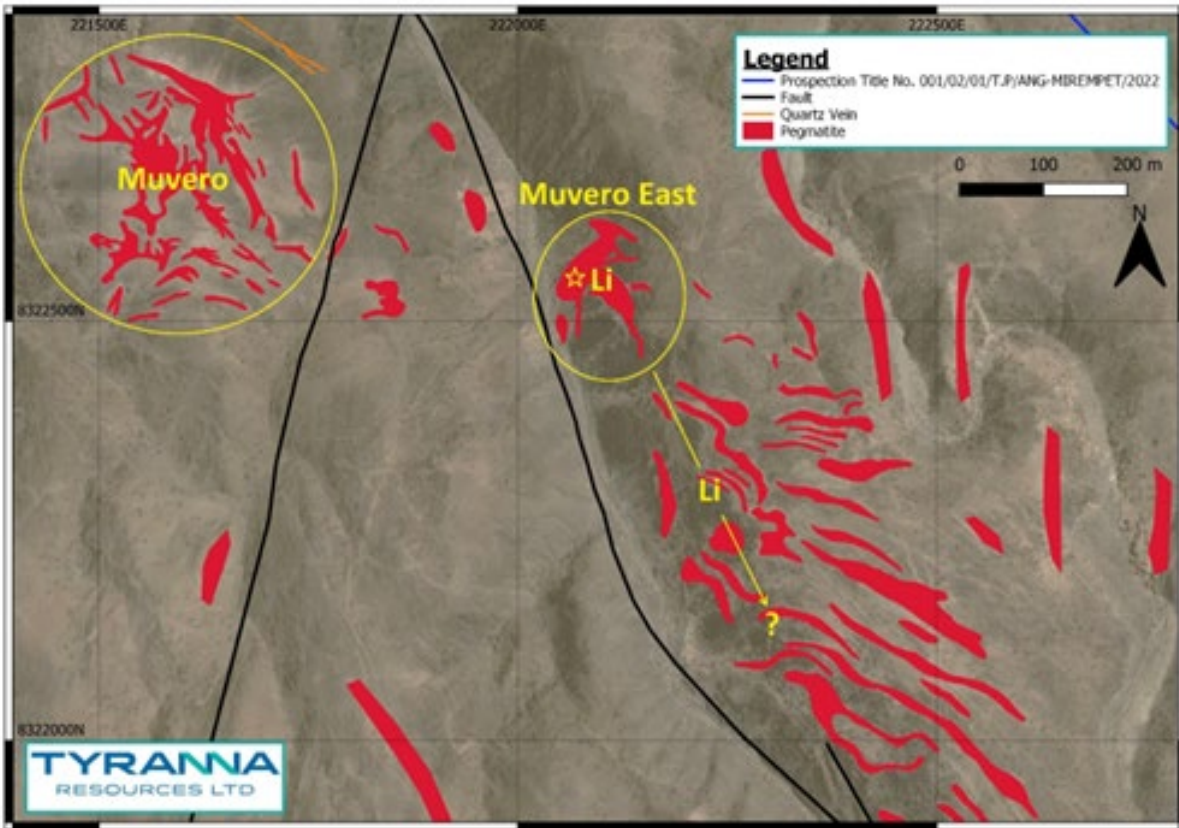


Figure 10: Relationship between Muvero and Muvero East. Yellow star labelled Li positioned at location of exposed lithium minerals, i.e., approximate location of samples NR057 and NR065.

The Muvero East prospect is an important drill-target and the potential to discover additional lithium mineralisation in the pegmatites nearby is high and follow-up investigations will be completed.

Tyranna receives Ministerial approval on Licence Transfer

On 23 May 2023, Tyranna Resources announced that it had received Ministerial Approval from the Angolan Government for the transfer of the Namibe Project Licence No 023/05/03/T.P/ANG – MIREMPET 2023 Codigo No 013/140/16/0/2022 (**Licence**) to its 100% owned Angolan subsidiary company, Angolitio Exploracao Mineira (SU), Lda.

Next Steps

Following completion of the Sinomine transaction, work on improvements to existing tracks and establishment of a camp within the project area commenced and will be followed by preparation of drill-pads. Helicopter-assisted reconnaissance of the projects' remote pegmatites is now scheduled for September and drilling is expected to commence in October 2023.

Other projects

Weebo Gold Project (WA)

No material exploration was undertaken on this project during the year.

WA Nickel Projects

No material exploration was undertaken on this project during the year.

Pacific Express Ni Project

No material exploration was undertaken on this project during the year.

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Directors' Report

Your directors' present their report on Tyranna Resources Limited ("Tyranna" or the "Company") and of the Group being the Company and its controlled entity for the financial year ended 30 June 2023.

DIRECTORS

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

Giuseppe Graziano – Non-Executive Chairman

David Wheeler – Non-Executive Director

Paul Williams – Executive Director (appointed 18 August 2022)

Peter Spitalny – Executive Director (appointed 18 August 2022)

Joseph S. Pinto – Non-Executive Director (resigned 18 August 2022)

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

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 \$7,602,443 (2022: \$783,681). 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 2023 are \$37,545,555 (2022: \$3,665,332).

Liquidity and capital resources

The Company's principal source of liquidity as at 30 June 2023 is cash of \$333,282 (2022: \$3,032,713). The Company's main sources of cash during the year are proceeds from capital raisings and sale of assets. On 4 May 2023, Tyranna secured Sinomine Resource Group (Sinomine) as a major strategic investor and offtake partner with a projected total investment in excess of A\$31,000,000, with the transaction completing subsequent to the end of the financial year. Subsequent to the end of the year on 17 July 2023, Sinomine and Tyranna completed its funding agreement, providing immediate funding of A\$14,500,000 with Sinomine holding an option for an additional A\$16,750,000.

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Directors' Report (continued)

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the five years to 30 June 2023.

| | | 30 June 2023 | 30 June 2022 | 30 June 2021 | 30 June 2020 | 30 June 2019 |
|--|-----|--------------|--------------|--------------|--------------|--------------|
| EBITDA ¹ | \$ | (7,588,283) | (743,039) | (384,072) | (6,875,563) | (7,947,516) |
| Net loss before tax | \$ | (7,602,443) | (783,681) | (384,072) | (6,939,952) | (8,207,232) |
| Net loss after tax | \$ | (7,602,443) | (783,681) | (384,072) | (6,939,952) | (8,207,232) |
| Share price at start of year | cps | (0.017) | (0.006) | (0.005) | (0.0045) | (0.017) |
| Share price at end of year | cps | (0.019) | (0.017) | (0.006) | (0.005) | (0.0045) |
| Basic loss per share (cents per share) | cps | (0.3) | (0.06) | (0.03) | (0.70) | (0.91) |
| Diluted loss per share (cents per share) | cps | (0.3) | (0.06) | (0.03) | (0.70) | (0.91) |

Note 1: EBITDA is a non-IFRS measure which represents earnings before interest, tax, depreciation and amortisation.

| | | 30 June 2023 | 30 June 2022 | 30 June 2021 | 30 June 2020 | 30 June 2019 |
|-------------------------------|----|--------------|--------------|--------------|--------------|--------------|
| Net loss after tax | \$ | (7,602,443) | (783,681) | (384,072) | (6,939,952) | (8,207,232) |
| Interest | \$ | 14,161 | 40,642 | - | - | 7,339 |
| Depreciation and amortisation | \$ | - | - | - | 64,389 | 252,377 |
| EBITDA ¹ | \$ | (7,588,283) | (743,039) | (384,072) | (6,875,563) | (7,947,516) |

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 2023.

REVIEW OF OPERATIONS

Refer to "About the Company" section above for review of operations for the year ended 30 June 2023.

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.

CORPORATE

On 18 August 2022, Tyranna announced the completion of the Acquisition of an 80% interest in Angolan Minerals Pty Ltd ("Angolan Minerals") the legal and beneficial owner of Prospecting Licence No. 001/02/01/T.P/ANG-MIREMPET/2022.

Tyranna acquired 80% of the issued capital (Sale Shares) and 100% of the issued options (Sale Options) (collectively Sale Securities) of Angolan Minerals from its current shareholders (Sellers). Tyranna will free carry the Sellers' retained 20% in Angolan Minerals in respect of all exploration expenditure until completion of a bankable feasibility study on Angolan Minerals' tenements. The transaction was introduced by CPS Capital and was approved at a general meeting of shareholders on 4 August 2022.

Consideration

Tyranna issued 700,000,000 fully paid ordinary shares in the Company (Consideration Shares), 350,000,000 options to acquire shares in the Company, exercisable at \$0.01 per share on or before 30 June 2025 (Consideration Options), and 700,000,000 performance shares, convertible into Tyranna shares on satisfaction of the performance milestones (Performance Shares), as consideration for the Sale Securities.

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Directors' Report (continued)

Performance Milestones

The Performance Shares will be issued to the Sellers in two equal tranches converting into ordinary shares on achievement of the following performance milestones:

(i) 350,000,000 Class A Performance Shares to vest on:

A. achievement of 10m (or greater) intercept @ 1% Li₂O (or greater), representing lithium mineralisation having a true thickness or near-true thickness of at least 10m; OR

B. TYX 20-day VWAP equal to or exceeding \$0.02,
within 3 years of issue.

(ii) 350,000,000 Class B Performance Shares to vest on:

A. definition of a cumulative project Mineral Resource exceeding 10Mt @ 1% Li₂O at the Inferred level of classification, compliant with the JORC Code (2012); OR

B. TYX 20-day VWAP equal to or exceeding \$0.03,
within 5 years of issue.

Following completion of the licence transfer the performance hurdles for 350,000,000 Class A and 350,000,000 Class B Performance Shares were met.

The Performance Shares were converted into 700,000,000 fully paid ordinary shares in accordance with the terms and conditions associated with the Class A and Class B Performance Shares.

Advisor Fee

Tyranna agreed to pay a non-cash facilitation fee to CPS Capital Group Pty Ltd (CPS) to be settled in Tyranna shares and options as follows:

- a) 105,000,000 fully paid ordinary shares in the Company (Advisor Shares); and
- b) 52,500,000 options to acquire Tyranna shares (Advisor Options).

Exclusivity Fee

Tyranna paid a fee of \$50,000 (plus GST) to Angolan Minerals for a 30-day exclusivity period during which Tyranna and the Sellers executed a formal share sale agreement.

Officer Options

Tyranna agreed to issue of 120,000,000 options to acquire Tyranna shares, exercisable at \$0.01 per share on or before 30 June 2025, to the directors and company secretary of the Company (Officer Options).

During the period, the Company received \$555,647 following the early exercise of 55,564,658 million options exercisable at \$0.01 on or before 30 June 2025.

Sinomine investment

On 4 May 2023, Tyranna secured Sinomine Resource Group (Sinomine) as a major strategic investor and offtake partner with a projected total investment in excess of A\$31,000,000, with the transaction completing subsequent to the end of the financial year. Subsequent to the end of the year on 17 July 2023, Sinomine and Tyranna completed its funding agreement, providing immediate funding of A\$14,500,000 with Sinomine holding an option for an additional A\$16,750,000.

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Directors' Report (continued)

A summary of the fundraising is below:

Phase 1 Investment:

- A\$10 million for 10% of the fully diluted shares in AM (Mauritius) Limited, the TYX subsidiary which owns 100% of the Angolan operating subsidiary.
- A\$4.5 million share placement in TYX at \$0.025 per share for 180 million shares (Phase 1 Investment), a 13% premium to the 15-day VWAP on 18 July 2023
- The funds raised under the Phase 1 investment will be used to advance development of the Namibe Lithium Project in Angola, for general business development purposes, and to provide additional working capital

Phase 2 Option:

Sinomine has the option to subscribe A\$10 million for a further 10% of the fully diluted shares in AM Mauritius (for a total 20% holding in AM Mauritius) and to subscribe A\$6.75 million for up to 180 million shares in TYX at an issue price of a 25% discount to the 5 Day VWAP prior or \$0.0375 per share (whichever is the higher) for 24 months from the date of issue of the Phase 1 Investment.

Offtake Agreement

On 15 June 2023, Tyranna announced the execution of a binding offtake agreement for both 50% of the spodumene and 50% of the pollucite from the Namibe Lithium Project, which includes Sinomine providing an advance payment of US\$10,000,000 at the agreed point.

AFTER BALANCE DATE EVENTS

On 4 May 2023, Tyranna secured Sinomine Resource Group (Sinomine) as a major strategic investor and offtake partner with a projected total investment in excess of A\$31,000,000, with the transaction completing subsequent to the end of the financial year. Subsequent to the end of the year on 17 July 2023, Sinomine and Tyranna completed its funding agreement, providing immediate funding of A\$14,500,000 with Sinomine holding an option for an additional A\$16,750,000.

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

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

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

- Upgrade and extend known prospects in order to increase projects' resources.
- Make a new high-grade discovery.
- Proceed to prefeasibility studies of one or more prospects.

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.

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Directors' Report (continued)

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.

INFORMATION ON DIRECTORS

| | |
|--|---|
| David Wheeler | Non-Executive Director |
| Qualifications | FAICD |
| Experience | Mr Wheeler has more than 30 years executive management experience, through general management, CEO and Managing Director roles across a range of companies and industries. He has worked on business projects in the USA, UK, Europe, New Zealand, China, Malaysia, and the Middle East (Iran). Mr Wheeler has been a Fellow of the Australian Institute of Company Directors (FAICD) since 1990. |
| Interest in Shares | 20,166,667 fully paid ordinary shares. |
| Interest in Options | 72,000,000 exercisable at \$0.01 on or before 30 June 2025. |
| Directorships held in other listed entities | Non-Executive Director – Protean Energy Ltd from May 2017 Non-Executive Chairman – PVW Resources Limited from August 2017 Non-Executive Director - Ragnar Metals Ltd from December 2017 Non-Executive Chairman - Avira Resources Ltd from September 2018 Non-Executive Director – MOAB Ltd (previously Delecta Ltd) from June 2020 Non-Executive Director – Cycliq Group Ltd from June 2021 Non-Executive Director – Cradle Resources Ltd from October 2021 Non-Executive Director – ColorTV Limited from April 2022 Non-Executive Director – OZZ Resources Ltd from May 2022 |
| Directorships previously held in other listed entities in the previous 3 years | Syntonic Ltd from November 2019 to May 2022 Blaze International Ltd from March 2020 to November 2021 Athena Resources Ltd from June 2021 to September 2022 Health House International Ltd from April 2021 to May 2023 Wellfully Limited – from to January 2023 to June 2023 |

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Directors' Report (continued)

Giuseppe (Joe) Graziano

Non-Executive Chairman

Qualifications

BComm & Economics

Experience

Joe has over 30 years' experience providing a wide range of business, financial and strategic advice to small cap listed public companies and privately owned businesses in Western Australia's resource-driven industries. Over the past 8 years he has been focused on corporate advisory and strategic planning with listed corporations and private businesses in the next phase of their growth strategy. Joe currently sits on several ASX listed Boards in the mineral exploration sector. He is currently a director of Pathways Corporate Pty Ltd, a specialised Corporate Advisory business

Interest in Shares

16,666,667 fully paid ordinary shares.

Interest in Options

72,000,000 exercisable at \$0.01 on or before 30 June 2025

Directorships held in other listed entities

Non-Executive Director – Kin Mining NL from August 2019
Non-Executive Director – Protean Energy Limited from October 2020
Non-Executive Director – OZZ Resources Ltd from May 2022

Directorships previously held in other listed entities in the previous 3 years

PVW Resources Ltd from August 2028 to February 2021
Athena Resources Ltd from May 2022 to August 2022
Syntonic Ltd from October 2020 (delisted in March 2023)

Paul Williams

Executive Director (appointed 18 August 2022)

Experience

Paul has been involved in Angola since 2008 and was directly involved with the Longonjo licence currently being developed by Pensana. His initial working years were in accounting, finance and project management and the last twenty years have been in the mining and resources sector with Australian Stock Exchange (ASX) listed companies involved in Australia, Angola, Mauritania and Kenya.

Interest in Shares

134,902,325 fully paid ordinary shares

Interest in Options

33,341,074 exercisable at \$0.01 on or before 30 June 2025

Directorships held in other listed entities

None.

Directorships previously held in other listed entities in the previous 3 years

None.

Peter Spitalny

Executive Director (appointed 18 August 2022)

Qualifications

BPE, GrDipEd, PGradDipEcGeol

Experience

Peter is an exploration geologist having three decades of experience with a range of minerals and mineralisation styles and a particular interest in pegmatites, especially those that contain lithium minerals. He has investigated pegmatite-hosted lithium mineralisation in Australia, Canada, Brazil, Argentina, Namibia, Democratic Republic of Congo and most recently Angola. Mr Spitalny is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Competent Person (compliant with the JORC Code 2012) with respect to pegmatite-hosted lithium mineralisation and reporting of associated exploration results, along with other commodities. He also has experience in the operation of public companies, having served as a director of Ardiden Limited, and having served as a high-level consultant collaborating with directors of several other public companies and as chief technical officer.

Interest in Shares

162,405,739 fully paid ordinary shares

Interest in Options

40,601,435 exercisable at \$0.01 on or before 30 June 2025

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Directors' Report (continued)

Directorships held in other listed entities None.

Directorships previously held in other listed entities in the previous 3 years Non-Executive Director – Ardiden Limited to July 2019

MEETINGS OF DIRECTORS

During the financial year, 5 meeting of directors (including committees of directors) was held. Attendances by each director during the year were as follows:

| | Held | Attended | Eligible to Attend |
|-------------------------|------|----------|--------------------|
| Giuseppe (Joe) Graziano | 5 | 5 | 5 |
| Paul Williams | 4 | 4 | 4 |
| Peter Spitalny | 4 | 4 | 4 |
| David Wheeler | 5 | 3 | 5 |
| Joseph Pinto | 1 | 1 | 1 |

OPTIONS

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

| Grant Date | Expiry Date | Exercise Price | Number of Options |
|----------------|--------------|----------------|-------------------|
| 18 August 2022 | 30 June 2025 | \$0.01 | 576,935,342 |

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.

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, Hall Chadwick WA Audit 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 (2022: \$Nil).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C for the year ended 30 June 2023 has been received and can be found on page 25 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.

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.

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.

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Directors' Report (continued)

Remuneration Report (Audited) (continued)

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:

| | |
|-------------------------|--|
| Giuseppe (Joe) Graziano | Non-Executive Chairman |
| David Wheeler | Non-Executive Director |
| Paul Williams | Executive Director - appointed 18 August 2022 |
| Peter Spitalny | Executive Director - appointed 18 August 2022 |
| Joseph Pinto | Non-Executive Director - resigned 18 August 2022 |

Details of Remuneration for Year Ended 30 June 2023

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

| 2023 | Salary and Commissions | Director's Fee | Cash Bonus | Superannuation Contribution | Termination | Options/ Performance Rights | Total | Represented by Options/ Performance Rights |
|-------------------|------------------------|----------------|------------|-----------------------------|-------------|--------------------------------|------------------|---|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| Giuseppe Graziano | 30,000 | 106,570 | - | - | - | 1,185,282 | 1,321,852 | 89.67% |
| David Wheeler | - | 39,420 | - | - | - | 846,630 | 886,050 | 95.55% |
| Paul Williams | - | 220,000 | - | - | - | - | 220,000 | - |
| Peter Spitalny | - | 220,000 | - | - | - | - | 220,000 | - |
| Joseph Pinto | - | 8,541 | - | - | - | 846,630 | 855,171 | 99.00% |
| | 30,000 | 594,531 | - | - | - | 2,878,542 | 3,503,073 | |

| 2022 | Salary and Commissions | Director's Fee | Cash Bonus | Superannuation Contribution | Termination | Options/ Performance Rights | Total | Represented by Options/ Performance Rights |
|-------------------|------------------------|----------------|------------|-----------------------------|-------------|--------------------------------|----------------|---|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| Joseph Pinto | - | 39,420 | - | - | - | - | 39,420 | - |
| Giuseppe Graziano | 29,200 | 39,420 | - | - | - | - | 68,620 | - |
| David Wheeler | - | 39,420 | - | - | - | - | 39,420 | - |
| | 29,200 | 118,260 | - | - | - | - | 147,460 | |

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Directors' Report (continued)

Remuneration Report (Audited) (continued)

Number of Shares Held by Key Management Personnel

| 2023 | Balance 1 July 2022 | Granted As Compensation | At appointment/resignation | Purchased | Sold | Net Change Other* | Balance 30 June 2023 |
|--------------------------------|---------------------|-------------------------|----------------------------|-----------|----------|--------------------|----------------------|
| Giuseppe Graziano ¹ | 16,666,667 | - | - | - | - | - | 16,666,667 |
| David Wheeler ¹ | 20,166,667 | - | - | - | - | - | 20,166,667 |
| Paul Williams | - | - | 61,982,149 | - | - | 72,920,176 | 134,902,325 |
| Peter Spitalny | - | - | 81,202,869 | - | - | 81,202,869 | 162,405,739 |
| Joseph Pinto | 90,000,000 | - | (90,000,000) | - | - | - | - |
| Total | 126,833,334 | - | 53,185,018 | - | - | 154,123,045 | 334,141,398 |

Note 1: 16,666,667 securities held by Pathways Corp Investments Pty Ltd <the PC Investment A/C> of which Messrs Graziano and Wheeler have a relevant interest

Number of Listed and Incentive Options Held by Key Management Personnel

| 2023 | Balance 1 July 2022 | Granted As Compensation | At appointment/resignation | Exercised | Net Change Other* | Balance 30 June 2023 | Unvested and not exercisable |
|--------------------------------|---------------------|-------------------------|----------------------------|-----------|-------------------|----------------------|------------------------------|
| Giuseppe Graziano ¹ | - | 72,000,000 | - | - | - | 72,000,000 | - |
| David Wheeler ¹ | - | 72,000,000 | - | - | - | 72,000,000 | - |
| Paul Williams | - | - | 33,341,074 | - | - | 33,341,074 | - |
| Peter Spitalny | - | - | 40,601,435 | - | - | 40,601,435 | - |
| Joseph Pinto | - | 30,000,000 | (30,000,000) | - | - | - | - |
| Total | - | 174,000,000 | 43,942,509 | - | - | 217,942,509 | - |

Note 1: 72,000,000 securities held by Pathways Corp Investments Pty Ltd <the PC Investment A/C> of which Messrs Graziano and Wheeler have a relevant interest

Refer to Note 11 – Share based payments.

Number of Performance Shares Held by Key Management Personnel

| 2023 | Balance 1 July 2022 | Granted As Compensation | At appointment/resignation | Vested | Net Change Other* | Balance 30 June 2023 |
|-------------------|---------------------|-------------------------|----------------------------|----------------------|-------------------|----------------------|
| Joseph Pinto | - | - | - | - | - | - |
| Giuseppe Graziano | - | - | - | - | - | - |
| David Wheeler | - | - | - | - | - | - |
| Paul Williams | - | - | 72,920,176 | (72,920,176) | - | - |
| Peter Spitalny | - | - | 81,202,869 | (81,202,869) | - | - |
| Total | - | - | 154,123,405 | (154,123,045) | - | - |

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

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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 \$18,000 for the year ended 30 June 2023 for these services, plus reimbursement of accounting services of \$28,610 and travel expenditure of \$21,142 were charged during the year.

Hanree Holdings Pty Ltd, a company of which Mr Spitalny is a director and shareholder, provided the Group with GIS services and charged \$27,833 for the year ended 30 June 2023 for these services, plus reimbursement of expenses of \$10,933 were charged during the year.

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

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

End of Remuneration 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.

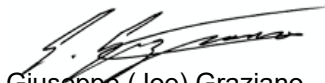
The Company's Corporate Governance Statement is current as of the date of this report and it has been approved by the Board. The Corporate Governance Statement is available on the Company's website at: <http://www.tyrannaresources.com/about/corporate-governance>

This Corporate Governance Statement discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its Corporate Governance Principles and Recommendations 4th Edition (Recommendations). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons for not following them, along with what (if any) alternative governance practices have been adopted in lieu of the Recommendation.

Consent of Competent Persons

The information in this report that relates to exploration results for the Namibe Lithium Project is based on, and fairly represents, information and supporting geological information and documentation that has been compiled by Mr Peter Spitalny who is a Member of the AusIMM. Mr Spitalny is employed of Han-Ree Holdings Pty Ltd and provides his services to Tyranna as their Principal Technical Advisor. Mr Spitalny has more than five years relevant experience in the exploration of pegmatites and qualifies as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Spitalny consents to the inclusion of the information in this report in the form and context in which it appears.

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



Giuseppe (Joe) Graziano
Director

Dated this 29th day of September 2023

To The Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the audit of the financial statements of Tyranna Resources Limited for the financial year ended 30 June 2023, 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,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark DeLaurentis
MARK DELAURENTIS CA
Director

Dated this 29th day of September 2023
Perth, Western Australia

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME For the Year Ended 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|--------------------|------------------|
| Revenue and other income | 2 | 14,467 | 127,631 |
| Expenses | | | |
| Administrative expense | | (251,763) | - |
| Consultancy expenses | | (407,489) | (459,252) |
| Compliance and regulatory expenses | | (159,260) | (49,617) |
| Director fees | | (634,531) | (118,260) |
| Finance costs | | - | (40,642) |
| Legal fees | | (208,611) | (88,831) |
| Employee expenditure | | (64,864) | |
| Occupancy costs | | (18,000) | (22,832) |
| Exploration costs | | (1,526,065) | (131,342) |
| Share based payments | 10 | (3,843,150) | |
| Travel costs | | (390,538) | |
| Other expenses from ordinary activities | | (9,559) | (535) |
| Fair value losses on financial assets at fair value through profit or loss | | (103,080) | |
| Loss before income tax | | (7,602,443) | (783,681) |
| Income tax benefit | 16 | - | - |
| Loss for the year | | (7,602,443) | (783,681) |
| Other comprehensive income | | | |
| Foreign exchange | | 2,753 | (2,191) |
| Total other comprehensive income, net of tax | | 2,753 | (2,191) |
| Total comprehensive loss | | (7,599,690) | (785,872) |
| Loss per share (cents per share) | 8 | (0.3) | (0.06) |

The accompanying notes form part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|-------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 333,282 | 3,032,713 |
| Trade and other receivables | 4 | 50,919 | 23,899 |
| Financial assets | | - | 268,359 |
| TOTAL CURRENT ASSETS | | 384,201 | 3,324,971 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 4 | 267,740 | 187,997 |
| Tenement acquisition costs | 5 | - | 50,000 |
| Exploration and evaluation expenditure | 6 | 37,179,975 | 219,721 |
| Property plant and equipment | | 4,637 | - |
| TOTAL NON-CURRENT ASSETS | | 37,452,352 | 457,718 |
| TOTAL ASSETS | | 37,836,553 | 3,782,688 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 290,998 | 117,356 |
| TOTAL CURRENT LIABILITIES | | 290,998 | 117,356 |
| TOTAL LIABILITIES | | 290,998 | 117,356 |
| NET ASSETS | | 37,545,555 | 3,665,332 |
| EQUITY | | | |
| Issued capital | 9 | 113,710,420 | 87,035,612 |
| Reserve | 10 | 15,413,344 | 605,486 |
| Accumulated losses | | (91,578,209) | (83,975,766) |
| TOTAL EQUITY | | 37,545,555 | 3,665,332 |

The accompanying notes form part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2023

| | Issued Capital \$ | Share Based Payment Reserve \$ | Rights Reserve \$ | Foreign Currency Translation Reserve \$ | Accumulated Losses \$ | Total \$ |
|--|-------------------------|--------------------------------------|-------------------------|---|-----------------------------|-------------------|
| Balance at 1 July 2022 | 87,035,612 | 641,154 | - | (35,668) | (83,975,766) | 3,665,332 |
| Loss for the year | - | - | - | - | (7,602,443) | (7,602,443) |
| Other comprehensive loss | - | - | - | 2,753 | - | 2,753 |
| Total comprehensive loss for the year | - | - | - | 2,753 | (7,602,443) | (7,599,690) |
| <i>Transaction with owners, in the capacity as owners, and other transfers</i> | | | | | | |
| Shares issued for mineral properties | 3,500,000 | 9,877,352 | 21,700,000 | - | - | 35,077,352 |
| Advisor fees | 525,000 | 1,481,603 | - | - | - | 2,006,603 |
| Consultants | 397,000 | 59,630 | - | - | - | 456,630 |
| Transaction costs | (2,839) | - | - | - | - | (2,839) |
| Officer Options | - | 3,386,520 | - | - | - | 3,386,520 |
| Conversion of performance rights | 21,700,000 | - | (21,700,000) | - | - | - |
| Exercise of Options | 555,647 | - | - | - | - | 555,647 |
| Balance at 30 June 2023 | 113,710,420 | 15,446,259 | - | (32,915) | (91,578,209) | 37,545,555 |
| Balance at 1 July 2021 | 85,828,754 | 641,154 | - | (33,477) | (83,192,085) | 3,244,346 |
| Loss for the year | - | - | - | - | (783,681) | (783,681) |
| Other comprehensive loss | - | - | - | (2,191) | - | (2,191) |
| Total comprehensive loss for the year | - | - | - | (2,191) | (783,681) | (785,872) |
| <i>Transaction with owners, in the capacity as owners, and other transfers</i> | | | | | | |
| Shares issued during the year | 1,100,000 | - | - | - | - | 1,100,000 |
| Settlement of liabilities | 180,000 | - | - | - | - | 180,000 |
| Transaction costs | (73,142) | - | - | - | - | (73,142) |
| Balance at 30 June 2022 | 87,035,612 | 641,154 | - | (35,668) | (83,975,766) | 3,665,332 |

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|----------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments for exploration and evaluation activity | | (1,722,339) | (367,231) |
| Payments to suppliers and employees | | (1,715,623) | (581,444) |
| Interest received | | 14,161 | 451 |
| Net cash outflows from operating activities | 16 | (3,423,801) | (948,224) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Tenement acquisition costs | | - | (50,000) |
| Proceeds from disposal of exploration assets | | - | 2,400,000 |
| Proceeds from disposal of financial assets | 12 | 176,747 | 275,762 |
| Net cash (outflows)/inflows from investing activities | | 176,747 | 2,625,762 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of shares | | 555,647 | 1,100,000 |
| Transaction costs | | (3,173) | (73,142) |
| Loans from / (loan settlement to) other entities | | - | (85,324) |
| Net cash provided inflows from financing activities | | 552,474 | 941,534 |
| Net increase/(decrease) in cash held | | (2,694,580) | 2,619,072 |
| Cash at beginning of financial year | | 3,032,713 | 418,645 |
| Effects of exchange rate changes on cash | | (4,851) | (5,004) |
| Closing Cash and Cash Equivalents | 3 | 333,282 | 3,032,713 |

The accompanying notes form part of these consolidated financial statements.

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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 29 September 2023.

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 \$7,602,443 (2022: \$783,681). The Group incurred net cash outflow for the year of \$2,694,580 (2022: inflow of \$2,619,071) which has resulted in the Group's cash and cash equivalents balance decreasing from \$3,032,713 to \$333,282 as at 30 June 2023, with \$14,500,000 cash being received in July 2023.

The Directors have prepared an estimated cash flow forecast for the period to September 2024 to determine if the Group will require additional funding during the next 15-month period, which it does not.

c. Principles of Consolidation

The consolidated financial statements comprise the financial statements of Tyranna Resources Ltd and its subsidiaries as at 30 June 2023.

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 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 |
|-----------------------------|--------------------------|
| Motor Vehicles | 20% |
| Plant and Equipment | 20 – 33% |
| Computer Equipment | 20 – 33% |

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

(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

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.

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.

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:

Acquisition of Angolan Minerals Pty Ltd

The directors valued the of the fully paid ordinary shares issued as consideration for the acquisition of Angolan Minerals Pty Ltd at the date the transaction was entered into, not the grant date, as this reflected the fair value of the asset at the transaction date. The unquoted options and performance shares issued as part of the acquisition of Angolan Minerals Pty Ltd were valued at grant date.

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 11.

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.

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.

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. 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 either capitalised or 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.

x. Application of New and Revised Accounting Standards

In the period ended 30 June 2023, 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. As a result of this review the Directors have determined that there is no material impact of new and revised accounting standards, therefore, no changes are necessary to Group accounting policies.

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 2023. 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

| | 2023 \$ | 2022 \$ |
|---------------------------------------|---------------|----------------|
| Interest earned | 14,161 | 451 |
| Gain on sale of shares in Marmota Ltd | - | 52,713 |
| Revaluation of shares in Marmota Ltd | - | 74,467 |
| Other income | 306 | - |
| | 14,467 | 127,631 |

NOTE 3: CASH AND CASH EQUIVALENTS

| | 2023 \$ | 2022 \$ |
|--------------------------|----------------|------------------|
| Cash at bank and in hand | 333,282 | 4,310 |
| Short-term bank deposits | | 3,028,403 |
| | 333,282 | 3,032,713 |

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

NOTE 4: TRADE AND OTHER RECEIVABLES

| | 2023 \$ | 2022 \$ |
|-----------------------------|----------------|----------------|
| CURRENT | | |
| GST receivable | 18,484 | 12,430 |
| Other receivables | 32,435 | 11,469 |
| | 50,919 | 23,899 |
| NON-CURRENT | | |
| Other assets | 95,000 | 95,000 |
| Trade and other receivables | 172,740 | 92,997 |
| | 267,740 | 187,997 |

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 5: TENEMENT ACQUISITION COSTS

| | 2023 \$ | 2022 \$ |
|---|------------|---------------|
| Opening balance | 50,000 | - |
| Angolan Minerals ⁽ⁱ⁾ | - | 50,000 |
| Transferred to exploration and evaluation expenditure | (50,000) | - |
| | - | 50,000 |

- (i) On 16 May 2022, the Company announced it had executed a binding terms sheet to acquire an 80% interest in Angolan Minerals Pty Ltd ("Angolan Minerals"). Tyranna agreed to pay a fee of \$50,000 (plus GST) to Angolan Minerals for a 30-day exclusivity period during which Tyranna and the Sellers executed a formal share sale agreement. The transaction was completed on 18 August 2023.

NOTE 6: EXPLORATION AND EVALUATION EXPENDITURE

| | 30 June 2023 \$ | 30 June 2022 \$ |
|--|--------------------------------|--------------------------------|
| Carrying amount at beginning of the period | 219,721 | 219,721 |
| Acquired tenement ⁽ⁱ⁾ | 37,083,955 | - |
| Expenditure written off | (123,701) | - |
| Carrying amount at end of the period | 37,179,975 | 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.

(i) Acquired tenement

| | No of shares | Total \$ |
|---|---------------------|---------------------|
| Shares issued for mineral properties | 700,000,000 | 3,500,000 |
| Performance shares for mineral properties | 700,000,000 | 21,700,000 |
| Options issued for mineral properties | 350,000,000 | 9,877,352 |
| Advisor shares | 105,000,000 | 525,000 |
| Advisor options | 52,500,000 | 1,481,603 |
| | | 37,083,955 |

The directors valued the of the fully paid ordinary shares issued as consideration for the acquisition of Angolan Minerals Pty Ltd at the date the transaction was entered into, not the grant date, as this reflected the fair value of the asset at the transaction date. The unquoted options and performance shares issued as part of the acquisition of Angolan Minerals Pty Ltd were valued at grant date.

NOTE 7: TRADE AND OTHER PAYABLES

| | 2023 \$ | 2022 \$ |
|----------------------|--------------------|--------------------|
| Accounts payable (i) | 248,887 | 72,411 |
| Accruals | 42,111 | 44,945 |
| | 290,998 | 117,356 |

- (i) Accounts payable are generally non-interest bearing and on a 30-day terms. Related entity payables are further discussed in Note 12.

NOTE 8: 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:

| | 2023 \$ | 2022 \$ |
|---|--------------------|--------------------|
| Profit / (Loss) attributable to ordinary shareholders | (7,602,443) | (783,681) |
| | No. | No. |
| Weighted average number of ordinary shares | 2,340,814,507 | 1,311,018,200 |

Diluted earnings per share

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There were no dilutive options on issue at balance date.

NOTE 9: ISSUED CAPITAL

a. Ordinary shares

| | 2023 | 2023 | 2022 | 2022 |
|--|---------------|-------------|---------------|------------|
| | No | \$ | No | \$ |
| Balance at beginning of reporting period | 1,532,360,667 | 87,035,612 | 1,282,360,667 | 85,828,754 |
| Shares issued to sophisticated investors | - | - | 220,000,000 | 1,100,000 |
| Shares issued to convert debt to equity | - | - | 30,000,000 | 180,000 |
| Shares issued to vendors | 700,000,000 | 3,500,000 | - | - |
| Shares issued to consultants | 118,500,000 | 922,000 | - | - |
| Shares issued from exercise of options | 55,564,658 | 555,647 | - | - |
| Conversion of performance shares | 700,000,000 | 21,700,000 | - | - |
| Less share issue costs | | (2,839) | - | (73,142) |
| Balance at end of reporting period | 3,106,425,325 | 113,710,420 | 1,532,360,667 | 87,035,612 |

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 12: Key Management Personnel, Note 10: Reserves, and Note 11: 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.

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NOTE 10: RESERVES

| Options and performance rights | 2023 | 2023 | 2022 | 2022 |
|--|---------------|--------------|---------------|---------|
| | No | \$ | No | \$ |
| Balance at beginning of reporting period | - | 641,154 | 303,963,259 | 641,154 |
| Performance shares for mineral properties ⁽ⁱ⁾ | 700,000,000 | 21,700,000 | - | - |
| Performance shares for mineral properties ⁽ⁱ⁾ | (700,000,000) | (21,700,000) | - | - |
| Options issued for mineral properties ⁽ⁱ⁾ | 350,000,000 | 9,877,352 | - | - |
| Advisor options | 52,500,000 | 1,481,603 | - | - |
| Officer options | 120,000,000 | 3,386,522 | - | - |
| Consultant options | 2,000,000 | 59,630 | - | - |
| Placement options | 110,000,000 | - | - | - |
| Options exercised | (55,564,658) | - | - | - |
| Options expired | - | - | (303,963,259) | - |
| Balance at end of reporting period | 578,935,342 | 15,446,259 | - | 641,154 |

(i) On 18 August 2022, Tyranna announced the completion of the Acquisition of an 80% of the issued capital (Sale Shares) and 100% of the issued options (Sale Options) (collectively Sale Securities) Angolan Minerals Pty Ltd ("Angolan Minerals", the "Sellers"). Tyranna issued 700,000,000 fully paid ordinary shares at \$0.005 per share in the Company (Consideration Shares), 350,000,000 options to acquire shares in the Company, exercisable at \$0.01 per share on or before 30 June 2025 (Consideration Options), and 700,000,000 performance shares, convertible into Tyranna shares on satisfaction of the performance milestones (Performance Shares), as consideration for the Sale Securities. The Performance rights vested on 23 May 2023.

Share-based payment Reserve

The share-based payment reserve records the valuation of employee share options/rights. Refer to Note 11 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 11: SHARE-BASED PAYMENTS

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.

OPTIONS – INCENTIVE

The incentive options outstanding at 30 June 2023 had a weighted average exercise price of \$0.01 (2022: \$nil) and a weighted average remaining contractual life of 2 years (2022: nil years). Exercise prices of these options are \$0.01 (2022: \$nil) and the weighted average fair value of the options granted during the year were \$0.0282 (2022: \$nil).

| | 2023 | 2023 | 2022 | 2022 |
|--|---------------|------------------------------------|---------------|------------------------------------|
| | No of Options | Weighted Average Exercise Price \$ | No of Options | Weighted Average Exercise Price \$ |
| Outstanding at the beginning of the year | - | - | 303,963,259 | 0.04 |
| Granted | 120,000,000 | 0.01 | - | - |
| Exercised | (30,000,000) | 0.01 | - | - |
| Expired | - | - | (303,963,259) | 0.04 |
| Outstanding at year-end | 90,000,000 | 0.01 | - | - |
| Exercisable at year-end | 90,000,000 | 0.01 | - | - |

NOTE 11: SHARE-BASED PAYMENTS (CONTINUED)

The tables below list the options in existence during previous year and options issued during the year:

| | <i>Grant Date</i> | <i>Expiry Date</i> | <i>Exercise Price</i> | <i>Grant date fair value</i> | <i>Vesting date</i> | <i>Number of Options</i> |
|---|-------------------|--------------------|-----------------------|------------------------------|---------------------|--------------------------|
| 1 | 18 August 2022 | 30 June 2025 | 0.01 | 0.0282 | 23 May 2023 | 522,500,000 |
| 2 | 19 Sept 2022 | 19 Sept 2024 | 0.07 | 0.309 | 19 Sept 2024 | 1,000,000 |
| 3 | 19 Sept 2022 | 19 Sept 2024 | 0.10 | 0.287 | 19 Sept 2024 | 1,000,000 |

Options granted during the year detailed above as Share-based Payments are as follows:

| | 2023 | 2022 |
|--|------------------|-------------|
| | \$ | \$ |
| Total share-based payments for the year | 40,927,106 | - |
| Share-based payments recognised as capital raising costs | (37,083,955) | - |
| Share-based payments expense | 3,843,151 | - |

The fair value of the equity-settled share options granted during the year is estimated at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

| | 1 | 2 | 3 |
|---------------------------------|-------|-------|-------|
| Expected volatility (%) | 162 | 148 | 148 |
| Risk-free interest rate (%) | 3.86 | 3.03 | 3.03 |
| Expected life of option (years) | 2.91 | 2 | 2 |
| Exercise price (cents) | 0.01 | 0.075 | 0.10 |
| Grant date share price | 0.031 | 0.048 | 0.048 |

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

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

| | 2023 | 2022 |
|-------------------------------|------------------|----------------|
| | \$ | \$ |
| Settlement of liabilities | - | 180,000 |
| Officer options | 3,386,520 | - |
| Options issued to consultants | 59,630 | - |
| Shares issued to consultants | 397,000 | - |
| | 3,843,150 | 180,000 |

NOTE 12: FINANCIAL ASSETS

| | 2023 | 2022 |
|--|-------------|----------------|
| | \$ | \$ |
| Carrying amount at beginning of the period | 268,359 | - |
| Additions – Marmota ⁽ⁱ⁾ | - | 429,644 |
| Sales | (215,645) | (275,762) |
| Adjustment for fair value | (52,713) | 114,477 |
| | - | 268,359 |

(i) On 15 November 2021, Tyranna Resources Limited (ASX: TYX) (Tyranna or the Company) announced completion of the sale of the Jumbuck Gold Project to Marmota Limited (Marmota) (Transaction). In accordance with the Share and Asset Sale Agreement, Tyranna can confirm receipt of \$3,000,000 for the Jumbuck Gold Project, comprised of:

a. \$2,500,000 total cash consideration, \$300,000 of which Tyranna had received in the prior financial year; and

b. 9,547,626 fully paid ordinary shares in Marmota at an issue price of \$0.0524 per share, being the volume weighted average price of Marmota's shares over the six months prior to the announcement of the Transaction. The Company notes Marmota's closing price on 12 November was \$0.045.

NOTE 13: 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.

| | 2023 \$ | 2022 \$ |
|--------------------------------|------------------|----------------|
| Short term employment benefits | 624,531 | 147,460 |
| Post-employment benefits | 2,878,542 | - |
| Total remuneration | 3,503,073 | 147,460 |

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

Transactions with related entities:

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 \$18,000 for the year ended 30 June 2023 for these services, plus reimbursement of accounting services of \$28,610 and travel expenditure of \$21,142 were charged during the year.

Hanree Holdings Pty Ltd, a company of which Mr Spitalny is a director and shareholder, provided the Group with GIS services and charged \$27,833 for the year ended 30 June 2023 for these services, plus reimbursement of expenses of \$10,933 were charged during the year.

NOTE 14: AUDITORS' REMUNERATION

| | 2023 \$ | 2022 \$ |
|---|---------------|---------------|
| Remuneration of the auditor of the Group for: | | |
| Auditing and reviewing financial reports | 41,919 | 40,981 |
| Other services | - | - |
| | 41,919 | 40,981 |

NOTE 15: COMMITMENTS

| | 2023 \$ | 2022 \$ |
|---|------------|----------------|
| <i>Tenement Commitments</i> | | |
| Not longer than one year | - | 221,106 |
| Longer than one year, but not longer than five years up to 2026 | - | - |
| Longer than five years | - | - |
| | - | 221,106 |
| <i>Capital Commitments</i> | | |
| Not longer than one year | - | - |
| | - | - |

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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 16: CASH FLOW INFORMATION

| Reconciliation of net loss after income tax to the net cash flows from operations | 2023 | 2022 |
|--|--------------------|------------------|
| | \$ | \$ |
| - Loss for the year | (7,602,443) | (783,681) |
| Non-cash items | | |
| - Share based payments | 3,843,150 | 180,000 |
| - Gain on sale of shares in Marmota Ltd | 50,367 | (52,713) |
| - Revaluation of shares in Marmota Ltd | 52,713 | (74,467) |
| - exploration and evaluation assets capitalised | (331,327) | - |
| - (Reversal)/impairment of exploration and evaluation assets | 515,379 | - |
| - Foreign translation reserve | (35,844) | (2,508) |
| Reclassification to investing activities | | |
| - Proceeds from disposal of financial assets | - | 11,469 |
| Reclassification to financing activities | | |
| - Loan to other entities | - | 85,234 |
| Changes in operating assets and liabilities | | |
| - Decrease / (Increase) in trade and other receivables | (95,294) | (96,775) |
| - Increase / (decrease) in trade & other payables | 176,569 | (214,873) |
| Net cash outflows from operating activities | (3,426,730) | (948,224) |

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NOTE 17: TAXATION

| | 2023 | 2022 |
|---|--------------|--------------|
| | \$ | \$ |
| a) Income tax benefit | | |
| Current tax | - | - |
| Deferred tax | - | - |
| | - | - |
| (b) Reconciliation of income tax expense to prima facie tax payable | | |
| Profit/(Loss) from ordinary activities before income tax | (7,602,443) | (783,681) |
| The prima facie tax (payable)/refundable on profit/(loss) from ordinary activities before income tax at 25% (2022: 25%) | (1,900,611) | (195,920) |
| Add / (Less) Tax effect of: | | |
| Share based payments | 960,788 | - |
| Legal fees | 52,133 | 12,823 |
| Sale of shares | 25,770 | (2,026) |
| Sale of tenements | - | - |
| Deferred tax assets not brought to account | 861,920 | 185,123 |
| Income tax attributable to operating profit/(loss) | - | - |
| Income tax benefit | - | - |
| (c) Deferred tax assets | | |
| Tax losses | 22,934,264 | 22,066,682 |
| Provisions and accruals | - | - |
| Capital raising costs | 7,294 | 7,858 |
| | 22,941,558 | 22,074,540 |
| Set-off deferred tax liabilities pursuant to set-off provisions | - | (13,178) |
| Net deferred tax assets | 22,941,558 | 22,061,362 |
| Less: deferred tax assets not recognised | (22,941,558) | (22,061,362) |
| Net tax assets | - | - |
| (d) Deferred tax liabilities | | |
| Exploration expenditure | - | - |
| Revaluation of other investments | - | 13,178 |
| | - | 13,178 |
| Set-off deferred tax assets pursuant to set-off provisions | - | (13,178) |
| Net deferred tax assets | - | - |
| (e) Tax Losses | | |
| Unused tax losses for which no deferred tax asset has been recognised | 91,737,057 | 88,266,728 |
| Potential tax benefit @ 25% (2022: 25%) | 22,934,264 | 22,066,682 |

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NOTE 17: TAXATION (CONTINUED)

- (f) The potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2023 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 18: FINANCIAL RISK MANAGEMENT

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

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

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

Treasury Risk Management

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

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

(a) Market Risk

Interest Rate Risk

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

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

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

Sensitivity Analysis

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

NOTE 18: FINANCIAL RISK MANAGEMENT (CONTINUED)

| | Carrying Amount | Interest Rate Risk | | Interest Rate Risk | |
|---------------------|-----------------|--------------------------|-------------|--------------------------|-------------|
| | | -1% | | +1% | |
| | | Net Profit / (Loss) (\$) | Equity (\$) | Net Profit / (Loss) (\$) | Equity (\$) |
| 30 June 2023 | | | | | |
| Cash | 333,282 | (3,333) | (3,333) | 3,333 | 3,333 |
| 30 June 2022 | | | | | |
| Cash | 3,032,713 | (30,327) | (30,327) | 30,327 | 30,327 |

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.

(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.

NOTE 18: FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

| | Weighted Average Effective Interest Rate % | Less than one month (\$) | 1 to 3 Months (\$) | 3 Months to 1 year (\$) | 1 to 5 Years (\$) | Total (\$) |
|------------------------------|--|--------------------------------|--------------------------|-------------------------------|-------------------------|------------------|
| 2023 | | | | | | |
| Financial Assets | | | | | | |
| Non-interest bearing | | - | 18,484 | - | - | 18,484 |
| Variable interest rate | 0.00 | 333,282 | - | - | - | 333,282 |
| | | 333,282 | 18,484 | - | - | 351,766 |
| Financial Liabilities | | | | | | |
| Non-interest bearing | | 290,998 | - | - | - | 290,998 |
| | | 290,998 | - | - | - | 290,998 |
| 2022 | | | | | | |
| Financial Assets | | | | | | |
| Non-interest bearing | | 23,899 | 268,359 | - | - | 292,258 |
| Variable interest rate | 0.00 | 3,032,713 | - | - | - | 3,032,713 |
| | | 3,056,612 | 268,359 | - | - | 3,324,971 |
| Financial Liabilities | | | | | | |
| Non-interest bearing | | - | 117,356 | - | - | 117,356 |
| | | - | 117,356 | - | - | 117,356 |

(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 19: PARENT ENTITY DISCLOSURES

| | 2023 | 2022 |
|-----------------------------------|---------------------|------------------|
| | \$ | \$ |
| a) Financial Position | | |
| Assets | | |
| Current assets | 285,377 | 3,353,775 |
| Non-current assets | 85,000 | 335,000 |
| Total assets | 370,377 | 3,688,775 |
| Liabilities | | |
| Current liabilities | 77,538 | 88,971 |
| Non-current liabilities | - | - |
| Total liabilities | 77,538 | 88,971 |
| Equity | | |
| Issued capital | 114,228,044 | 87,035,612 |
| Reserve | 15,446,259 | 641,154 |
| Accumulated Losses | (129,381,464) | (84,076,962) |
| Total Equity | 292,839 | 3,599,804 |
| b) Financial Performance | | |
| Profit /(Loss) for the year | (45,304,502) | (838,585) |
| Other comprehensive income | - | - |
| Total comprehensive income | (45,304,502) | (838,585) |

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

No guarantees have been provided by the parent entity in relation to the debts of its subsidiaries.

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 within 48 months of Completion of the commencement of 1,000 metres of reverse circulation drilling on targets identified by the Company's proposed moving loop Electromagnetic survey to be conducted on the Tenements; and, 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 48 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:
 - 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
 - Pay the Vendors an aggregate amount of \$1,000,000 in cash.

NOTE 20: CONTROLLED ENTITIES

| Name of Entity | Incorporated | Ownership % |
|---|--------------|-------------|
| Trafford Resources Pty Ltd ⁽¹⁾ | Australia | 100% |
| Telescope Investments Pty Ltd ⁽²⁾ | Australia | 100% |
| Coastal Shipping Pty Ltd ⁽³⁾ | Australia | 100% |
| US Cobalt Pty Ltd ⁽⁴⁾ | Australia | 100% |
| Columbia Pass Inc ⁽⁵⁾ | USA | 100% |
| Clean Power Resources Pty Ltd ⁽⁶⁾ | Australia | 100% |
| Angolan Minerals Pty Ltd ⁽⁷⁾ | Australia | 80% |
| AM (Mauritius) Ltd ⁽⁸⁾ | Mauritius | 80% |
| Angolito – Exploração Mineira (SU), Limitada ⁽⁹⁾ | Angola | 80% |

- (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) Coastal Shipping Logistic Pty Ltd is a wholly owned subsidiary of Tyranna Resources Ltd.
(4) US Cobalt Pty Ltd is a wholly owned subsidiary of Tyranna Resources Ltd.
(5) Columbia Pass Inc is a wholly owned subsidiary of US Cobalt Pty Ltd.
(6) Clean Power Resources Pty Ltd is a wholly owned subsidiary of Tyranna Resources Ltd.
(7) Angolan Minerals Pty Ltd is 80% owned by Tyranna Resources Limited
(8) AM (Mauritius) Ltd is a wholly owned subsidiary of Angolan Minerals
(9) Angolito – Exploração Mineira (SU), Limitada is a wholly owned subsidiary of AM (Mauritius) Ltd

NOTE 21: CONTINGENT ASSETS AND LIABILITIES

Contingent Assets

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 (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

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 within 48 months of Completion of the commencement of 1,000 metres of reverse circulation drilling on targets identified by the Company's proposed moving loop Electromagnetic survey to be conducted on the Tenements; and, 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 48 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, Tyranni must, at the election of Tyranna, either:
- 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
 - Pay the Vendors an aggregate amount of \$1,000,000 in cash.

The Group entered royalty deed with CPS Capital Pty Ltd, whereby CPS will receive a royalty of 0.75% of any gross revenue received under the Offtake Agreement between Sinomine and Tyranna for both 50% of the spodumene and 50% of the pollucite from the Namibe Lithium Project.

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

NOTE 22: 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.

NOTE 22: OPERATING SEGMENTS (CONTINUED)

(a) Segment performance

| | Exploration Angola \$ | Exploration WA \$ | Unallocated/ Corporate \$ | Total \$ | |
|--|-----------------------------|-------------------------|---------------------------------|---------------------------------|------------------|
| Period ended 30 June 2023 | | | | | |
| Segment revenue | | | | | |
| <i>Reconciliation of segment revenue to Group's revenue</i> | - | - | - | - | |
| Interest and other income | | | 14,467 | 14,467 | |
| Total revenue | | | | 14,467 | |
| Segment result | | | | | |
| <i>Reconciliation of segment result to Group's net loss before tax</i> | | | | | |
| Unallocated items: | | | | | |
| Loss on sale of assets | | | | (103,163) | |
| Net corporate charges | | | | (5,635,681) | |
| Exploration expensed | | | | (1,878,066) | |
| Impairment | | | | - | |
| Net loss before income tax | | | | (7,602,443) | |
| | \$ | Exploration WA \$ | Exploration SA \$ | Unallocated/ Corporate \$ | Total \$ |
| Period ended 30 June 2022 | | | | | |
| Segment revenue | | | | | |
| <i>Reconciliation of segment revenue to Group's revenue</i> | - | - | - | - | - |
| Net interest income | | | | 451 | 451 |
| Total revenue | | | | | 451 |
| Segment result | (1,133,386) | 4,571,415 | | 451 | 3,438,480 |
| <i>Reconciliation of segment result to Group's net loss before tax</i> | | | | | |
| Unallocated items: | | | | | |
| Net corporate charges | | | | | (4,090,904) |
| Exploration expensed | | | | | (131,342) |
| Impairment | | | | | 85 |
| Net loss before income tax | | | | | (783,681) |

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NOTE 22: OPERATING SEGMENTS (CONTINUED)

(b) Segment assets

| | Exploration Angola \$ | Exploration WA \$ | Total \$ |
|---|-----------------------------|-------------------------|-------------------|
| Period ended 30 June 2023 | | | |
| Segment assets | | | |
| <i>Reconciliation of segment assets to Group's assets</i> | 37,357,352 | 95,000 | 37,452,352 |
| <i>Unallocated items:</i> | | | |
| Cash and cash equivalents | | | 333,282 |
| Trade and other receivables | | | 50,919 |
| Financial assets | | | - |
| Total assets | | | 37,836,553 |

| | Exploration NSW \$ | Exploration WA \$ | Exploration SA \$ | Total \$ |
|---|--------------------------|-------------------------|-------------------------|------------------|
| Period ended 30 June 2022 | | | | |
| Segment assets | - | 314,721 | - | 314,721 |
| <i>Reconciliation of segment assets to Group's assets</i> | | | | |
| <i>Unallocated items:</i> | | | | |
| Cash and cash equivalents | | | | 3,032,713 |
| Trade and other receivables | | | | 166,895 |
| Financial assets | | | | 268,359 |
| Total assets | | | | 3,782,688 |
| Additions/(reductions) in segment assets for the year: | | | | |
| Revaluation of assets held for sale | - | - | (673,089) | (673,089) |
| Total additions/(reductions) | - | - | (673,089) | (673,089) |

NOTE 22: OPERATING SEGMENTS (CONTINUED)

(c) Segment liabilities

| | Exploration Angola \$ | Exploration WA \$ | Total \$ | |
|---|-----------------------------|-------------------------|-------------------------|----------------|
| Period ended 30 June 2023 | | | | |
| Segment liabilities | - | 16,916 | 16,916 | |
| <i>Reconciliation of segment liabilities to Group's liabilities</i> | | | | |
| <i>Unallocated items:</i> | | | | |
| Trade and other payables | | | 274,082 | |
| Total liabilities | | | 290,998 | |
| | Exploration NSW \$ | Exploration WA \$ | Exploration SA \$ | Total \$ |
| Period ended 30 June 2022 | | | | |
| Segment liabilities | - | - | - | - |
| <i>Reconciliation of segment liabilities to Group's liabilities</i> | | | | |
| <i>Unallocated items:</i> | | | | |
| Trade and other payables | | | | 117,356 |
| Total liabilities | | | | 117,356 |

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 23: EVENTS SUBSEQUENT TO REPORTING DATE

On 4 May 2023, Tyranna secured Sinomine Resource Group (Sinomine) as a major strategic investor and offtake partner with a projected total investment in excess of A\$31,000,000, with the transaction completing subsequent to the end of the financial year. Subsequent to the end of the year on 17 July 2023, Sinomine and Tyranna completed its funding agreement, providing immediate funding of A\$14,500,000 with Sinomine holding an option for an additional A\$16,750,000.

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, that are contained in pages 21 to 56 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards;
 - b. are in accordance with International Financial Reporting Standard issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements; and
 - c. give a true and fair view of the financial position as at 30 June 2023 and of the financial performance for the year ended on that date of the Company.
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.



Giuseppe (Joe) Graziano
Director

Dated this 29th day of September 2023

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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 2023, 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 2023 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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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.

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| Key Audit Matter | How our audit addressed the Key Audit Matter |
|--|---|
| <p>As disclosed in note 6 to the financial statements, the Company carried capitalised exploration and evaluation expenditure of \$37,179,975.</p> <p>Mineral exploration expenditure is a focus area due to:</p> <ul style="list-style-type: none"> • The significance of the balance to the Consolidated Entity's financial position. • The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"). 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. | <p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 <i>Exploration and Evaluation of Mineral Resources</i> ("AASB 6"); • Assessing the Consolidated Entity's rights to tenure for a sample of tenements; • By reviewing the status of the Consolidated Entity's tenure and planned future activities, reading board minutes and discussions with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the mineral exploration expenditure: <ul style="list-style-type: none"> ○ The licenses for the rights to explore expiring in the near future or are not expected to be renewed; ○ Substantive expenditure for further exploration in the area of interest is not budgeted or planned; ○ Decision or intent by the Consolidated Entity 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 recorded in full from successful development or sale; and ○ We also assessed the appropriateness of the related disclosures in note 6 to the financial statements. |

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| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|--|
| <p>Accounting for Acquisitions of Projects</p> <p>As disclosed in note 6 to the financial statements, the Group acquired Angolan Minerals Pty Ltd for consideration of \$37,083,955 (“the acquisitions”) via the issue of ordinary shares and options. The acquisitions have been accounted for in accordance with the requirements of AASB 2 Share Based Payments.</p> <p>Accounting for the acquisition constituted a key audit matter due to:</p> <ul style="list-style-type: none"> • The size and scope of the acquisition; • The complexities inherent in such a transaction; and <p>The judgement required in determining the value of the consideration transferred.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Reviewing the Share Sale and Purchase Agreements (“the agreements”) to obtain an understanding of the key terms and conditions; • Critically evaluating the accounting treatment in accordance with the relevant Australian Accounting Standards; • Assessing management’s valuation of the consideration issued including relevant assumptions; • Evaluating the acquisition date assets and liabilities acquired with reference to the agreements and supporting documentation; and • Assessing the appropriateness of relevant disclosures in note 6 to the financial statements. |

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 2023, 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.

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.

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 2023. 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 2023, complies with section 300A of the *Corporations Act 2001*.

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD


MARK DELAURENTIS CA
Director

Dated this 29th day of September 2023
Perth, Western Australia

Additional Information for Listed Public Companies

As at 15 September 2023

1. Shareholding

| a. Distribution of Shareholders | Number of Holders | Number Ordinary |
|---------------------------------|-------------------|-----------------|
| 1 – 1000 | 129 | 24,407 |
| 1001 - 5000 | 79 | 228,081 |
| 5,001 – 10,000 | 105 | 939,319 |
| 10,001 – 100,000 | 1,912 | 88,277,150 |
| 100,001 – and over | 1,372 | 3,196,956,368 |
| | 3,597 | 3,286,425,325 |

b. The number of shareholdings held in less than marketable parcels is 1,009.

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

| Shareholders | Number Ordinary |
|----------------|-----------------|
| Jason Peterson | 280,123,599 |
| Ross Ashton | 234,781,858 |
| Shane Lehmann | 233,555,872 |

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. | Freshwater Resources Pty Ltd <The Ashton Superfund A/C> | 234,546,858 | 7.14 |
| 2. | African Lithium (Hong Kong) Co. Limited | 180,000,000 | 5.48 |
| 3. | Mr Shane Paul Lehmann <Lehmann A/C> | 132,408,332 | 4.03 |
| 4. | Han-Ree Holdings Pty Ltd | 121,804,304 | 3.71 |
| 5. | Vig World Angola Lda | 105,000,001 | 3.19 |
| 6. | Mr Peter Christopher Wall + Mrs Tanya-Lee Wall <Wall Family Super Fund A/C> | 102,003,586 | 3.1 |
| 7. | Mr Shane Paul Lehmann + Mrs Caroline Jane Lehmann <The Lehmann Super Fund A/C> | 101,147,540 | 3.08 |
| 8. | Gssw Corp Pty Ltd | 96,272,338 | 2.93 |
| 9. | Pheakes Pty Ltd <Senate A/C> | 91,925,408 | 2.8 |

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONTINUED)

As at 15 September 2023

| | Name | CITICORP NOMINEES PTY LIMITED | % Held of Issued Ordinary Capital |
|-----|--|----------------------------------|--------------------------------------|
| 10. | Celtic Capital Pty Ltd <The Celtic Capital A/C> | 64,904,133 | 1.97 |
| 11. | Bnp Paribas Nominees Pty Ltd | 63,482,758 | 1.93 |
| 12. | Sunset Capital Management Pty Ltd <Sunset Superfund A/C> | 56,316,667 | 1.71 |
| 13. | Mrs Michelle Yvette Lehmann | 50,593,238 | 1.54 |
| 14. | Celtic Capital Pty Ltd <Income A/C> | 47,969,063 | 1.46 |
| 15. | Celtic Capital Pte Ltd <Investment 1 A/C> | 47,375,566 | 1.44 |
| 16. | Han-Ree Superannuation Pty Ltd <Han-Ree Super Fund A/C> | 40,601,435 | 1.24 |
| 17. | Coral Brook Pty Ltd <Lloyd Super Fund A/C> | 39,861,320 | 1.21 |
| 18. | Lindal Holdings Pty Ltd | 38,689,562 | 1.18 |
| | Mr Blair Snowball | 33,171,106 | 1.01 |
| 19. | Celtic Capital Pty Ltd <Celtic Capital No 2 A/C> | 31,000,000 | 0.94 |
| 20. | Coral Brook Pty Ltd <Lloyd Super Fund A/C> | 30,999,999 | 0.94 |

f. 20 Largest Option holders — Exercisable at \$0.01 and Expiring 30 June 2025

| | Name | Number of Options Held | % of Units |
|-----|--|---------------------------|------------|
| 1. | Pathways Corp Investments Pty Ltd <The Pc Investment A/C> | 72,000,000 | 11.49 |
| 2. | Freshwater Resources Pty Ltd <The Ashton Superfund A/C> | 56,390,881 | 9 |
| 3. | Gssw Corp Pty Ltd | 46,682,128 | 7.45 |
| 4. | Mr Shane Paul Lehmann <Lehmann A/C> | 39,853,996 | 6.36 |
| 5. | Han-Ree Holdings Pty Ltd | 30,451,076 | 4.86 |
| 6. | Admark Investments Pty Ltd <The Pinto Family A/C> | 30,000,000 | 4.79 |
| 7. | Mr Peter Christopher Wall + Mrs Tanya-Lee Wall <Wall Family Super Fund A/C> | 29,853,996 | 4.77 |
| 8. | Pheakes Pty Ltd <Senate A/C> | 26,536,885 | 4.24 |
| 9. | Mr Shane Paul Lehmann + Mrs Caroline Jane Lehmann <The Lehmann Super Fund A/C> | 26,536,885 | 4.24 |
| 10. | Vig World Angola LDA | 26,250,000 | 4.19 |
| 11. | Mandara Capital Pty Ltd <Williams Super Fund A/C> | 20,706,732 | 3.31 |
| 12. | Mr Blair Snowball | 20,428,033 | 3.26 |
| 13. | T Slate Nominees Pty Ltd <Tim Slate Family A/C> | 16,783,784 | 2.68 |
| 14. | Celtic Capital Pty Ltd <The Celtic Capital A/C> | 16,500,000 | 2.63 |
| 15. | Celtic Capital Pty Ltd <Celtic Capital No 2 A/C> | 16,000,000 | 2.55 |
| 16. | Celtic Capital Pty Ltd <Income A/C> | 14,700,000 | 2.35 |
| 17. | Mrs Michelle Yvette Lehmann | 13,268,443 | 2.12 |
| 18. | Tyranna Resources Ltd <Options Conversion A/C> | 13,064,658 | 2.09 |
| 19. | Han-Ree Superannuation Pty Ltd | 10,150,359 | 1.62 |
| 20. | S3 Consortium Pty Ltd | 10,000,000 | 1.6 |

2. The name of the company secretary is Tim Slate
3. The address of the registered office in Australia is Level 3, 101 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:
576,935,342 unquoted options exercisable at \$0.01 and Expiring 30 June 2025

ANNUAL REPORT 2023

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONTINUED)

SCHEDULE OF MINERAL TENEMENTS

As at 15 September 2023

| Western Australia Tenement Schedule | | | |
|-------------------------------------|---------------|-------------------------------|---------------------|
| Exploration License No | Tenement Name | Registered Holder | Beneficial Interest |
| E37/1353 | Weebo | Tyranna Resources Ltd | 100% |
| E37/1342 | Weebo | Tyranna Resources Ltd | 100% |
| E37/1366 | Knight | Clean Power Resources Pty Ltd | 100% |
| E29/1034 | Dragon | Clean Power Resources Pty Ltd | 100% |

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

| Angolan Tenement Schedule | | | |
|---------------------------------|---------------|--|---------------------|
| Exploration License No | Tenement Name | Registered Holder | Beneficial Interest |
| 001/02/01/T.P/ANG-MIREMPET/2022 | Namibe | Angolito – Exploração Mineira (SU), Limitada | 72% |

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